Family Tax Benefit

Payment Trends and Profile 2015

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## 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;
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

The *Family Tax Benefit Payment Trends and Profile 2015* *Report* includes two types of FTB data - instalment and reconciliation. Table 1 detail 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.

Each year the majority of FTB families (93%) receive their FTB entitlement by fortnightly instalment. Families are also able to lodge an FTB lump sum claim within 12 months of the end of the entitlement year. On average around 7% of FTB families elect this payment option. These families are included in reconciliation data.

|  |  |  |
| --- | --- | --- |
| **Table 1: Differences between instalment and reconciliation data** | | |
|  | **Instalment data** | **Reconciliation data** |
| **Population included** | Families who receive FTB by fortnightly instalments during an entitlement year. | * 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. For example, 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. |
| Please refer to the *Data Caveats and Description* Section for further information on FTB data. | | |

## Family Tax Benefit Quick Facts (Instalment Data)

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| --- | --- | --- | --- |
| **Table 2: Family Tax Benefit Quick Facts** (Instalment Data in June from 2013 to 2015) | | | |
|  | **June 2013** | **June 2014** | **June 2015** |
|
| **Number of families by payment** |  |  |  |
| FTB Total | 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 |
| **Number of FTB children by payment type** |  |  |  |
| FTB Total | 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 |

The majority of families are eligible for both FTB Part A and FTB Part B. In Table 2, a family may be counted in both the number of FTB Part A families and the number of FTB Part B families; however they are only counted once in the total.

## Family Tax Benefit by Payment Type – Time Series

|  |  |  |  |
| --- | --- | --- | --- |
| **Table 3: Number of Family Tax Benefit families receiving fortnightly payments by payment type**  (Instalment Data – December 2010 to June 2015 Quarter) | | | |
| **Quarter ending** | **FTB Part A** | **FTB Part B** | **Total FTB** |
| December 2010 | 1,635,700 | 1,359,300 | 1,719,077 |
| June 2011 | 1,637,769 | 1,356,506 | 1,723,259 |
| December 2011 | 1,561,160 | 1,325,802 | 1,655,698 |
| June 2012 | 1,615,515 | 1,355,550 | 1,710,653 |
| December 2012 | 1,564,900 | 1,343,800 | 1,663,800 |
| June 2013 | 1,578,201 | 1,357,341 | 1,672,666 |
| December 2013 | 1,523,527 | 1,330,160 | 1,613,452 |
| June 2014 | 1,559,927 | 1,350,200 | 1,646,794 |
| December 2014 | 1,535,533 | 1,345,519 | 1,621,097 |
| June 2015 | 1,536,732 | 1,340,962 | 1,620,529 |

## 

## Family Tax Benefit Expenditure

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4: Family Tax Benefit expenditure** *($ billions)* | | | | | |
|  | **2008-09** | **2009-10** | **2010-11** | **2011-12** | **2012-13** |
| FTB Part A | 13.7 | 13.8 | 14.4 | 14.9 | 15.0 |
| FTB Part B | 4.3 | 4.5 | 4.5 | 4.6 | 4.8 |
| **FTB Total** | **18.0** | **18.3** | **18.9** | **19.5** | **19.8** |

*Source: Department of Social Services (Department of Families, Housing, Community Services and Indigenous Affairs) Annual Reports 2009-10 to 2014-15.*

## Indigenous Family Tax Benefit Recipients

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 5: Family Tax Benefit recipients by Indigenous status**  (Instalment Data in June from 2011 to 2015) | | | | | |
|  | **June 2011** | **June 2012** | **June 2013** | **June 2014** | **June 2015** |
| Indigenous | 74,973 | 78,092 | 81,404 | 84,057 | 86,855 |
| Non-Indigenous | 1,648,286 | 1,632,561 | 1,591,262 | 1,562,737 | 1,533,674 |
| **Total** | **1,723,259** | **1,710,653** | **1,672,666** | **1,646,794** | **1,620,529** |

It is optional for people to identify themselves as ‘Indigenous’. This impacts on the completeness of the data and should be considered in any application or use of this information. In June 2015, around 5% of FTB recipients have self-identified as Indigenous.

## Family Tax Benefit by Income Support Payment Status

|  |  |  |  |
| --- | --- | --- | --- |
| **Table 6: Family Tax Benefit by Income Support Payment (ISP) Status**  (Instalment Data in June from 2011 to 2015) | | |  |
|  | **Not receiving an  Income Support Payment** | **Receiving an  Income Support Payment** | **Total** |
| June 2011 | 1,118,000 | 605,300 | 1,723,300 |
| June 2012 | 1,061,705 | 648,948 | 1,710,653 |
| June 2013 | 1,009,224 | 663,442 | 1,672,666 |
| June 2014 | 963,636 | 683,158 | 1,646,794 |
| June 2015 | 935,022 | 685,507 | 1,620,529 |

As at June 2015, around 42% of FTB families were in receipt of an income support payment. 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 Payments.

## Family Tax Benefit by Relationship Status and Number of Children

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 7: Family Tax Benefit by Relationship Status and Number of Children**  (Instalment Data – June 2015) | | | | | | | | |
|  | | **Number of children** | | | | | | **Total** |
| 1 | 2 | 3 | 4 | 5 | 6+ |
| **Relationship Status** | Partnered | 308,473 | 373,841 | 176,817 | 58,197 | 16,411 | 8,351 | **942,090** |
| Not Partnered | 338,829 | 218,971 | 82,452 | 26,721 | 7,832 | 3,634 | **678,439** |
| **Total** | | **647,302** | **592,812** | **259,269** | **84,918** | **24,243** | **11,985** | **1,620,529** |

Of all FTB families, 58% are partnered and 42% are not partnered. Around 40% of FTB families have one child, 37% have two children and 16% have three children.

## Family Tax Benefit Children by Age

|  |  |
| --- | --- |
| **Table 8: Number of Family Tax Benefit Children by age of child** (Instalment Data – June 2015) | |
| **Child Age** | **Number of FTB Children** |
| 0 | 149,952 |
| 1 | 188,475 |
| 2 | 193,182 |
| 3 | 193,409 |
| 4 | 192,394 |
| 5 | 192,998 |
| 6 | 191,686 |
| 7 | 191,423 |
| 8 | 186,856 |
| 9 | 179,187 |
| 10 | 170,967 |
| 11 | 168,558 |
| 12 | 165,698 |
| 13 | 165,052 |
| 14 | 165,655 |
| 15 | 163,784 |
| 16 | 149,761 |
| 17 | 115,657 |
| 18 and over | 24,810 |
| **Total** | **3,149,504** |

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

## Family Tax Benefit Recipients by Age

|  |  |
| --- | --- |
| **Table 9: Family Tax Benefit Recipients by Age** (Instalment Data – June 2015) | |
| **Recipient Age** | **Count of Recipients** |
| Under 25 | 94,123 |
| 25 to 29 | 184,547 |
| 30 to 34 | 292,750 |
| 35 to 39 | 325,762 |
| 40 to 44 | 329,545 |
| 45 to 49 | 226,816 |
| 50 to 54 | 111,235 |
| 55 to 59 | 35,441 |
| 60 to 64 | 10,843 |
| 65 and over | 9,467 |
| **Total** | **1,620,529** |

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

## Family Tax Benefit Part A by Rate Type

|  |  |  |
| --- | --- | --- |
| **Table 10: Family Tax Benefit Part A families by Rate Type** (Instalment Data – June 2015) | | |
| **FTB Part A Rate Type** | **Count** | **Percentage** |
| Maximum rate | 588,674 | 38% |
| Less than the maximum rate | 948,058 | 62% |
| **Total** | **1,536,732** | **100%** |

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

A family may receive the maximum rate of payment if their adjusted family income is less than the lower income free area, currently $51,027 or they are receiving an income support payment. A family may receive a less than the maximum rate of FTB Part A for a child if:

* A family has family adjusted taxable income above $51,027 or
* A family shares the care of a child, or
* A family receives child support over the maintenance income free area ($1,543.95 for single parent, or one of a couple receiving maintenance, $3,087.90 for couple, each receiving maintenance with $514.65 for each additional child as at 1 July 2015)

## Family Tax Benefit Part B by Rate Type

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 11: Family Tax Benefit Part B families by Rate Type**  (Instalment Data in June from 2011 to 2015) | | | | | |
| **FTB Part B Rate Type** | **June 2011** | **June 2012** | **June 2013** | **June 2014** | **June 2015** |
| Maximum rate | 916,091 | 922,594 | 956,895 | 957,761 | 947,023 |
| Less than the maximum rate | 440,415 | 432,956 | 400,446 | 392,439 | 393,939 |
| **Total** | **1,356,506** | **1,355,550** | **1,357,341** | **1,350,200** | **1,340,962** |

In June 2015, around 71% of families were eligible for the maximum rate and 29% were eligible for less than the maximum rate of FTB Part B due to means testing.

## Family Tax Benefit Part B by Age of Youngest Child

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 12: Family Tax Benefit Part B families by age of youngest child**  (Instalment Data in June from 2011 to 2015) | | | | | |
| Age of youngest child | **June 2011** | **June 2012** | **June 2013** | **June 2014** | **June 2015** |
| 0-4 years | 676,628 | 654,524 | 634,398 | 622,162 | 611,291 |
| 5-12 years | 488,423 | 484,965 | 486,420 | 486,615 | 487,233 |
| 13-15 years | 161,690 | 160,225 | 158,495 | 155,541 | 152,039 |
| 16+ years | 29,765 | 55,836 | 78,028 | 85,882 | 90,399 |
| **Total** | **1,356,506** | **1,355,550** | **1,357,341** | **1,350,200** | **1,340,962** |

In June 2015, 46% of FTB 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.

## Family Tax Benefits Quick Facts (Reconciliation Data)

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| --- | --- | --- | --- |
| **Table 13: Family Tax Benefit Quick Facts**  (Reconciliation data: 2010-11 to 2012-13) | | | |
|  | **Financial Year** | | |
| **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 FTB families by family type** |  |  |  |
| Couple families | 1,246,686 | 1,198,518 | 1,164,004 |
| Single families | 701,964 | 707,902 | 730,020 |
| **Number of FTB children by payment type** |  |  |  |
| 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 |

The population in the above table shows a count 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 Families by Reconciliation Outcome and Financial Year

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 14: Reconciled FTB Families by Reconciliation Outcome and Financial Year**  (Reconciliation data: 2008-09 to 2012-13) | | | | | |
|  | **2008-09** | **2009-10** | **2010-11** | **2011-12** | **2012-13** |
| Top-up | 1,787,729 | 1,766,758 | 1,680,325 | 1,625,843 | 1,582,552 |
| Nil change | 120,794 | 118,810 | 116,704 | 118,668 | 152,579 |
| Debt | 161,253 | 161,496 | 185,445 | 201,349 | 204,160 |
| No outcome | 107,481 | 108,015 | 99,558 | 95,300 | 78,023 |

After reconciliation, the majority of FTB families receive a top-up of any FTB underpaid during the entitlement year. ‘No Outcome’ includes instalment recipients who have yet to lodge their tax return or lodged outside the lodgement period. It also includes lump sum recipients who were granted payment after the end of the entitlement year.

## FTB Families by Claim Type Post Reconciliation and Financial Year

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 15: Reconciled FTB Families by Claim Type Post Reconciliation and Financial Year**  (Reconciliation data: 2008-09 to 2012-13) | | | | | |
|  | **2008-09** | **2009-10** | **2010-11** | **2011-12** | **2012-13** |
| Instalment | 1,883,399 | 1,874,485 | 1,805,580 | 1,759,439 | 1,761,632 |
| Lump sum | 156,481 | 144,120 | 143,070 | 146,981 | 132,392 |
| **Total** | **2,039,880** | **2,018,605** | **1,948,650** | **1,906,420** | **1,894,024** |

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

## Family Tax Benefit Families by Income

FTB is means tested on adjusted taxable income. This targets payments to low-to middle-income families as seen in the table below. Around 74% of FTB families have family income below $80,000. For Financial Year 2012-13, the average FTB family income was $55,236. Families with incomes over $100,000 (around 12% of the population) tend to have more children and may only receive a small entitlement.

|  |  |
| --- | --- |
| **Table 16: Family Tax Benefit families by ranged adjusted taxable income (ATI)**  (Reconciliation data: 2012-13) | |
| **Ranged ATI** | **Number of Families** |
| $0 | 78,992 |
| $1 - $10,000 | 75,017 |
| $10,001 - $20,000 | 258,878 |
| $20,001 - $30,000 | 187,866 |
| $30,001 - $40,000 | 180,982 |
| $40,001 - $50,000 | 173,587 |
| $50,001 - $60,000 | 152,269 |
| $60,001 - $70,000 | 144,501 |
| $70,001 - $80,000 | 143,153 |
| $80,001 - $90,000 | 141,925 |
| $90,001 - $100,000 | 128,042 |
| $100,001 - $110,000 | 90,523 |
| $110,001 - $120,000 | 52,913 |
| $120,001 - $130,000 | 34,083 |
| $130,001 - $140,000 | 23,347 |
| $140,001 – 150,000 | 16,420 |
| $150,001 - $160,000 | 6,316 |
| $160,001 and over\* | 5,210 |
| **Total** | **1,894,024** |
| Note: \*income cut-out increases with the number of children in the family | |

## 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