

Please find a statement from the Minister for Social Services, Christian Porter, below:

"The contention that the 2006 and 2013 welfare to work reforms have not proven a reliable way to boost single parent employment is incorrect. The data shows that welfare to work reforms do have the very positive effect of boosting single parent employment.

From 1 July 2006, new single principal carer parents (PCPs) could only receive Parenting Payment Single (PPS) while their youngest child was under 8 years. New PCPs with older children had to meet eligibility requirements for another income support payment, typically New start Allowance. Approximately 410,000 PPS recipients who had been in receipt of payment prior to 1 July 2006 were grandfathered.

On 1 January 2013, these grandfathering arrangements were removed and recipients with a youngest child aged 8 and over.

The 2006 and 2013 welfare to work reforms were designed to encourage parents to return to work sooner. Between January 2013 and July 2015, around 29 per cent of formerly grandfathered Parenting Payment Single recipients who were transferred to Newstart Allowance subsequently left income support.

The Australian Government believes in the importance of the role of parents as primary carers for their children and has a range of programmes and payments that provide support for them. These programmes and payments support a wide range of family circumstances, including families where one parent remains at home to care for children and single parent families.

While the Government is committed to supporting parents in caring for their children, there is also a responsibility to ensure that family assistance payments are well targeted and sustainable into the future. As such, the Government announced a number of measures in the 2014-15 Budget to enhance the sustainability of the family payments system.

From 1 July 2015, Family Tax Benefit Part B was limited to those families where the primary income earner in a couple, or a single parent, has an income of \$100,000 per year or less.

This change does not impact the secondary earner income limit for couple families.

Legislation to implement further changes to limit Family Tax Benefit Part B to families with a youngest child aged under six years is currently before Parliament and has not yet passed.

As a result of this, Family Tax Benefit Part B currently remains available to families with children over six years of age.

The Government believes that parents are best placed to make decisions about whether to care for their children at home or to place their children in child care. However, evidence shows that the longer people are out of work, the harder it is for them to get back into the workforce. And as noted above evidence also shows welfare to work reforms can and do

increase workforce participation. It is therefore important that the payment arrangements provided by Government encourage parents to return to work once their children are school aged and to reduce their reliance on income support.

On 10 May 2015, the Government announced its \$3.5 billion Jobs for Families child care package to provide greater choice for more than 1.2 million families by delivering a simpler, more affordable, more flexible, and more accessible child care system. The Government will establish a new and simpler Child Care Subsidy from 1 July 2017.

The Government is strongly committed to supporting single parent families by retaining Family Tax Benefit payments. At the same time, the Government has an obligation to the community to ensure that programmes are targeted to those families most in need, and that payments take into account a family's financial circumstances."

Ends.