

Family Tax Benefit (FTB) June 2015

About Family Tax Benefit

Family Tax Benefit (FTB) is a payment that helps eligible families with the cost of raising children. FTB is made up of two payments:

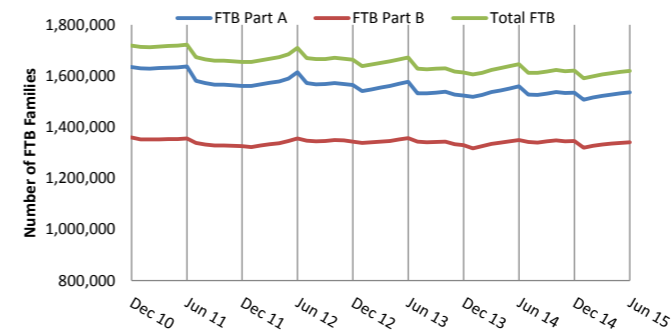
1. FTB Part A - a per child payment which helps meet the direct costs of raising children;
2. FTB Part B - a per family payment which gives extra help to single parents and families with one main income.

Data used in this document is either instalment or reconciliation data. See the 'Notes on FTB and FTB data' section for further information.

FTB Quick Facts (Instalment data) (as at June in 2013 to 2015)

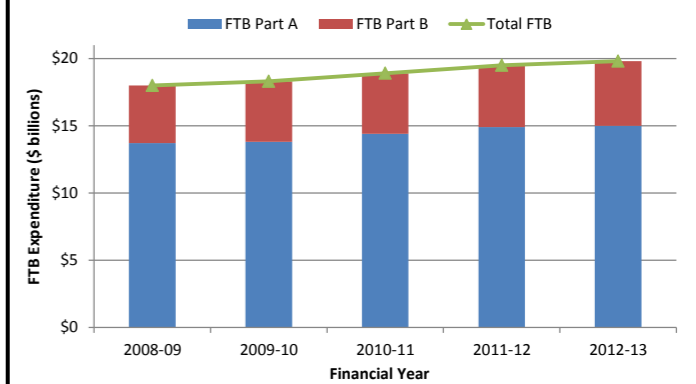
	June 2013	June 2014	June 2015
Number of families by payment			
Total FTB	1,672,666	1,646,794	1,620,529
FTB Part A	1,578,201	1,559,927	1,536,732
FTB Part B	1,357,341	1,350,200	1,340,962
Number of families by family type			
Partnered	1,014,192	974,550	942,090
Not partnered	658,474	672,244	678,439
Children			
Total FTB	3,245,814	3,200,978	3,149,504
FTB Part A	3,044,735	3,015,460	2,973,671
FTB Part B	2,608,783	2,596,036	2,572,281

FTB (Instalment) Families by Payment Type - Time Series

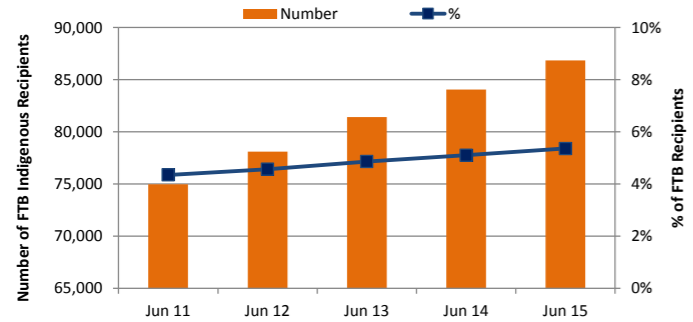


On average, around 93% of the FTB families receive their FTB entitlement by fortnightly instalments.

FTB Expenditure

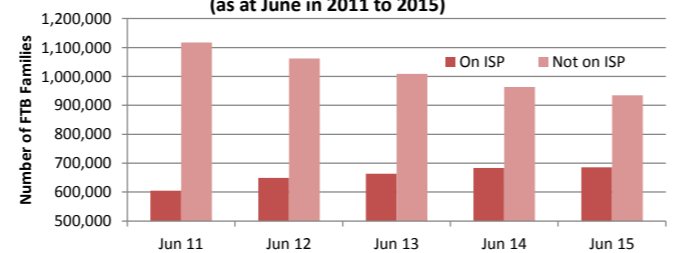


FTB (Instalment) Recipients Self-Identified as Indigenous (as at June in 2011 to 2015)



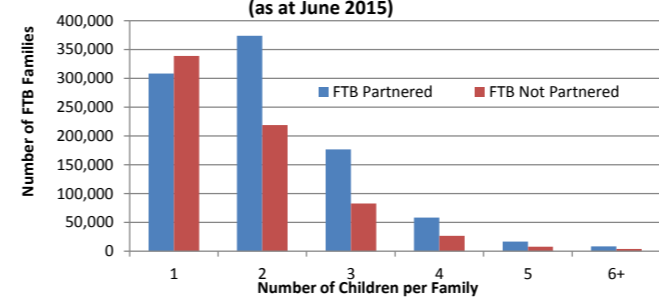
In June 2015, around 5% of FTB recipients have self-identified as Indigenous.

FTB (Instalment) Families by Income Support Payment Status (as at June in 2011 to 2015)



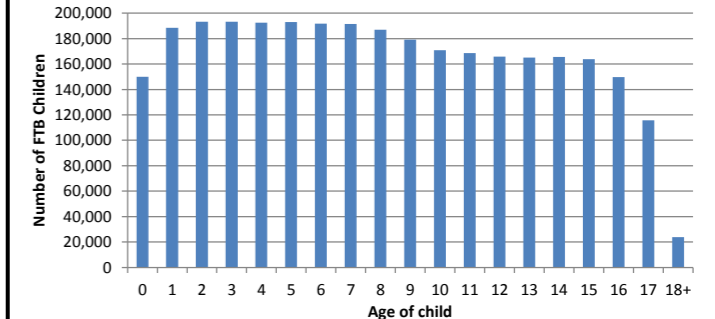
At June 2015 around 42% of FTB families were in receipt of an income support payment (ISP). The five most common income support payments are in the following order: Parenting Payment Single, Newstart Allowance, Disability Support Pension, Parenting Payment Partnered and Carer Payment.

FTB (Instalment) Families by Relationship Status and Number of Children (as at June 2015)



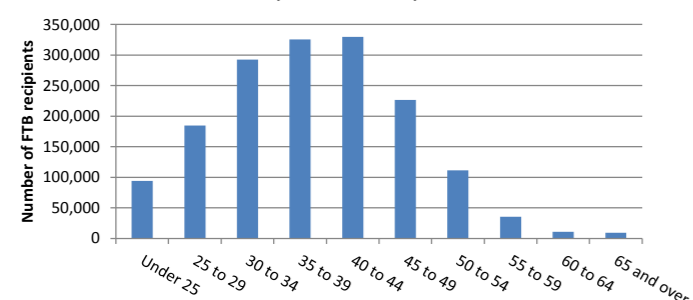
58% of FTB families are partnered. Around 40% of FTB recipients have one child, 37% have two children, 16% have three children.

FTB (Instalment) Children by Age (as at June 2015)



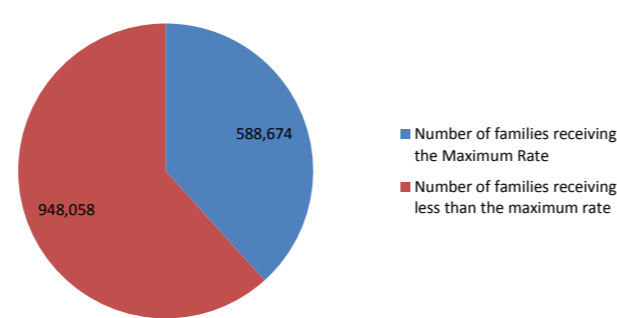
Around 46% of FTB children are of primary school age, 29% are of early childhood age, 16% of lower secondary age and 9% are senior secondary age.

FTB (Instalment) Recipients by Age (as at June 2015)



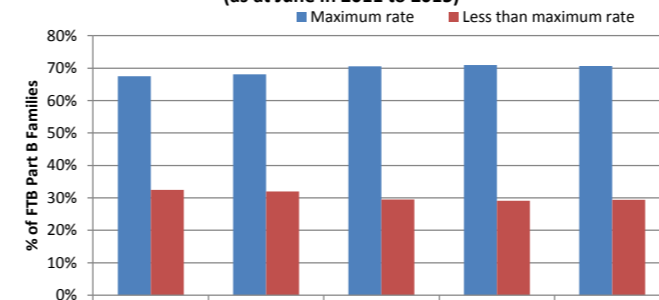
Almost 80% of all FTB recipients are in the age between 30 and 54. In couple families FTB is paid to one parent in respect of a child.

FTB Part A (Instalment) Families by Rate Type (as at June 2015)



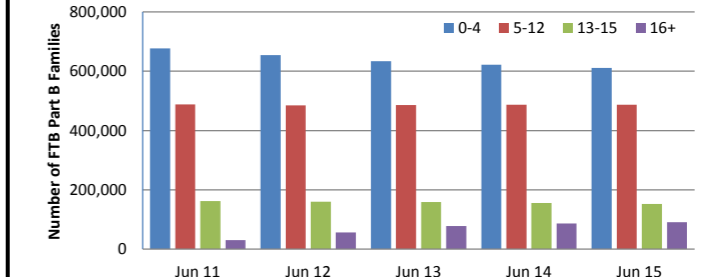
The majority (62%) of FTB Part A receive less than the maximum rate.

FTB Part B (Instalment) Families by Rate Type (as at June in 2011 to 2015)



Around 71% of FTB Part B families were eligible for the maximum rate and 29% were eligible for less than the maximum rate.

FTB Part B (Instalment) Families by Age of Youngest Child (as at June in 2011 to 2015)



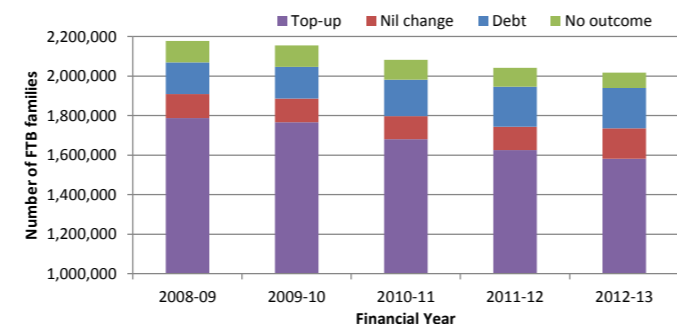
In June 2015, 46% of FTB Part B families had a youngest child aged 0-4, 36% had a youngest child aged 5-12, 11% had a youngest child aged 13-15 and 7% had a youngest child aged 16 and over.

FTB Quick Facts (Reconciliation data) (2010-11 to 2012-13)

	2010-11	2011-12	2012-13
Number of FTB families by payment			
Total FTB	1,948,650	1,906,420	1,894,024
FTB Part A	1,871,472	1,821,946	1,808,723
FTB Part B	1,591,927	1,568,405	1,577,203
Number of families by family type			
Couple families	1,246,686	1,198,518	1,164,004
Single families	701,964	707,902	730,020
Children			
Total FTB	3,818,486	3,746,107	3,744,286
FTB Part A	3,651,125	3,569,827	3,568,811
FTB Part B	3,074,538	3,032,775	3,063,340

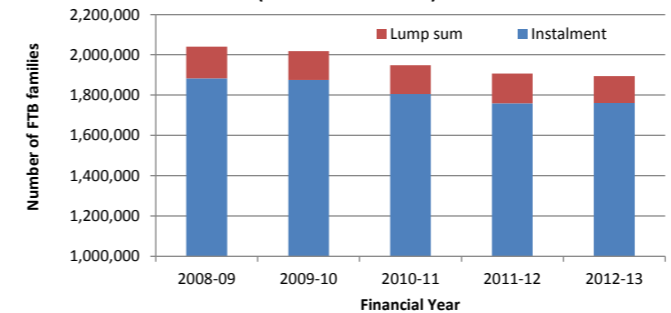
This table shows counts of families (and children) whose FTB Part A and/or FTB Part B were assessed as payable for at least one day of an entitlement year.

FTB (Reconciliation) Families by Reconciliation Outcome (2008-09 to 2012-13)



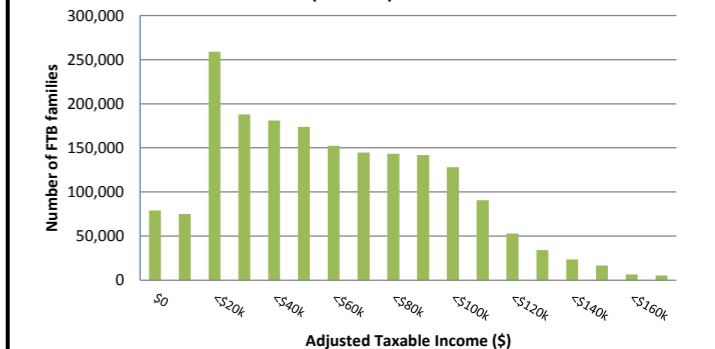
After reconciliation, the majority of FTB recipients receive a top-up of any FTB underpaid during the entitlement year.

Reconciled FTB Families (Entitled) by Claim Type (2008-09 to 2012-13)



Between 2008-09 and 2012-13 there was a 6% reduction in the instalment population and a 15% reduction in the lump sum population.

Reconciled FTB Families by Adjusted Taxable Income (2012-13)



Around 74% of FTB families have family income below \$80,000.

NOTES ON FTB AND FTB DATA

About Family Tax Benefit

Family Tax Benefit (FTB) is a payment that helps eligible families with the cost of raising children. It is made up of two Payments:

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 gives 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 2015 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.

- Reconciliation data is reported after an entitlement year once a family's income has been established by the ATO. It is a 'view' of the whole entitlement year and includes families that claim FTB as a lump sum after the end of the entitlement year as well as instalment payments made in that entitlement year.

Eligibility for FTB is assessed on a family's individual circumstances (e.g. number and age of children in the family, whether couple or single family, residency status) and estimated adjusted taxable income for the financial year. This estimate is compared to actual adjusted taxable income at the end of the financial year. Family assistance payments are then balanced 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.

Differences between instalment and reconciliation data	Instalment data	Reconciliation data
Population included	Families who receive FTB by fortnightly instalments during an entitlement year	<ul style="list-style-type: none">• Families who receive FTB by fortnightly instalments, and• Lump sum families - families who receive FTB after an entitlement year by lodging a lump sum claim.
Reporting period	Point in time – data as reported on the last Friday of a calendar month e.g. as at 26 June 2015.	Quarter 8 after an entitlement year. For example, for the 2012 / 2013 entitlement year, quarter eight is reported as at 30 June 2015.
Income data	Data is based on estimated adjusted taxable income	Data is based on actual adjusted taxable income

Data Caveats and Descriptions

Data source: The data contained in this report is administrative data from the Department of Human Services (DHS). The majority of this data was extracted by the Social Security Performance and Analysis Branch of Department of Social Services, using the Cognos FTB Instalment Package (Package Version 17.0.0, Data Load Version 6.1) and the Cognos FTB Reconciliation Package (Package Version 22.0.0, Data Load Version 3.4).

Break in series: On 1 July 2012, the major repository of FTB Instalment Management Information formally moved from SuperCROSS to the new EDW FTB Instalment package. As part of this break-in-series, definition and scope of FTB recipient populations have been redefined and hence, caution is urged for any trend analysis of FTB data pre and post 1 July 2012.

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.

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, the 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. The FTB Part B primary earner and secondary earner income tests apply to all FTB Part B recipients.

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.

Further information

For further details on Family Tax Benefit, see 'A guide to Australian Government payments' available on the Department of Human Services website: <http://www.humanservices.gov.au/corporate/publications-and-resources/a-guide-to-australian-government-payments>

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