



Senator the Hon Anne Ruston
Minister for Families and Social Services
Minister for Women's Safety
Manager of Government Business in the Senate

MEDIA RELEASE

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July indexation supports Australian families

The Morrison Government is boosting support to about 1.4 million Australian families to help them keep up with the changes in the cost of living.

Family Tax Benefit A and B payments will increase from 1 July which will put up to an additional \$94.90 into the pockets of eligible families with one child, up to \$156.95 for families with two children and up to \$226.30 for families with three children and even more for larger families during 2021-22.

About 1 million part rate pensioners and carer payment recipients will also see a small rise in their rate of payment through an increase to income and asset limits.

Minister for Families and Social Services Anne Ruston said that in addition more families would become eligible for Paid Parental Leave and Dad and Partner Pay with the income cap increasing for the first time from \$150,000 per year to \$151,350.

“The Morrison Government is continuing our record investment to cement our recovery, create jobs and guarantee the support and services Australians rely on,” Minister Ruston said.

“These are modest increases but we understand that every dollar counts.”

The July indexation will provide FTB Part A recipients with an extra \$1.68 a fortnight (around \$44 a year) for each child under 13 years and \$2.24 a fortnight (around \$58 a year) for each child aged over 13 years.

For families receiving FTB Part B, the maximum rate of payment for a family with their youngest child under five years will increase by \$1.40 to \$162.54 a fortnight. For families with their youngest child over five years, the maximum payment rate will increase to \$113.54 a fortnight.

End of year supplement will also increase by \$7.30 for Part A to \$788.40 and by \$3.65 for Part B to \$383.25.

About 40 per cent of families provided the payment receive the maximum rate of FTB Part A and 70 per cent receive the maximum rate of Part B. Almost 80 per cent of families receive both A and B.

Annual income thresholds will also be increasing allowing people to earn more and still receive a part payment. For example a family with two children aged under 13 will now be able to receive FTB Part A up to family income of \$110,790, up from \$109,573.

“We are lifting the income caps on many of these payments for the first time since 2009 and 2011 because we are committed to standing shoulder to shoulder with Australian families as we recover from the pandemic,” Minister Ruston said.

Recipients of other family related payments, such as Multiple Birth Allowance and Newborn Supplement will also receive an increase.

Pensioners receiving a part rate will benefit from the increase in the free areas because the amount of income and assets they can have before their payment is affected is increasing.

The Age Pension, Disability Support Pension and Carer Payment single income free area will increase by \$2 to \$180 per fortnight, which will increase their payment by \$1 per fortnight, and the couple combined income free area will increase by \$4 to \$320 per fortnight.

The amount of assets a pensioner couple who own their own home can have before it affects their rate of payment will increase to \$405,000 (excluding their home) up from \$401,500 which will flow through to increase their payment by \$10.50 per fortnight.

Pension and other payment rates are not increasing at this indexation point as they are indexed in March and September while student payments are indexed in January.

The 1 July increases are driven by a rise in the Consumer Price Index (CPI).

More detail on the new payment rates and thresholds are available at <https://www.dss.gov.au/benefits-payments/indexation-rates-july-2021>

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