



The Hon Kevin Andrews MP
Minister for Employment and Workplace Relations
Minister Assisting the Prime Minister for the Public Service

Welfare to Work – Increasing participation of parents

Why is the Government introducing these changes for parents?

- ▶ The Government is spending \$389.7 million over four years to increase employment amongst parents of school-aged children. Of this, \$283 million will be spent on employment related assistance.
 - ▶ This measure will benefit single and partnered parents and their children by reducing welfare dependency and increasing employment.
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Who is affected by this measure?

- ▶ Parents with a youngest child aged 6-15 and who are claiming or receiving income support will be affected by this measure.
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What work requirements will be applied to parents?

- ▶ Parents receiving Parenting Payment prior to 1 July 2006 will be able to remain on that payment under the current entitlement; that is, until their youngest child turns 16. This group of parents will have a year to seek work voluntarily from the later of 1 July 2006 or when their youngest child turns six. After that they will become subject to an obligation to seek part-time work of at least 15 hours per week.
 - ▶ Parents applying for Parenting Payment on or after 1 July 2006 will receive Parenting Payment while their youngest child is less than six years old. When their youngest child turns six, this group of parents will receive enhanced Newstart Allowance and be subject to an obligation to seek part-time work of at least 15 hours per week.
 - ▶ Parents with a youngest child aged 6-15 years who claim income support after 30 June 2006 will have an immediate requirement to seek 15 or more hours of work a week.
 - ▶ Parents may satisfy their requirements by working part-time (15 hours a week), or searching for part-time work and participating in Job Network or other services.
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- ▶ Parents who are not working may be required to undertake an annual Mutual Obligation activity.
 - ▶ Work requirements will be modified in special family circumstances, such as a child having a significant disability.

What are the new payment and incentive arrangements for parents?

- ▶ People who were on Parenting Payment Single (PPS) and Parenting Payment Partnered (PPP) as of 30 June 2006 will remain on their current payment (unless they go off payment for more than 12 weeks).
- ▶ New claimant parents after 30 June 2006 whose youngest child is aged under six will be eligible for PPS and PPP under the current criteria. When their youngest child turns six, they will be transferred to Newstart Allowance.
- ▶ New claimants whose youngest child is aged between six and 15 will be eligible for Newstart Allowance.
- ▶ Newstart Allowance will have a new, more generous, income test and taper rate so people will retain more of their payment when they work.
- ▶ Single parents on Newstart Allowance or PPS will be eligible for an Employment Entry Payment if they get a job.
- ▶ Single parents on Newstart Allowance will have access to the Pharmaceutical Allowance and Pensioner Concession Card. Partnered parents on Newstart Allowance will have access to the Health Care Card.

What new services will be available to help parents re-enter the workforce?

- ▶ A new employment service, Employment Preparation, will be introduced in Job Network from 1 July 2006.
- ▶ Employment Preparation will equip parents with skills to re-enter the workforce.

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- ▶ Employment Preparation will be available for all parents on income support. In addition, up to 5 000 Employment Preparation places a year will be available for parents not on income support.
 - ▶ There will be a new “Service Quality Guarantee for Parents” that sets out the quality of services parents can expect from Job Network.
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