## Family Tax Benefit (FTB) June 2016

### About Family Tax Benefit

Family Tax Benefit (FTB) is a two-part payment:
1. **FTB Part A** - a per child payment which helps meet the direct costs of raising children; and
2. **FTB Part B** - a per family payment which provides extra help to single parents and families with one main income.

This document presents both FBT instalment and FBT reconciliation data. See the ‘Notes on FBT and FBT data’ section for further information.

### FBT Quick Facts (Instalment data) (as at June 2014 to 2016)

<table>
<thead>
<tr>
<th></th>
<th>June 2014</th>
<th>June 2015</th>
<th>June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of families by payment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total FBT</td>
<td>1,649,794</td>
<td>1,620,529</td>
<td>1,538,012</td>
</tr>
<tr>
<td>FBT Part A</td>
<td>1,159,587</td>
<td>1,134,703</td>
<td>1,118,256</td>
</tr>
<tr>
<td>FBT Part B</td>
<td>1,350,200</td>
<td>1,340,862</td>
<td>1,249,594</td>
</tr>
<tr>
<td><strong>Number of FBT families by family type</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnered</td>
<td>374,020</td>
<td>943,090</td>
<td>859,468</td>
</tr>
<tr>
<td>Not partnered</td>
<td>672,244</td>
<td>678,493</td>
<td>676,244</td>
</tr>
</tbody>
</table>

### FBT Quick Facts (Reconciliation data) (2011-12 to 2015-14 entitlement years)

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of FBT families by payment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total FBT</td>
<td>3,746,207</td>
<td>3,744,286</td>
<td>3,694,277</td>
</tr>
<tr>
<td>FBT Part A</td>
<td>3,059,427</td>
<td>3,046,821</td>
<td>3,027,493</td>
</tr>
<tr>
<td>FBT Part B</td>
<td>5,053,775</td>
<td>5,063,940</td>
<td>5,062,635</td>
</tr>
<tr>
<td><strong>Number of FBT families by family type</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single families</td>
<td>139,591</td>
<td>138,564</td>
<td>137,017</td>
</tr>
<tr>
<td>Couple families</td>
<td>2,659,360</td>
<td>2,657,465</td>
<td>2,648,854</td>
</tr>
</tbody>
</table>

This table shows counts of families (and children) whose FBT Part A and/or Part B were assessed as payable for at least one day of an entitlement year.

After reconciliation, the majority of FBT recipients receive a top-up comprised of any FBT underpaid during the entitlement year and any entitlement to the end of year supplement.

### FBT (Instalment) Families by Payment Type - Time Series

Between June 2011 and June 2016, the number of families receiving FBT decreased by around 11%. On 1 July 2015 the annual FBT Part B primary earner income limit reduced from $150,000 to $100,000 causing a reduction in the FBT Part B population.

### FBT Expenditure

Overall expenditure has continued to increase despite the declining FBT population.

### FTB Expenditure

In June 2016, around 0.6% of FBT recipients have self-identified as Indigenous. Recent service delivery reforms at DHS have resulted in more recipients self-identifying as Indigenous.

In June 2016, around 6% of FTB recipients have one child, 36% have two children, 16% have three children.

Around 79% of all FTB recipients are in the age range 30 to 54. In couple families FTB expenditure has continued to increase despite the declining FTB population.

Around 74% of FTB families have family income below or equal to $50,000.

### FTB (Instalment) Families by Age of Youngest Child

In June 2016 around 44% of FTB families were in receipt of an income support payment (ISP). The five most common ISPs are Carer Payment, Disability Support Pension, Parenting Payment Partnered and Parenting Payment Single.

In June 2016, 45% of FTB Part B families had a youngest child aged 0-4, 37% had a youngest child aged 5-12, 11% had a youngest child aged 13-15 and 7% had a youngest child aged 16 and over.

Around 60% of FTB children are of primary school age, 29% are of early childhood age, 10% are of junior secondary age and 3% are of senior secondary age.

### FTB (Instalment) Families by Payment Type - Rate Type

The majority (62%) of FTB Part A recipients receive less than the maximum rate.

Around 72% of FTB Part B families were eligible for the maximum rate and 28% were eligible for less than the maximum rate.

### FTB (Instalment) Families by Adjusted Taxable Income

Currently on average, 95% of FTB families receive their FTB entitlement by fortnightly instalments. Between 2009-10 and 2013-14 there was a 7% reduction in the instalment population and a 30% reduction in the lump sum population.

### FTB (Instalment) Families by Adjusted Taxable Income

Around 60% of FTB families are partnered. Around 41% of FTB recipients have one child, 36% have two children, 16% have three children.
NOTES ON FTB AND FTB DATA

About Family Tax Benefit

Family Tax Benefit (FTB) is a two part payment:

1. FTB Part A – a per child payment which helps meet the direct costs of raising children; and
2. FTB Part B – a per family payment which provides extra help to single parents and families with one main income.

Families who receive FTB can elect to receive their entitlement through fortnightly instalments during an entitlement year (the year for which FTB was paid with respect to) or after the entitlement year by lodging a lump sum claim.

Families who receive FTB by fortnightly instalments have their entitlement reconciled after the entitlement year.

FTB should be viewed differently to income support payments, such as pensions and allowances, which by their targeted nature assist disadvantaged segments of the Australian population.

About Family Tax Benefit Data

This Family Tax Benefit (Payment Trends and Profile) June 2016 Report includes two types of FTB data - instalment and reconciliation. The table below details the differences between instalment and reconciliation data; however, in summary:

- Instalment data is point in time data related to the FTB population (recipients, children) who receive FTB assistance by fortnightly instalments during the entitlement year. It does not include all instalment recipients in an entitlement year.
- Reconciliation data is reported after an entitlement year and includes instalment recipients who have reconciled their entitlement when income is known (tax return or return to Centrelink if they are not required to lodge) and lump sum claimants who are granted entitlement using known income. It is a 'view' of how many recipients received FTB in that entitlement year.

A family's rate of FTB is assessed on their individual circumstances (e.g. number and age of children in the family, their single/coupled status) and estimated adjusted taxable income for the financial year. After the entitlement year, family assistance payments are reconciled to determine entitlement for the end of year supplement and calculate annual entitlement based on actual adjusted taxable income to ensure correct entitlement is received. If the amount of family assistance received is not correct a top-up is paid or a debt is raised.

Data Caveats and Descriptions

Population terminologies
When FTB data is presented, populations are often referred to as number of 'families' or 'recipients'. The reasons for this are provided below:

- 'Families': this is used when the category of data (e.g. Adjusted Taxable Income) belongs to the family and not individual parents/guardians.
- 'Recipients': this is used when the category of data (e.g. Indigenous indicator) belongs to individual parents/guardians and not the family.

Payment type:
Payment type data details how many recipients and children receive one or both payments of FTB Part A and FTB Part B.

Adjusted Taxable Income (ATI): ATI is used in the FTB Part A and FTB Part B income tests to assess an individual’s eligibility for these payments. An individual’s ATI is the sum of their taxable income, value of any adjusted fringe benefits, target foreign income, total net investment losses, tax free pension or benefit and reportable superannuation contributions; and less 100% of the individual’s deductible child maintenance expenditure.

Family type: FTB is paid to the nominated partner in couple relationships. This means that reporting by gender is not like income support payments as the payment is made to the family. Where possible either relationship status will be reported instead, or simply no gender breakdown will be supplied. Families with an unknown family type are included in the ‘Not partnered’ category.

Payment rate:
An individual’s payment rate for FTB Part A is determined by: the number and ages of children in the family, the care percentage, entitlement to Rent Assistance, the family income test and the maintenance income test. Individual’s in receipt of an income support payment are exempt from the income test but are subject to the maintenance income test. A couple family’s rate of FTB Part B is assessed by the primary earner and secondary earner income tests; however, single parents are only subject to the primary earner income test. Income support recipients are exempt from the primary earner income test.

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- 'Recipients': this is used when the category of data (e.g. Indigenous indicator) belongs to individual parents/guardians and not the family.

Further information

Further enquiries on Family Tax Benefit, email: FamilyPayments&ChildSupport.Data@dss.gov.au