



Social security payments for the aged, people with disabilities and carers 1901 to 2010

Dale Daniels
Social Policy Section

Contents

| | |
|---|----|
| Introduction..... | 1 |
| The Aged and those with Disabilities..... | 3 |
| The Introduction of Age and Invalid Pensions | 3 |
| The Disability Support Pension Replaces Invalid Pension | 4 |
| Further Disability Support Pension Reforms..... | 4 |
| Pension Reform to Improve Adequacy of Payments | 4 |
| Old-Age Pension 1909 to 1947, Age Pension from 1947 | 5 |
| Invalid Pension 1909 to 1991, Sheltered Employment Allowance 1967 to 1991, Rehabilitation Allowance 1983 to 1991, Disability Support Pension from 1991 | 11 |
| Wives and Carers..... | 18 |
| Income support for Wives and Carers | 18 |
| Wife's Allowance 1943 to 1972, Wife Pension from 1972 | 19 |
| Handicapped Child's Allowance 1974 to 1987, Child Disability Allowance 1987 to 1999 and Carer Allowance from 1999 | 21 |
| Spouse Carer's Pension 1983 to 1985, Carer Pension 1985 to 1997, Carer Payment from 1997..... | 24 |
| Means Testing | 30 |
| The Push for a Universal Age Pension..... | 30 |
| The Abandonment of Universalism and the Ascendancy of Targeting | 31 |
| The Means Test 1909 to 1961, the Merged Means Test 1961 to 1976, the Income Test 1976 to 1985, the Income and Assets Tests from 1985..... | 32 |
| Concessions and Allowances..... | 46 |



| | |
|--|----|
| Funeral Benefit 1943 to 1990 | 47 |
| Pensioner Concessions from 1933..... | 47 |
| Commonwealth Seniors Health Card from 1994..... | 50 |
| Mobility Allowance from 1983 | 51 |
| Supplementary Assistance 1958 to 1985, Rent Assistance from 1985 | 52 |

List of tables

| | |
|--|----|
| Table 1: Maximum Rates of Handicapped Child's Allowance, Child Disability Allowance and Carer Allowance, from 1974 | 23 |
| Table 2: Numbers of Recipients of Selected Payments, from 1910 | 28 |
| Table 3: Maximum Rates of Pension, from 1909 | 42 |
| Table 4: Pension Means Test Limits from 1909 | 45 |
| Table 5: Maximum Rates of Supplementary Allowance/Rent Assistance for Pensioners from 1958 | 54 |



Introduction

The Social Policy Section of the Information and Research Services has produced for many years chronologies dealing with the history of Social Security Payments. This electronic document is part of a series updated periodically. The other electronic chronologies in the series are:

[*Social Security Payments for People Caring for Children, 1912 to 2008*](#)

[*Social Security Payments for the Unemployed, the Sick and People in Special Circumstances, 1945 to 2006*](#)

Payments for sole parents are included in the document dealing with payments for people caring for children and those for widowed people will be included in the document dealing with payments for those in special circumstances.

The Department of Social Security (DSS) makes, or has made in the past, a number of payments for aged people, people with disabilities and carers. This paper traces the history of each of these payments from their introduction to the present day.

Each section of the paper includes an introductory commentary to put the various payments into a broader context. A series of chronologies setting out the changes over time to each of the major payments follows. This paper is not a definitive treatment of the history of social security in Australia. It is a reference tool for those needing to locate specific changes quickly and place them in their chronological context.

The date from which measures take effect has been used to date changes. This means that certain measures which may have taken effect under one Government may have actually been legislated for under the previous Government. Where changes have been recently announced but not passed into law by the Parliament, they are placed according to the expected date of effect. Many changes that appear at the time of updating to be of minor importance and small administrative modifications to payments have not been included.

Rates of payment are generally not given in the text, but can be found in the tables. In the text, imperial currency is used until 1966 and decimal currency is used after that date. In the tables decimal currency is used throughout.

Note on Sources and further reading

In addition to the Commonwealth Budget Papers and Social Security legislation, the following publications have been used in the preparation of this paper:

T. Carney and P. Hanks, *Social Security in Australia*. Oxford University Press, Melbourne, 1994.

Department of Social Security, *Annual report*, various years.

Department of Social Security, 'Developments in social security: a compendium of legislative changes since 1908', Research and Statistics Branch Research Paper No 20. AGPS, Canberra, 1983.

T.H. Kewley, *Social security in Australia 1900-72*, Sydney University Press, Sydney, 1973.

T. H. Kewley, *Australian social security today: major developments from 1900 to 1978*, Sydney University Press, Sydney, 1980.

List of Acronyms

| | |
|---------|--|
| ALP | Australian Labor Party |
| AP | Old-Age Pension/Age Pension |
| CA | Carer Allowance |
| CDA | Child Disability Allowance |
| CP | Carer's Pension/Payment |
| CPI | Consumer Price Index |
| CSHC | Commonwealth Seniors Health Card |
| DNCB | Domiciliary Nursing Care Benefit |
| DSP | Disability Support Pension |
| DSS | Department of Social Security |
| DVA | Department of Veterans' Affairs |
| DWS | Disability Wage Supplement |
| FAS | Family Allowance Supplement |
| HCA | Handicapped Child's Allowance |
| IP | Invalid Pension |
| JSA | Job Search Allowance |
| LIB-CP | Liberal Party-Country Party Coalition |
| LIB-NCP | Liberal Party-National Country Party Coalition |
| LIB-NPA | Liberal Party-National Party Coalition |
| MA | Mobility Allowance |
| MTAWE | Male Total Average Weekly Earnings |
| NSA | Newstart Allowance |
| RA | Rent Assistance |
| ReA | Rehabilitation Allowance |
| SA | Supplementary Assistance |
| SEA | Sheltered Employment Allowance |
| UAP-CP | United Australia Party-Country Party Coalition |
| WfP | Wife Pension |
| YTA | Youth Training Allowance |

The Aged and those with Disabilities

The Introduction of Age and Invalid Pensions

At federation in 1901 the Constitution of the Commonwealth of Australia gave power to the Commonwealth Government to legislate for invalid and old-age pensions. This was a power held concurrently with the States. A Royal Commission on Old-Age Pensions was conducted during 1905-6 and legislation for both age and invalid pensions was passed in 1908 during the Deakin administration. Several states had already been active in this area. New South Wales (NSW) had introduced a non-contributory old-age pension scheme in 1900. The only other non-contributory schemes then in existence were those established in New Zealand in 1898 and Denmark in 1891. Some other countries had voluntary contributory schemes and Germany had a compulsory contributory scheme. The NSW scheme provided statutory entitlements rather than offering payments at the discretion of a government official or charitable body, as had most earlier welfare measures. Victoria also established an age pension at about the same time, but it was a rather more limited and discretionary scheme. By the time the Commonwealth Old-Age and Invalid Pensions became available in 1909 and 1910, NSW had also introduced invalid pensions and Queensland had established age pensions, both in 1908.

1908 was the also the year in which the Asquith Liberal Government began the development of age pensions in the United Kingdom by legislating for non-contributory age pensions for people aged 70 years or more. It was not until 1925 that age pensions were extended on a contributory basis for those aged 65 to 70 years. The United States took even longer to act at a national level. In 1935 an insurance-based old-age pension scheme was introduced after some state old-age assistance schemes had been established in the early thirties. By 1940 Australia was one of about thirty five countries with social security programs for the aged and the disabled. By 1997 at least 166 countries of the 185 in the United Nations had some sort of program in this area .

The Australian pensions were modelled in part on the New Zealand scheme and were similar to the NSW scheme. The pensions were non-contributory, non-discretionary and means tested. They were available from the age of 65 years for men and 60 years for women. Unlike most other OECD countries, Australia has never adopted a government run social insurance scheme. Such schemes usually involve compulsory contribution from employers and employees and offer benefits which relate to the previous income levels of participants. This was not from lack of interest in social insurance in Australia. The Cook Government in 1913, the Bruce/Page Government in 1928 and the Lyons Government in 1938 all examined such schemes. Legislation was introduced into Parliament in 1928 and 1938 for national insurance schemes covering a wide range of benefits. On both occasions widespread opposition to the contributory features of the schemes prevented implementation. The Menzies Government initially favoured a contributory scheme as a way of getting rid of the pension means test, but by 1954 it had been rejected as impractical. A contributory pension scheme was temporarily revived as a policy option in the early seventies by the ALP, but has not been seriously considered since then. The spread of private superannuation in the last ten years appears to have pushed social insurance completely off the agenda in Australia. Private superannuation has many of the features of a government run social insurance scheme while limiting

government involvement. It provides a government mandated framework for private saving for retirement which features employer contributions and earnings related benefits.

The Disability Support Pension Replaces Invalid Pension

The Invalid Pension was essentially unchanged from its introduction in 1910 until 1991 when it was replaced by the Disability Support Pension. The change was prompted by the need for a more active approach to income support for people with disabilities. Since the seventies the numbers of invalid pensioners had grown steadily due in part to increased levels of unemployment which had made it harder for people with disabilities to compete for jobs. The direction of change was set by the Cass Review of the social security system in the late eighties. It recommended a shift from the Invalid Pension where qualification depended upon 'permanent incapacity to work' to a system which provided access to employment programs and an emphasis on rehabilitation and a return to self-sufficiency where practical.

Further Disability Support Pension Reforms

The 1991 reforms did not live up to expectations with steady growth in the numbers on Disability Support Pension continuing. The Howard Government introduced major changes with effect from July 2006. Eligibility was tightened so that those with disabilities but able to undertake significant part-time work were shifted onto Newstart Allowance with a part-time work requirement. Increased rehabilitation and workforce re-entry assistance was also provided.

Pension Reform to Improve Adequacy of Payments

Cost of living pressures on pensioners prompted the Government to provide extra assistance in the form of a utilities allowance in 2004 and later ad hoc one off bonus payments. In response to increased cost of living pressures on single pensioners in 2009 a substantial increase in the rate of the single rate pension was introduced which improved the position of single pensioners compared to that of couples. An increase in the age pension age to 67 years and a reversal of a relaxation in the income test that had been introduced in 2000 were also part of the reform package. Both of these measures were in part prompted by the need to contain age pension costs as the population aged.

Old-Age Pension 1909 to 1947, Age Pension from 1947

| Commencement Date | Details | Government at Commencement |
|--|--|----------------------------|
| Original Enabling Legislation <i>Invalid and Old-Age Pensions Act 1908 (No. 17 of 1908)</i> | | |
| 1909 | <p>From April the Old-Age Pension (AP) was payable to people who were aged 65 years and over, or were aged 60 years and over and were permanently incapacitated for work.</p> <p>Groups excluded from eligibility were those living overseas, 'aliens', those naturalised for less than three years, overseas born 'asiatics', and 'aboriginal natives' of Australia, Africa, The Pacific Islands or New Zealand. Applicants for AP were required:</p> <ul style="list-style-type: none"> • to be residing in Australia when claiming a pension • to have continuously resided in Australia for at least 20 years (absences of up to one tenth of the total period of residence were not taken to interrupt the continuity of residence) • to be of good character • to have not deserted or failed to maintain their wife (if a husband) or deserted their husband (if a wife), in the preceding five years, without just cause, and • to have not deserted (if a mother) or failed to maintain (if a father) any children under 14 years of age, in the preceding five years. <p>The pension was means tested.</p> <p>Pensions could be paid to institutions, organisations or other persons where a pensioner was considered unfit to be entrusted with a pension.</p> | Fisher, ALP |
| 1910 | From November a section of the original Act providing for pension eligibility at 60 years of age for women commenced to take effect. | Fisher, ALP |
| 1912 | From December naturalised residents no longer had to wait three years to be eligible for pension. | Fisher, ALP |
| 1926 | Indians born in British India became eligible for pensions. | Bruce-Page, Nationalist-CP |
| 1931 | From July pension rates were reduced, as part of the emergency financial measures taken during the Depression. | Scullin, ALP |
| 1933 | From October the rate of pension began to be reviewed annually based on the retail price index. | Lyons, UAP |
| 1937 | From September annual review of pension rates ceased. | Lyons, UAP-CP |
| 1940 | From December automatic quarterly rate adjustment based on the retail price index commenced. | Menzies, UAP-CP |
| 1941 | From December all 'asiatics' who were British subjects became eligible for pension. | Curtin, ALP |
| 1942 | From July 'Aboriginal natives' of Australia became eligible for pension if they were not subject to a state law 'relating to the control of Aboriginal natives' or if they lived in a state where they could not be exempt from such laws but were of eligible for pension on the grounds of 'character, | Curtin, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | standard of intelligence and development'. Pacific Islanders known as 'Kanakas' were also made eligible. Pension became exempt from income tax. | |
| 1943 | From April: <ul style="list-style-type: none"> Funeral benefits of up to ten pounds were introduced. Wife's Allowance of 15 shillings per week was introduced for wives of incapacitated age pensioners where she lived with him, was his legal wife and did not receive a pension in her own right. | Curtin, ALP |
| 1944 | From April cost of living adjustments of the pension rate were discontinued. | Curtin, ALP |
| 1947 | From July: <ul style="list-style-type: none"> The Old-Age Pension was renamed the Age Pension. Specific racial disqualifications other than those referring to Aboriginal Australians were removed. Wife's Allowance became payable to de facto wives who had lived with the pensioner for at least three years. | Chifley, ALP |
| 1950 | From August a pensioner medical service providing free general practitioner services and some medicines was introduced. | Menzies, LIB-CP |
| 1952 | From September residence requirements were eased so that where a claimant had resided in Australia for periods totalling 18 years they could be deemed to have been resident during occasional absences totalling two years plus six months for each year of residence in excess of 18 years. From November access to the pensioner medical service was limited to pensioners with income under two pounds per week. | Menzies, LIB-CP |
| 1958 | From October Supplementary Assistance was introduced (see here for details). | Menzies, LIB-CP |
| 1960 | From September all aboriginal people other than those who were 'nomadic or primitive' became eligible for pension. | Menzies, LIB-CP |
| 1962 | From March the residence requirement was modified. Ten years continuous residence at any time qualified a person for pension. Where continuous residence was at least five years, the ten year requirement was reduced by all periods of residence totalling in excess of ten years. | Menzies, LIB-CP |
| 1963 | From September rates of payment were reorganised so that a standard rate was paid to unmarried people and a married rate was paid to married people. | Menzies, LIB-CP |
| 1964 | From October a telephone rental concession for pensioners was introduced. A one third reduction in telephone rental was made available to pensioners living alone, with other pensioners or with other low-income people. | Menzies, LIB-CP |
| 1965 | From October: <ul style="list-style-type: none"> Wife's Allowance was made available to the wife of any age | Menzies, LIB-CP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | <p>pensioner whose wife did not qualify for pension in her own right.</p> <ul style="list-style-type: none"> • Pensioners whose wife received a Wife's Allowance were paid at the standard rate. • Funeral benefit of up to twenty pounds was introduced for pensioners responsible for the funeral of a pensioner, a dependent child or a spouse. | |
| 1966 | From January all age pensioners were eligible for the Pensioner Medical Service without a separate means test. | Menzies, LIB-CP |
| 1966 | <p>From September:</p> <ul style="list-style-type: none"> • 'Aliens' were no longer disqualified from receiving an AP. • Aboriginal people were no longer disqualified from receiving an AP if they were living a 'nomadic or primitive' life. | Holt, LIB-CP |
| 1968 | <p>From September:</p> <ul style="list-style-type: none"> • Married age pensioners were eligible for the standard rate where their spouse was receiving unemployment or sickness benefit. • The surviving member of a pensioner couple continued to receive the equivalent of two married rate pensions for twelve weeks after the death of their spouse. | Gorton, LIB-CP |
| 1969 | From September pension continued to be paid during an absence from Australia of up to thirty weeks. | Gorton, LIB-CP |
| 1970 | From March married pensioner couples separated by illness were eligible for the standard rate. | Gorton, LIB-CP |
| 1971 | In April and September rate increases were given only to full rate pensioners and those receiving a pension reduced by fifty cents or less. | McMahon, LIB-CP |
| 1972 | <p>From April:</p> <ul style="list-style-type: none"> • Rate increases were again given to all pensioners and those who had missed out in 1971 were given catch up rises. • Wife's Allowance was replaced by Wife's Pension (WfP) paid at the married rate and subject to the means test. | McMahon, LIB-CP |
| 1973 | <p>From May pensions granted in Australia could be paid in any country in which the pensioner lived.</p> <p>From July AP was subject to income tax.</p> | Whitlam, ALP |
| 1974 | <p>From March AP could be paid to people living outside of Australia, provided the claimant had lived in Australia for an aggregate of 30 years, had been within five years of age pension age when they left Australia, had left before 8 May 1973 and was in need of financial assistance.</p> <p>From November the requirement that a pension could only be paid where the claimant was of 'good character' and 'deserving of a pension' was removed.</p> | Whitlam, ALP |
| 1977 | From May AP rates were automatically increased twice yearly. In May they were increased in line with movements in the Consumer Price Index (CPI) in the six months to the preceding December. In November they | Fraser, LIB-NCP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | were increased in line with movements in the CPI in the six months to the preceding June. | |
| 1978 | From November indexation of the rate of pension was conducted once a year in November in accordance with movements in the CPI between the previous two June quarters. | Fraser, LIB-NCP |
| 1979 | From November twice yearly indexation of the rate of pension was restored using the same method that had been used prior to November 1978. | Fraser, LIB-NCP |
| 1984 | From June the term 'de-facto spouse' replaced the term 'dependent female' in the legislation. From November the pension rates were increased even though the CPI had fallen in the relevant quarters. | Hawke, ALP |
| 1985 | From September residency requirements were modified so that a claimant had to have been resident for ten years at least five of which had to be for a continuous period. | Hawke, ALP |
| 1986 | From November: <ul style="list-style-type: none"> The timing of automatic indexation of payment rates in line with movements in the CPI was deferred by six weeks. Indexation occurred on 13 December and 13 June of each year rather than 1 November and 1 May. The rate of DSS pension payable to a recipient of a war widow's pension was frozen. New grants were paid at the rate of \$60.05 per week subject to the income and assets tests. | Hawke, ALP |
| 1987 | From October residency requirements were changed to exclude temporary residents and prohibited non-citizens. | Hawke, ALP |
| 1989 | From November the timing of indexation was brought forward in several steps of four weeks to March and September with the transition being complete by September 1990. | Hawke, ALP |
| 1990 | From January funeral benefit was replaced by a lump sum bereavement payment equivalent to 14 weeks pension payable to the surviving member of a pensioner couple. When a single pensioner died one fortnight's payment was paid to their estate. From November a Pharmaceutical Allowance of \$2.50 per week for a single pensioner and \$1.25 for a married pensioner was introduced to compensate for the introduction of a \$2.50 charge for each Pharmaceutical Benefits Scheme prescription. The allowance was indexed annually and was tax-free. | Hawke, ALP |
| 1991 | From January people receiving or applying for AP could be required to supply their tax file number and that of their spouse. | Hawke, ALP |
| 1993 | From September pensioners with partners in gaol or psychiatric confinement were paid at the single rate. | Keating, ALP |
| 1995 | From January refugees applying for pensions were exempt from length of residence requirements. From July the age of eligibility for women applying for AP began to | Keating, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | gradually rise from 60 years to 65 years. The process will take until July 2013 to complete with the eligibility age increasing by six months every two years. | |
| 1996 | From July age pensioners were eligible for advance payments of pension of between \$250 and \$500 to assist with living or capital expenses. | Howard, LIB-NPA |
| 1997 | From September the rate of the single pension was maintained at a level equal to or greater than the annualised original, all males, total average weekly earnings figure (MTAWE). If the rate after indexation in March and September was less than the MTAWE then it was raised to that level. | Howard, LIB-NPA |
| 1998 | From July a pension bonus scheme for people deferring retirement and continuing to work for at least 20 hours per week was introduced. A tax free bonus payment equal to 9.4 per cent of the basic pension entitlement for each year of deferral up to a maximum of five years was to be paid when the pension was received. | Howard, LIB-NPA |
| 1999 | From July 1999 the pension was paid fortnightly in arrears. Payment could be on any day of the week rather than on the same Thursday for everyone. | Howard, LIB-NPA |
| 2000 | <p>From July the rate of pension was increased as part of a package of measures to compensate for the impact of the introduction of the GST. A pension supplement equivalent to four per cent of the maximum rate at July 2000 was paid to all pensioners. Indexation provisions were adjusted so that half of this four per cent increase would effectively be an advance on whatever rate increase occurred in March 2001. The increased rate was provided as a supplement so that it would not be included when the pension rate was adjusted in line with the benchmark of 25 per cent of MTAWE. This ensured that the maximum rate of pension plus the supplement would always be somewhat more than 25 per cent of MTAWE.</p> <p>An Aged Persons Savings Bonus was paid to people aged 60 years or more who had savings and investment income, as part of a package of measures to compensate for the impact of the introduction of the GST. It was a one-off untaxed lump sum of up to \$1000. The exact payment was calculated by providing one dollar for each dollar of savings and investment income received by the claimant up to the maximum of \$1000. Those with annual private incomes above \$20 000 received smaller payments, with no payment available where income exceeded \$30 000.</p> <p>An additional Self-funded Retirees Supplementary Bonus was also available for people who did not receive a pension or benefit. It was worth up to \$2000 and was calculated and income tested in much the same way as the Aged Persons Saving Bonus.</p> <p>From September portability rules were standardised for all payments. A maximum portability period of 26 weeks was introduced, special needs pensions ceased to be granted and residence of at least two years was required before portability was available.</p> | Howard, LIB-NPA |
| 2001 | From March the social security agreement with the United Kingdom was terminated. Savings provisions ensured that people entitled to receive a payment due to the agreement at that time were not disadvantaged. This | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | <p>included people who migrated to Australia before 1 March 2000 and who would have been able to use the agreement to gain a payment, even though they had not yet done so.</p> <p>People of age pension age who were receiving a pension or benefit on 22 May 2001 were paid a one off payment of \$300.</p> | |
| 2004 | <p>From July the allowable period of temporary absence overseas for portable payments was reduced from 26 to 13 weeks.</p> | Howard, LIB-NPA |
| 2007 | <p>From August pensions could be subject to income management in the Northern Territory and Cape York. Income management involved the diversion of 50 per cent of a person's income support into an account that could only be drawn on to pay for priority needs, such as food, clothes and rent.</p> | Howard, LIB-NPA |
| 2009 | <p>From July the definition of 'member of a couple' was changed to include same-sex couples.</p> <p>In September the maximum single rate was increased by \$30 per week.</p> <p>From September the Pensioner and Beneficiary Living Cost Index was used to adjust pension rates in September and March each year, where it produced a larger increase than the Consumer Price Index.</p> <p>Legislation was passed to gradually increase the qualifying age for the age pension from 65 years to 67 years with effect from July 2017. The age will increase by six months every two years from that date.</p> | Rudd, ALP |
| 2010 | <p>From March the 25 per cent of average weekly earnings benchmark used to ensure that single pension rates kept pace with earnings growth, was adjusted to take account of the September 2009 increase in the pension rate. That increase had pushed the single rate well above the existing benchmark. A new benchmark was set for the combined couple rate at 41.76 per cent of Male Total Average Weekly Earnings (MTAWE). The single rate was benchmarked at 66.33 per cent of the combined couple rate (effectively 27.7 per cent of MTAWE).</p> | Rudd, ALP |

Invalid Pension 1909 to 1991, Sheltered Employment Allowance 1967 to 1991, Rehabilitation Allowance 1983 to 1991, Disability Support Pension from 1991

| Commencement Date | Details | Government at Commencement |
|--|--|----------------------------|
| Original Enabling Legislation <i>Invalid and Old-Age Pensions Act 1908 (No. 17 of 1908)</i> | | |
| 1910 | <p>From November the Invalid Pension (IP) was payable to people who were aged 16 years and over and were permanently incapacitated for work due to an accident or invalidity. An examination by a medical practitioner was required.</p> <p>Groups excluded from eligibility were those living overseas, 'aliens', overseas born 'asiatics', and 'aboriginal natives' of Australia, Africa, The Pacific Islands or New Zealand.</p> <p>Applicants for IP were required to:</p> <ul style="list-style-type: none"> • be residing in Australia when claiming a pension • have continuously resided in Australia for at least five years (absences of up to one tenth of the total period of residence were not taken to interrupt the continuity of residence) • have been permanently incapacitated while in Australia • forgo pension if the incapacity was self induced or caused in order to obtain a pension • have no claim for maintenance or compensation on account of their accident or invalidity, and • forgo pension if immediate relatives were adequately maintaining them. <p>Pensions could be suspended or paid to institutions, organisations or other persons where a pensioner was considered unfit to be entrusted with a pension.</p> <p>Pension could not be paid to inmates of benevolent asylums or charitable institutions, however payments were made to the institution as 'act of grace' payments. Inmates of asylums for the insane had their pension suspended until they were discharged, at which point they received a back payment of up to four weeks pension for the period they were in the asylum.</p> <p>The pension was paid subject to a means test. The value of property, both real and personal, owned by a pensioner could not exceed 310 pounds and applicants were not permitted to deprive themselves of property in order to qualify for the pension. Where the value of the property of a single pensioner included their residence and exceeded 100 pounds, pension was reduced by one pound for every ten pounds of value in excess of 100 pounds. Where the property did not include their residence or that residence produced income, pension was reduced by one pound for every ten pounds of value in excess of 50 pounds. The pensions of members of couples were reduced in the same way but the amounts above which pension was reduced were halved to 50 pounds and 25 pounds respectively.</p> | Fisher, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | Income over 26 pounds per annum reduced the amount of pension payable on a pound for pound basis. The rate of pension was initially 26 pounds per annum, so a pensioner's total income could not exceed 52 pounds per annum under these rules. Each member of a pensioner couple was deemed to receive half of the couple's total income and own half of the couple's total property. | |
| 1912 | Naturalised residents no longer had to wait three years to be eligible for pension. Permanently blind people became eligible for IP regardless of capacity to work but were deemed to be receiving reasonable wages. This allowed some working blind people to receive IP and encouraged work by those able to perform it. People permanently blind or incapacitated by a birth defect were able to claim IP if they had come to Australia before the age of three years. | Fisher, ALP |
| 1916 | From October an institutional pension was paid to pensioners in benevolent asylums, equal to the difference between the 'act of grace' payment to the institution and the rate of IP. | Hughes, ALP |
| 1923 | From September: <ul style="list-style-type: none"> • Institutional pension was made payable to those becoming eligible after admission to benevolent asylums. It was also paid to pensioners in hospital for more than 28 days. • Blind people and people incapacitated by a birth defect, who were not born in Australia, became eligible for IP after 20 years continuous residence in Australia. | Bruce-Page, Nationalist-CP |
| 1926 | Indians born in British India became eligible for pensions. | Bruce-Page, Nationalist-CP |
| 1931 | From July pension rates were reduced, as part of the financial emergency measures taken during the Depression. | Scullin, ALP |
| 1933 | From October the rate of pension began to be annually reviewed based on the retail price index. | Lyons, UAP |
| 1937 | From September annual review of pension rates ceased. | Lyons, UAP-CP |
| 1940 | From December automatic quarterly rate adjustment based on the retail price index commenced. | Menzies, UAP-CP |
| 1941 | From December: <ul style="list-style-type: none"> • All 'asiatics' who were British subjects became eligible for pension. • A legislative measure of incapacity to work was introduced. Where a person's capacity for work did not exceed 15 per cent they were deemed permanently incapacitated and therefore eligible for IP. • Assessment for IP eligibility began to include assessment for vocational or rehabilitation training. A pension was paid while such training was undertaken. | Curtin, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| 1942 | <p>From July:</p> <ul style="list-style-type: none"> Pension was no longer suspended when a pensioner entered hospital. 'Aboriginal natives' of Australia became eligible for pension if they were not subject to a state law 'relating to the control of Aboriginal natives' or if they lived in a state where they could not be exempt from such laws but were eligible for pension on the grounds of 'character, standard of intelligence and development'. Pacific islanders known as 'Kanakas' were also made eligible. Pension became exempt from income tax. | Curtin, ALP |
| 1943 | <p>From April Wife's Allowance of 15 shillings per week was introduced for wives of invalid pensioners where she lived with him, was his legal wife and did not receive a pension in her own right.</p> | Curtin, ALP |
| 1944 | <p>From April:</p> <ul style="list-style-type: none"> Cost of living adjustments of the pension rate were discontinued. Pensioners who were imprisoned had their pension suspended rather than cancelled. The pension could be paid instead to a dependent wife or child. | Curtin, ALP |
| 1946 | <p>Claimants for IP who were adequately maintained by their parents and were aged 21 years or more were made eligible for IP.</p> | Chifley, ALP |
| 1947 | <p>From July:</p> <ul style="list-style-type: none"> Specific racial disqualifications other than those referring to Aboriginal Australians were removed. Eligibility was broadened so that incapacity or blindness that occurred during temporary absence from Australia did not disqualify a claimant. Any incapacity that had occurred outside of Australia did not disqualify a claimant if they arrived in Australia before the age of three years or had resided continuously in Australia for 20 years. | Chifley, ALP |
| 1948 | <p>From October IP was paid to people undertaking treatment or vocational training. A training allowance and living away from home allowance could also be paid.</p> | Chifley, ALP |
| 1950 | <p>From July Tuberculosis Allowance replaced IP for people with tuberculosis. A means test applied and the rate was three pounds twelve shillings and six pence for a single person or six pounds ten shillings for a couple.</p> <p>From August a pensioner medical service providing free general practitioner services and some medicines was introduced.</p> | Menzies, LIB-CP |
| 1951 | <p>From October people aged 16 to 20 years maintained by their parents were made eligible for rehabilitation.</p> | Menzies, LIB-CP |
| 1952 | <p>From September residence requirements were eased so that where a claimant had resided in Australia for periods totalling 18 years they could be deemed to have been resident during occasional absences totalling two years plus six months for each year of residence in excess of 18 years.</p> | Menzies, LIB-CP |
| 1953 | <p>From October benevolent asylums were referred to as benevolent homes.</p> | Menzies, LIB-CP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| 1954 | From October the means test for permanently blind people was removed. | Menzies, LIB-CP |
| 1955 | From November access to the pensioner medical service was limited to pensioners with income under two pounds per week. | Menzies, LIB-CP |
| 1958 | From October Supplementary Assistance was introduced (see here for details). | Menzies, LIB-CP |
| 1960 | From September all Aboriginal people other than those who were 'nomadic or primitive' became eligible for pension. | Menzies, LIB-CP |
| 1962 | From March the residence requirement was modified. Permanent incapacity or blindness which occurred outside of Australia did not disqualify a person from eligibility for IP if continuous residence at any time exceeded ten years. Where continuous residence was at least five years, the ten-year requirement was reduced by all periods of residence totalling in excess of ten years. | Menzies, LIB-CP |
| 1963 | From September rates of payment were reorganised so that a standard rate was paid to unmarried people and a married rate was paid to married people. | Menzies, LIB-CP |
| 1964 | From October a telephone rental concession for pensioners was introduced. A one third reduction in telephone rental was made available to pensioners living alone, with other pensioners or with other low-income people. | Menzies, LIB-CP |
| 1966 | From January all age pensioners were eligible for the Pensioner Medical Service without a separate means test. | Menzies, LIB-CP |
| 1966 | From September: <ul style="list-style-type: none"> 'Aliens' were no longer disqualified from receiving an Age Pension (AP). Aboriginal people were no longer disqualified from receiving an AP if they were living a 'nomadic or primitive' life. A pensioner leaving a psychiatric hospital became eligible for a back-payment of 12 weeks pension. | Holt, LIB-CP |
| 1967 | From June Sheltered Employment Allowance (SEA) was introduced. People engaged in sheltered employment were eligible. SEA was paid at the same rate as IP but the means test was structured to allow for earnings. Earnings above \$10 per week for a single person or \$17 per week for a married person reduced SEA by one dollar for every two dollars earned. | Holt, LIB-CP |
| 1968 | From September: <ul style="list-style-type: none"> Married pensioners were eligible for the standard rate where their spouse was receiving unemployment or sickness benefit. The surviving member of a pensioner couple continued to receive the equivalent of two married rate pensions for 12 weeks after the death of their spouse. | Gorton, LIB-CP |
| 1969 | Pension continued to be paid during an absence from Australia of up to 30 weeks. | Gorton, LIB-CP |
| 1970 | From March married pensioner couples separated by illness were eligible | Gorton, LIB-CP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | for the standard rate. | |
| 1971 | In April and September rate increases were given only to full rate pensioners and those receiving a pension reduced by fifty cents or less. | McMahon, LIB-CP |
| 1972 | From April rate increases were again given to all pensioners and those who had missed out in 1971 were given catch up rises. | McMahon, LIB-CP |
| 1973 | From May pensions granted in Australia could be paid in any country in which the pensioner lived. | Whitlam, ALP |
| 1974 | From March IP could be paid to people living outside of Australia, provided the claimant had become permanently incapacitated in Australia, had left Australia before 8 May 1973 and was in financial need From November: <ul style="list-style-type: none"> The requirement that a pension could only be paid where the claimant was of 'good character' and 'deserving of a pension' was removed. People, who became permanently incapacitated for work in Australia, no longer had to satisfy a period of residence requirement. SEA recipients became eligible for an incentive allowance in lieu of supplementary allowance. | Whitlam, ALP |
| 1975 | From July the Pensioner Medical Service was superseded by the introduction of Medibank. Pensioners were entitled to the full range of medical services. | Whitlam, ALP |
| 1977 | From May pension rates were automatically increased twice yearly. In May they were increased in line with movements in the CPI in the six months to the preceding December. In November they were increased in line with movements in the CPI in the six months to the preceding June. | Fraser, LIB-NCP |
| 1978 | From November indexation of the rate of pension was conducted once a year in November in accordance with movements in the CPI between the previous two June quarters. | Fraser, LIB-NCP |
| 1979 | From November twice yearly indexation of the rate of pension was restored using the same method that had been used prior to November 1978. | Fraser, LIB-NCP |
| 1980 | From November IP was payable to patients in psychiatric hospitals. | Fraser, LIB-NCP |
| 1983 | From March Rehabilitation Allowance (ReA) was introduced. It was paid at the same rates and under the under much the same conditions as IP to people undertaking a Commonwealth Rehabilitation Program. ReA could be received during the rehabilitation program and for six months after it had been completed if the recipient was unemployed. A training allowance and living away from home allowance continued to be paid. | Fraser, LIB-NCP |
| 1984 | From June the term 'de-facto spouse' replaced the term 'dependent female' in the legislation. From November the pension rates were increased even though the CPI had fallen in the relevant quarters. | Hawke, ALP |
| 1985 | From September residency requirements were modified for those who | Hawke, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | were not incapacitated while an Australian resident. A claimant had to have been resident for ten years at least five of which had to be for a continuous period. | |
| 1987 | From July medical impairment had to constitute the major part of an incapacity qualifying a person for invalid pension. From October residency requirements were changed to exclude temporary residents and prohibited non-citizens. | Hawke, ALP |
| 1988 | From June eligibility for SEA was extended to participants in supported employment services. | Hawke, ALP |
| 1990 | From April IP could not be granted to people of age pension age. From November a Pharmaceutical Allowance of \$2.50 per week for a single pensioner and \$1.25 for a married pensioner was introduced to compensate for the introduction of a \$2.50 charge for each Pharmaceutical Benefits Scheme prescription. The allowance was indexed annually and was tax-free. | Hawke, ALP |
| 1991 | From January people receiving or applying for IP, SEA, or ReA could be required to supply their tax file number and that of their spouse. From November IP and SEA were abolished and were replaced by Disability Support Pension (DSP). ReA was phased out and new entrants to rehabilitation received DSP. The non-medical factors (socio-economic and labour market) taken into account in the assessment of eligibility for IP were no longer considered under the DSP provisions except for people over 55 years of age. Eligibility for DSP depended on an inability to work for 30 hours per week based on a physical, intellectual or psychiatric impairment of at least 20 per cent as measured by impairment tables included as a schedule to the Social Security Act. An employment entry payment of \$200 was paid to DSP recipients who entered the work force. | Hawke, ALP |
| 1993 | From September pensioners with partners in gaol or psychiatric confinement were paid at the single rate. | Keating, ALP |
| 1994 | From July the Disability Wage Supplement (DWS) was introduced. DWS was a variant of DSP which was paid to people who had gained employment under the Supported Wage System administered by the Department of Human Services and Health. Under this system wages were paid to people with disabilities on the basis of their productivity. They remained eligible for DWS but their income from employment was assessed under the income test. | Keating, ALP |
| 1995 | From January refugees applying for pensions were exempt from length of residence requirements. | Keating, ALP |
| 1996 | From July pensioners were eligible for advance payments of pension of between \$250 and \$500 to assist with living or capital expenses. | Howard, LIB-NPA |
| 1997 | From September the rate of the single pension was maintained at a level equal to or greater than the annualised original, all males, total average weekly earnings figure (MTAWE). If the rate after indexation in March and September was less than the MTAWE then it was raised to that level. | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| 1998 | From April revised impairment tables for assessing eligibility for DSP were introduced. They were intended to better target DSP to people whose impairments had a significant impact on their overall ability to work. | Howard, LIB-NPA |
| 1999 | From July 1999 the pension was paid fortnightly in arrears. Payment could be on any day of the week rather than on the same Thursday for everyone. | Howard, LIB-NPA |
| 2000 | From July the rate of the pension was increased as part of a package of measures to compensate for the impact of the introduction of the GST. A pension supplement equivalent to 4 per cent of the maximum rate at July 2000 was paid to all pensioners. Indexation provisions were adjusted so that half of this 4 per cent increase would effectively be an advance on whatever rate increase occurred in March 2001. The increased rate was provided as a supplement so that it would not be included when the pension rate was adjusted in line with the benchmark of 25 per cent of MTAW. This ensured that the maximum rate of pension plus the supplement would always be somewhat more than 25 per cent of MTAW. | Howard, LIB-NPA |
| 2004 | From July the allowable period of temporary absence overseas for portable payments was reduced from 26 to 13 weeks. Severely disabled DSP recipients could be granted unlimited portability. | Howard, LIB-NPA |
| 2006 | <p>From July a person could qualify for DSP if they were assessed as not capable of working 15 hours or more per week, at award wages, without regular and ongoing support, within 2 years.</p> <p>When determining a person's capacity to work, local labour market conditions were no longer taken into account.</p> <p>DSP recipients at 10 May 2005 were not affected by these changes. People qualifying for DSP between 11 May 2005 and 30 June 2006 would only be affected by these changes at their first review after July 2006.</p> <p>The approved program of work supplement was made available to DSP recipients who chose to participate in the Work for the Dole program.</p> <p>From September the seasonal work preclusion period and the income maintenance period were extended to cover people claiming DSP. These periods delayed payment to take account of high rates of pay for seasonal work and leave and redundancy payments.</p> | Howard, LIB-NPA |
| 2007 | From August pensions could be subject to income management in the Northern Territory and Cape York. Income management involved the diversion of 50 per cent of a person's income support into an account that could only be drawn on to pay for priority needs, such as food, clothes and rent. | Howard, LIB-NP |
| 2009 | <p>From July the definition of 'member of a couple' was changed to include same-sex couples.</p> <p>In September the maximum single rate was increased by \$30 per week.</p> <p>From September the Pensioner and Beneficiary Living Cost Index was used to adjust pension rates in September and March each year, where it produced a larger increase than the Consumer Price Index.</p> | Rudd, ALP |
| 2010 | From March the 25 per cent of average weekly earnings benchmark used | Rudd, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | to ensure that single pension rates kept pace with earnings growth, was adjusted to take account of the September 2009 increase in the pension rate. That increase had pushed the single rate well above the existing benchmark. A new benchmark was set for the combined couple rate at 41.76 per cent of Male Total Average Weekly Earnings (MTAWE). the single rate was benchmarked at 66.33 per cent of the combined couple rate (effectively 27.7 per cent of MTAWE). | |

Wives and Carers

Income support for Wives and Carers

It was not until 1943 that an allowance was introduced for dependent wives of invalid pensioners and disabled age pensioners. It was restricted to this narrow group initially because it was targeted at wives who were carers of disabled pensioners. In 1965 those wives who cared for dependent children were given eligibility. The payment was upgraded to a pension in 1972 when the wife's pension was introduced at the same rate and under similar conditions as age and invalid pensions. All wives were given eligibility because of their perceived dependent status without the need to be carers as well. By the nineties dependency based payments for adults were becoming something of an anachronism. Female labour force participation had grown rapidly. Payments were restructured across the board to emphasise individual eligibility as carers or jobseekers. In 1995 the wife pension was closed to new applicants. It and other dependency based payments began to be phased out. Over time all remaining wife pensioners will become age pensioners as they reach age pension age and the payment would cease to exist.

Modest assistance for people caring for children with disabilities was introduced in 1974. This assistance has gradually been modified so that it now provides assistance with the costs of care for carers of both children and adults with disabilities.

Income support explicitly for carers was introduced in 1983, initially for husbands caring for wives who were pensioners with disabilities. Wives caring for husbands were already entitled to the wife pension. Eligibility was soon extended to any live-in carer so that other relatives and non-relatives were covered. Eligibility has gradually been widened since the late eighties so that the payment has been made available for carers of any severely disabled person (of any age) whether they lived-in or not. The number of carer pensioners has increased as a result of this eligibility extension and the phasing out of payments such as wife pension.

Wife's Allowance 1943 to 1972, Wife Pension from 1972

| Commencement Date | Details | Government at Commencement |
|---|---|----------------------------|
| Original Enabling Legislation <i>Invalid and Old-Age Pensions Act 1943 (No 14 of 1943)</i> | | |
| 1943 | From July a Wife's Allowance was payable to the wife of a man receiving Invalid Pension (IP) or Age Pension (AP) who was permanently incapacitated for work. She had to be his legal wife, be living with him and not receiving another pension. No age, character, nationality or length of residence requirements were imposed. The allowance could not be paid were the husband was in a benevolent asylum or psychiatric hospital. The rate of payment was 15 shillings per week and the pension means test applied. For details of the changes to the means test over time see the chapters on Age Pension or Invalid Pension above. | Curtin, ALP |
| 1947 | From June: <ul style="list-style-type: none"> • The allowance was payable to 'dependent females'. They were defined as a woman who had lived with a man as his wife on a permanent and bone fide domestic basis without being married for at least three years. • The allowance was payable where the husband was in a benevolent asylum provided the wife was at least 50 years of age or had custody of a child under 16 years of age. | Chifley, ALP |
| 1963 | From September the rate of allowance was increased to bring it into line with the additional benefit paid to the dependent wife of an unemployment or sickness beneficiary. | Menzies, LIB-CP |
| 1965 | From October eligibility was extended to the wife of any age or invalid pensioner where she had a child under 16 years of age. | Menzies, LIB-CP |
| 1968 | From September a wife allowance recipient whose husband died received the equivalent of his pension and her own allowance for twelve weeks after his death. | Gorton, LIB-CP |
| 1972 | From September Wife's Allowance was replaced by Wife Pension (WfP) which was paid at the married rate of pension and paid to the wife of an invalid or age pensioner if she was not qualified for a pension in her own right. The pension means test continued to apply. | McMahon, LIB-CP |
| 1973 | From December WfP paid to the wife of an age pensioner became subject to income tax. | Whitlam, ALP |
| 1975 | From October the de facto wife of an age or invalid pensioner no longer had to have lived with him for three years to be eligible for WfP. | Whitlam, ALP |
| 1979 | From October: <ul style="list-style-type: none"> • Eligibility for WfP was extended to women in benevolent homes, to women who had no children in their care and to women under 50 years of age whose pensioner husband was in a benevolent home. WfP could not be paid if either wife or husband were in a psychiatric hospital. • The standard single rate could be paid to a wife pensioner where she and her husband were indefinitely separated by illness. | Fraser, LIB-NCP |

| Commencement Date | Details | Government at Commencement |
|--------------------------|--|-----------------------------------|
| 1980 | From November WfP was payable to the wife of a pensioner in a psychiatric hospital. | Fraser, LIB-NCP |
| 1981 | From November WfP claimants had to be resident in and present in Australia at the time of claim for the pension. | Fraser, LIB-NCP |
| 1987 | From October residency requirements were changed to exclude temporary residents and prohibited non-citizens. | Hawke, ALP |
| 1990 | From January funeral benefit was replaced by a lump sum bereavement payment equivalent to 14 weeks pension payable to the surviving member of a pensioner couple. From November a Pharmaceutical Allowance of \$2.50 per week for a single pensioner and \$1.25 for a married pensioner was introduced to compensate for the introduction of a \$2.50 charge for each Pharmaceutical Benefits Scheme prescription. The allowance was indexed annually and was tax-free. | Hawke, ALP |
| 1991 | From January people receiving or applying for WfP could be required to supply their tax file number and that of their spouse. From November women aged less than 21 years without children were not eligible for WfP. | Hawke, ALP |
| 1995 | From July WfP was to be phased out. No new grants were made. | Keating, ALP |
| 1996 | From July pensioners were eligible for advance payments of pension of between \$250 and \$500 to assist with living or capital expenses. | Howard, LIB-NPA |
| 1997 | From September the rate of the single pension was maintained at a level equal to or greater than the annualised original, all males, total average weekly earnings figure (MTAWE). If the rate after indexation in March and September was less than the MTAWE then it was raised to that level. | Howard, LIB-NPA |
| 1999 | From July 1999 pensions were paid fortnightly in arrears. Payment could be on any day of the week rather than on the same Thursday for everyone. | Howard, LIB-NPA |
| 2000 | From July the rate of the pension was increased as part of a package of measures to compensate for the impact of the introduction of the GST. A pension supplement equivalent to four per cent of the maximum rate at July 2000 was paid to all pensioners. Indexation provisions were adjusted so that half of this four per cent increase would effectively be an advance on whatever rate increase occurred in March 2001. The increased rate was provided as a supplement so that it would not be included when the pension rate was adjusted in line with the benchmark of 25 per cent of MTAWE. This ensured that the maximum rate of pension plus the supplement would always be somewhat more than 25 per cent of MTAWE. | Howard, LIB-NPA |
| 2007 | From August pensions could be subject to income management in the Northern Territory and Cape York. Income management involved the diversion of 50 per cent of a person's income support into an account that could only be drawn on to pay for priority needs, such as food, clothes and rent. | Howard, LIB-NPA |
| 2009 | In September the maximum single rate was increased by \$30 per week. | Rudd, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | From September the Pensioner and Beneficiary Living Cost Index was used to adjust pension rates in September and March each year, where it produced a larger increase than the Consumer Price Index. | |
| 2010 | | Rudd, ALP |

Handicapped Child's Allowance 1974 to 1987, Child Disability Allowance 1987 to 1999 and Carer Allowance from 1999

| Commencement Date | Details | Government at Commencement |
|---|--|----------------------------|
| Original Enabling Legislation <i>Social Services Act (No 3) 1974</i> (No. 9 of 1974) | | |
| 1974 | From December Handicapped Child's Allowance (HCA) of \$10 per week was introduced for parents or guardians caring for severely handicapped children under the age of 16 years who were at home and in need of constant care and attention on a permanent or long-term basis. The allowance was not taxable, nor was it subject to an income test. | Whitlam, ALP |
| 1977 | From November eligibility for HCA was extended to persons caring for children who were substantially, rather than severely, handicapped. The rate of HCA for substantially handicapped children was not fixed and was to be set at the discretion of the Director-General of the DSS, but was not to exceed the rate of HCA payable in respect of a severely-handicapped child. This allowance was subject to an income test, but was not taxable. | Fraser, LIB-NCP |
| 1978 | From October: <ul style="list-style-type: none"> • HCA was extended to include dependent full-time students aged 16 to 24 years except where the child was in receipt of an invalid pension. • HCA ceased to be payable for children outside Australia in most cases. | Fraser, LIB-NCP |
| 1979 | From May HCA was paid on a monthly rather than a weekly basis. The new equivalent rate was \$65 per month. | Fraser, LIB-NCP |
| 1982 | From June recipients of HCA were required to notify the DSS within 14 days of the child's absence from the private abode. From October HCA could continue to be paid where students left school and were seeking employment, up to the time they received unemployment benefits, or found work or otherwise ceased to qualify for HCA. | Fraser, LIB-NCP |
| 1983 | From March a rehabilitation allowance was introduced. Parents of full-time students receiving this allowance ceased to be eligible to receive HCA for those students. | Fraser, LIB-NCP |
| 1985 | From November a child attracting HCA could be absent for up to 28 days per year before HCA would cease to be paid for that child. | Hawke, ALP |

| Commencement Date | Details | Government at Commencement |
|--------------------------|--|-----------------------------------|
| 1987 | From November child disability allowance (CDA) replaced HCA. The old distinction between handicapped and severely handicapped was removed and the new allowance was payable at the rate of \$122 per month. | Hawke, ALP |
| 1990 | From January CDA became subject to yearly indexation in line with movements in the CPI for the preceding financial year. | Hawke, ALP |
| 1991 | From August where a child died the person receiving CDA was eligible for special assistance in the form of continued payment of CDA for four weeks. | Hawke, ALP |
| 1992 | In January the rate of CDA was increased by \$2.15 above the normal indexation rise. | Hawke, ALP |
| 1993 | From January eligibility for CDA did not automatically give eligibility for Basic Family Payment. | Keating, ALP |
| 1997 | From March a two year waiting period was introduced for newly arrived residents. | Howard, LIB-NPA |
| 1998 | From July CDA assessment was reformed with the introduction of the Child Disability Assessment Tool (CDAT). The tool was a questionnaire for parents and doctors that assessed age-related functional ability. Behaviour and special care needs. | Howard, LIB-NPA |
| 1999 | From July CDA was merged with the Domiciliary Nursing Care Benefit (DNCB) to form a new Carer Allowance (CA). CA was payed to people caring for a child or an adult with a disability. DNCB had been administered by the Department of Health and Aged Care. | Howard, LIB-NPA |
| 2000 | From July the rate of CA was increased as part of the compensation package for the introduction of the GST. | Howard, LIB-NPA |
| 2004 | In June a one-off payment of \$600 was paid to all carers receiving CA. From September carers who did not live in the same private home as the care receiver became eligible for CA if they provided at least 20 hours of care per week and were not paid award wages for that care. | Howard, LIB-NPA |
| 2005 | In June a one-off payment of \$600 was paid to all carers receiving CA. | Howard, LIB-NPA |
| 2006 | In June a one-off payment of \$600 was paid to all carers receiving CA. From July CA could only be backdated for 12 weeks prior to the date the claim was lodged. Previously the CA could be backdated for up to 52 weeks where children were being cared for and 26 weeks in the case of adults being cared for. | Howard, LIB-NPA |
| 2007 | In June a one-off payment of \$600 for each person cared for was paid to all carers receiving CA. From July a lump sum annual payment of \$1000 was introduced for all CA recipients, for each child under the age of 16 years that they received CA for. | Howard, LIB-NPA |
| 2008 | In June a one-off payment of \$600 for each person cared for was paid to all carers receiving CA. | Rudd, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| 2009 | From July a carer who qualified for CP as a result of caring for a child, automatically qualified for Carer Allowance. | Rudd, ALP |
| 2010 | From July an assessment tool (the Child Disability Care Load Assessment Determination 2009) used to determine the level of care required by a child was introduced to replace the previous tool (the Child Disability Assessment Tool) which had looked at the functional level of the child. A carer could remain eligible for CA for 3 months after the child reached 16 years of age. | Rudd, ALP |

Table 1: Maximum Rates of Handicapped Child's Allowance, Child Disability Allowance and Carer Allowance, from 1974

| Month of effect | Rate |
|-----------------|--------------------|
| | (\$ per week) |
| 12/74 | 10.00 |
| 11/76 | 15.00 |
| | (\$ per month) |
| 05/79 | 65.00 |
| 10/80 | 73.00 |
| 10/82 | 85.00 |
| 10/86 | 92.00 |
| 11/87 | 112.00 |
| | (\$ per fortnight) |
| 12/88 | 48.00 |
| 07/89 | 51.70 |
| 01/90 | 55.60 |
| 01/91 | 59.90 |
| 01/92 | 61.90 |
| 01/93 | 67.00 |
| 01/94 | 68.30 |
| 01/95 | 69.50 |
| 01/96 | 72.60 |
| 01/97 | 74.90 |
| 01/98 | 75.10 |
| 01/99 | 75.60 |
| 01/00 | 76.40 |
| 07/00 | 79.50 |
| 01/01 | 82.00 |
| 01/02 | 85.30 |
| 01/03 | 87.70 |
| 01/04 | 90.10 |

| Month of effect | Rate |
|-----------------|--------|
| 01/05 | 92.40 |
| 01/06 | 94.70 |
| 01/07 | 98.50 |
| 01/08 | 100.60 |
| 01/09 | 105.10 |
| 01/10 | 106.70 |

Spouse Carer's Pension 1983 to 1985, Carer Pension 1985 to 1997, Carer Payment from 1997

| Commencement Date | Details | Government at Commencement |
|---|--|----------------------------|
| Original Enabling Legislation <i>Social Security Legislation Amendment Act 1983</i> (No. 69 of 1983) | | |
| 1983 | From December a Spouse Carer's Pension (CP) was introduced. It was payable to the husband of a severely handicapped age or invalid pensioner or rehabilitation allowee who required constant care and attention either permanently or for an extended period. The care had to be provided by the husband in person and in the matrimonial home. The husband could only receive CP if he was ineligible for age, invalid or service pension. The rates and conditions were the same as for Wife Pension (WFP). | Hawke, ALP |
| 1985 | From November this payment was renamed Carer's Pension and made available to anyone caring for a severely handicapped relative who was an age or invalid pensioner. The care had to be provided by the carer in person and the carer had to live in the home of the handicapped relative. | Hawke, ALP |
| 1987 | From October CP was payable only to people resident in Australia. Residency requirements were changed to exclude temporary residents and prohibited non-citizens. | Hawke, ALP |
| 1988 | From February CP could be paid to a carer who was not a relative of the person being cared for. The requirement that constant care and attention was necessary was removed. It was replaced by a stricter requirement that personal care in connection with bodily functions (including eating, toileting and medication) or that constant supervision to prevent injury to the person or others was required. | Hawke, ALP |
| 1990 | From January funeral benefit was replaced by a lump sum bereavement payment equivalent to 14 weeks pension payable to the surviving member of a pensioner couple or the carer pensioner upon the death of the person cared for. When a single pensioner died one fortnight's payment was payed to their estate. From November a Pharmaceutical Allowance of \$2.50 per week for a single pensioner and \$1.25 for a married pensioner was introduced to compensate for the introduction of a \$2.50 charge for each Pharmaceutical Benefits Scheme prescription. The allowance was indexed annually and was tax-free. | Hawke, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| 1991 | <p>From January:</p> <ul style="list-style-type: none"> • CP was made available to people caring for a severely handicapped person in receipt of any income support payment. Carers who lived in neighbouring dwellings to those in which the person they cared for lived were also made eligible for CP. • People receiving or applying for CP could be required to supply their tax file number and that of their spouse. | Hawke, ALP |
| 1993 | <p>From July:</p> <ul style="list-style-type: none"> • Eligibility for CP was extended to people caring for a person who would have qualified for a DSS payment had they satisfied the residence requirements • Carers were allowed to cease care for a total of 42 days in a calendar year (up from 28) and still be eligible for CP. They were also allowed to travel overseas during the periods when they were not giving caring • Carers were allowed to participate in employment, education or training for up to ten hours per week • Carers were allowed to accompany the person being cared for overseas for up to three months without losing entitlement • From September pensioners with partners in gaol or psychiatric confinement were paid at the single rate. | Keating, ALP |
| 1995 | <p>From September an employment entry payment of \$100 and an education entry payment of \$200 were introduced for CP recipients.</p> | Keating, ALP |
| 1996 | <p>From March:</p> <ul style="list-style-type: none"> • CP was paid for 14 weeks after the permanent institutionalisation of the person who had been receiving care. • CP was payable where the person receiving care was not receiving a social security payment. • The carer was no longer required to live in the same house or in an adjacent house to the person being cared for. • From July carer pensioners were eligible for advance payments of pension of between \$250 and \$500 to assist with living or capital expenses. | Howard, LIB-NPA |
| 1997 | <p>From July:</p> <ul style="list-style-type: none"> • CP was renamed Carer Payment. • The number of hours that a carer could spend in employment, voluntary work, education, or training was extended from 10 to 20 hours per week. • The number of days that a carer may temporarily cease caring in a calendar year increased from 42 to 52. <p>From September the rate of the single pension was maintained at a level equal to or greater than the annualised original, all males, total average weekly earnings figure (MTAWE). If the rate after indexation in March</p> | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | and September was less than the MTAWA then it was raised to that level. | |
| 1998 | <p>From January the employment entry payment was abolished.</p> <p>From July:</p> <ul style="list-style-type: none"> • Eligibility for CP was extended to people caring for profoundly disabled children under 16 years of age. • Eligibility for CP was extended to people caring for two or more disabled children under 16 years of age. • Carers were to be able to cease caring for up to 63 days in a calendar year and still qualify for CP | Howard, LIB-NPA |
| 1999 | From July 1999 the pension was paid fortnightly in arrears. Payment could be on any day of the week rather than on the same Thursday for everyone. | Howard, LIB-NPA |
| | <p>An improved system of measuring the care needs of care recipients called the Adult Disability Assessment Tool (ADAT) was introduced.</p> <p>Eligibility for CP was extended to situations where the care recipient was hospitalised for up to 63 days in a calendar year and the carer was actively involved in a treatment plan aimed at returning the care recipient to the home of the carer. Eligibility was also to continue where the care recipient was hospitalised with a terminal illness.</p> <p>Eligibility for CP was extended to people caring for an adult with a disability and for that adult's young (zero to five years) or disabled child. A lower score on the ADAT was required for the adult being cared for than would otherwise have been the case.</p> | Howard, LIB-NPA |
| 2000 | From July the rate of the pension was increased as part of a package of measures to compensate for the impact of the introduction of the GST. A pension supplement equivalent to four per cent of the maximum rate at July 2000 was paid to all pensioners. Indexation provisions were adjusted so that half of this four per cent increase would effectively be an advance on whatever rate increase occurred in March 2001. The increased rate was provided as a supplement so that it would not be included when the pension rate was adjusted in line with the benchmark of 25 per cent of MTAWA. This ensured that the maximum rate of pension plus the supplement would always be somewhat more than 25 per cent of MTAWA. | Howard, LIB-NPA |
| 2004 | In June a one-off payment of \$1000 was paid to all recipients of Carer Payment. | Howard, LIB-NPA |
| 2005 | <p>In June a one-off payment of \$1000 was paid to all recipients of Carer Payment.</p> <p>From April the number of hours that a carer could spend in work, training or study was increased from 20 to 25 hours per week.</p> | Howard, LIB-NPA |
| 2006 | <p>In June a one-off payment of \$1000 was paid to all recipients of Carer Payment.</p> <p>From July eligibility for CP was extended to carers of children with severe intellectual, psychiatric or behavioural disabilities who required constant</p> | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | <p>care or supervision.</p> <p>From 20 September the seasonal worker preclusion period was extended to CP. This preclusion period delays payment to take account of high seasonal work earnings.</p> | |
| 2007 | <p>In June a one-off payment of \$1000 was paid to all recipients of CP.</p> <p>From August pensions could be subject to income management in the Northern Territory and Cape York. Income management involved the diversion of 50 per cent of a person's income support into an account that could only be drawn on to pay for priority needs, such as food, clothes and rent.</p> | Howard, LIB-NPA |
| 2008 | <p>In June a one-off payment of \$1000 was paid to all recipients of CP.</p> | Rudd, ALP |
| 2009 | <p>From July the definition of 'member of a couple' was changed to include same-sex couples.</p> <p>A new assessment tool was introduced (the Disability Care Load Assessment (Child) Determination) to assess the level of care required by a child. it replaced a more restrictive assessment based on medical criteria.</p> <p>A carer who qualified for CP as a result of caring for a child was automatically qualified for Carer Allowance.</p> <p>A carer continued to qualify for CP while a care receiver who was a child was in hospital for an unlimited number of days during any calendar year.</p> <p>In September the maximum single rate was increased by \$30 per week.</p> <p>From September the Pensioner and Beneficiary Living Cost Index was used to adjust pension rates in September and march each year, where it produced a larger increase than the Consumer Price Index.</p> | Rudd, ALP |
| 2010 | <p>From March the 25 per cent of average weekly earnings benchmark used to ensure that single pension rates kept pace with earnings growth, was adjusted to take account of the September 2009 increase in the pension rate. The new benchmark was set for the combined couple rate at 41.76 per cent of Male Total Average Weekly Earnings (MTAWE). the single rate was benchmarked at 66.33 per cent of the combined couple rate (effectively 27.7 per cent of MTAWE).</p> | Rudd, ALP |

Table 2: Numbers of Recipients of Selected Payments, from 1910

| At June | Age Pension | Disability Support Pension (a) | Wife Pension | Sheltered Employment Allowance | Carer Allowance (b) | Rehab Allowance | Carer Payment | Mobility Allowance |
|---------|-------------|--------------------------------|--------------|--------------------------------|---------------------|-----------------|---------------|--------------------|
| 1910 | 65 492 | - | - | - | - | - | - | - |
| 1911 | 75 502 | 7 451 | - | - | - | - | - | - |
| 1912 | 79 071 | 10 763 | - | - | - | - | - | - |
| 1913 | 82 943 | 13 739 | - | - | - | - | - | - |
| 1914 | 87 780 | 16 865 | - | - | - | - | - | - |
| 1915 | 90 892 | 20 417 | - | - | - | - | - | - |
| 1916 | 91 783 | 23 439 | - | - | - | - | - | - |
| 1917 | 93 672 | 28 274 | - | - | - | - | - | - |
| 1918 | 95 387 | 31 905 | - | - | - | - | - | - |
| 1919 | 95 969 | 34 138 | - | - | - | - | - | - |
| 1920 | 99 170 | 37 551 | - | - | - | - | - | - |
| 1921 | 102 415 | 40 562 | - | - | - | - | - | - |
| 1922 | 105 096 | 41 821 | - | - | - | - | - | - |
| 1923 | 107 389 | 42 909 | - | - | - | - | - | - |
| 1924 | 113 054 | 47 375 | - | - | - | - | - | - |
| 1925 | 117 516 | 49 837 | - | - | - | - | - | - |
| 1926 | 126 918 | 53 752 | - | - | - | - | - | - |
| 1927 | 133 234 | 57 223 | - | - | - | - | - | - |
| 1928 | 139 367 | 60 448 | - | - | - | - | - | - |
| 1929 | 145 393 | 64 334 | - | - | - | - | - | - |
| 1930 | 155 196 | 68 540 | - | - | - | - | - | - |
| 1931 | 172 177 | 73 805 | - | - | - | - | - | - |
| 1932 | 183 317 | 77 476 | - | - | - | - | - | - |
| 1933 | 176 425 | 77 583 | - | - | - | - | - | - |
| 1934 | 187 453 | 78 041 | - | - | - | - | - | - |
| 1935 | 197 126 | 81 872 | - | - | - | - | - | - |
| 1936 | 206 748 | 85 661 | - | - | - | - | - | - |
| 1937 | 215 690 | 88 561 | - | - | - | - | - | - |
| 1938 | 224 154 | 91 240 | - | - | - | - | - | - |
| 1939 | 232 836 | 94 032 | - | - | - | - | - | - |
| 1940 | 272 896 | 63 911 | - | - | - | - | - | - |
| 1941 | 276 760 | 64 379 | - | - | - | - | - | - |
| 1942 | 275 456 | 65 874 | - | - | - | - | - | - |
| 1943 | 267 239 | 63 918 | - | - | - | - | - | - |
| 1944 | 257 186 | 62 793 | 7 301 | - | - | - | - | - |
| 1945 | 252 634 | 63 148 | 8 527 | - | - | - | - | - |
| 1946 | 264 826 | 67 818 | 9 591 | - | - | - | - | - |
| 1947 | 290 173 | 73 528 | 10 648 | - | - | - | - | - |
| 1948 | 302 854 | 78 515 | 11 750 | - | - | - | - | - |
| 1949 | 321 327 | 81 695 | 12 477 | - | - | - | - | - |
| 1950 | 334 923 | 78 869 | 12 720 | - | - | - | - | - |
| 1951 | 342 806 | 74 562 | 12 100 | - | - | - | - | - |
| 1952 | 352 049 | 73 588 | 11 466 | - | - | - | - | - |
| 1953 | 374 791 | 76 541 | 11 593 | - | - | - | - | - |
| 1954 | 397 784 | 80 195 | 12 362 | - | - | - | - | - |
| 1955 | 425 556 | 84 630 | 12 555 | - | - | - | - | - |

| At June | Age Pension | Disability Support Pension (a) | Wife Pension | Sheltered Employment Allowance | Carer Allowance (b) | Rehab Allowance | Carer Payment | Mobility Allowance |
|---------|-------------|--------------------------------|--------------|--------------------------------|---------------------|-----------------|---------------|--------------------|
| 1956 | 446 207 | 89 019 | 12 566 | - | - | - | - | - |
| 1957 | 465 781 | 88 236 | 12 837 | - | - | - | - | - |
| 1958 | 496 757 | 77 451 | 12 044 | - | - | - | - | - |
| 1959 | 513 789 | 83 853 | 12 469 | - | - | - | - | - |
| 1960 | 538 022 | 80 616 | 12 952 | - | - | - | - | - |
| 1961 | 562 790 | 88 642 | 13 559 | - | - | - | - | - |
| 1962 | 594 012 | 97 246 | 14 372 | - | - | - | - | - |
| 1963 | 607 350 | 104 038 | 15 390 | - | - | - | - | - |
| 1964 | 615 186 | 109 725 | 16 101 | - | - | - | - | - |
| 1965 | 628 100 | 107 473 | 16 305 | - | - | - | - | - |
| 1966 | 636 984 | 106 645 | 17 318 | - | - | - | - | - |
| 1967 | 651 363 | 112 314 | 18 670 | - | - | - | - | - |
| 1968 | 682 265 | 114 745 | 18 818 | 309 | - | - | - | - |
| 1969 | 705 311 | 121 744 | 20 180 | 488 | - | - | - | - |
| 1970 | 779 007 | 133 766 | 22 873 | 718 | - | - | - | - |
| 1971 | 807 711 | 134 075 | 22 998 | 776 | - | - | - | - |
| 1972 | 832 693 | 138 818 | 23 690 | 923 | - | - | - | - |
| 1973 | 931 812 | 149 609 | 40 557 | 1 080 | - | - | - | - |
| 1974 | 1 027 582 | 156 783 | 47 399 | 1 098 | - | - | - | - |
| 1975 | 1 097 225 | 168 784 | 50 817 | 2 762 | 13 037 | - | - | - |
| 1976 | 1 158 657 | 183 787 | 59 480 | 5 246 | 16 450 | - | - | - |
| 1977 | 1 205 347 | 202 963 | 68 849 | 5 813 | 18 820 | - | - | - |
| 1978 | 1 264 778 | 204 944 | 77 767 | 6 036 | 21 220 | - | - | - |
| 1979 | 1 292 476 | 219 843 | 86 470 | 7 034 | 23 748 | - | - | - |
| 1980 | 1 321 926 | 229 219 | 91 006 | 7 597 | 25 371 | - | - | - |
| 1981 | 1 347 430 | 221 951 | 86 637 | 8 339 | 25 998 | - | - | - |
| 1982 | 1 367 035 | 216 649 | 82 615 | 8 913 | 25 873 | - | - | - |
| 1983 | 1 390 838 | 220 289 | 84 149 | 9 342 | 26 693 | 2 390 | - | 3 935 |
| 1984 | 1 358 129 | 240 574 | 91 190 | 9 597 | 27 192 | 3 322 | 1 721 | 9 480 |
| 1985 | 1 331 782 | 259 162 | 97 756 | 9 974 | 28 154 | 3 444 | 2 712 | 10 946 |
| 1986 | 1 324 600 | 273 810 | 103 382 | 10 349 | 29 074 | 3 227 | 5 020 | 11 420 |
| 1987 | 1 322 174 | 289 050 | 109 327 | 10 555 | 29 486 | 2 887 | 6 497 | 12 120 |
| 1988 | 1 328 814 | 296 913 | 110 664 | 10 669 | 32 071 | 2 143 | 7 393 | 12 641 |
| 1989 | 1 334 310 | 307 795 | 113 296 | 10 435 | 34 671 | 2 063 | 8 010 | 12 756 |
| 1990 | 1 340 468 | 306 713 | 115 695 | 10 124 | 37 746 | 2 211 | 8 796 | 13 207 |
| 1991 | 1 375 849 | 334 234 | 121 933 | 10 148 | 42 405 | 3 574 | 10 161 | 13 444 |
| 1992 | 1 446 168 | 378 558 | 133 194 | - | 50 797 | 1 939 | 12 631 | 13 911 |
| 1993 | 1 515 682 | 406 572 | 142 013 | - | 61 174 | 579 | 15 045 | 16 160 |
| 1994 | 1 581 874 | 436 234 | 152 620 | - | 69 693 | 153 | 17 699 | 20 795 |
| 1995 | 1 578 698 | 464 430 | 161 457 | - | 78 898 | 34 | 20 098 | 22 851 |
| 1996 | 1 602 834 | 499 235 | 148 931 | - | 90 644 | 17 | 25 037 | 24 985 |
| 1997 | 1 680 214 | 527 514 | 127 885 | - | 95 520 | 8 | 29 558 | 26 595 |
| 1998 | 1 682 618 | 553 336 | 116 125 | - | 90 830 | - | 33 979 | 28 975 |
| 1999 | 1 715 792 | 577 682 | 100 728 | - | 100 452 | - | 40 070 | 31 001 |
| 2000 | 1 738 256 | 602 280 | 91 455 | - | 194 887 | - | 47 550 | 35 154 |
| 2001 | 1 793 580 | 623 926 | 77 805 | - | 246 337 | - | 57 190 | 37 574 |
| 2002 | 1 818 205 | 658 915 | 68 061 | - | 267 051 | - | 67 260 | 41 997 |
| 2003 | 1 861 055 | 673 334 | 58 110 | - | 293 510 | - | 75 937 | 44 562 |

| At June | Age Pension | Disability Support Pension (a) | Wife Pension | Sheltered Employment Allowance | Carer Allowance (b) | Rehab Allowance | Carer Payment | Mobility Allowance |
|---------|-------------|--------------------------------|--------------|--------------------------------|---------------------|-----------------|---------------|--------------------|
| 2004 | 1 876 250 | 696 742 | 52 911 | - | 291 380 | - | 84 082 | 47 402 |
| 2005 | 1 915 036 | 706 800 | 45 169 | - | 332 256 | - | 95 446 | 49 215 |
| 2006 | 1 922 129 | 712 163 | 40 881 | - | 366 960 | - | 105 058 | 52 652 |
| 2007 | 1 952 686 | 714 156 | 35 273 | - | 393 263 | - | 116 614 | 54 942 |
| 2008 | 2 039 305 | 732 367 | 31 950 | - | 422 905 | - | 130 657 | 55 299 |
| 2009 | 2 117 530 | 757 118 | 27 437 | - | 461 086 | - | 148 870 | 56 080 |
| 2010 | 2 160 000 | 792 581 | 24 655 | - | 495 733 | - | 168 913 | 57 349 |

Notes:

(a) includes Invalid pensioners 1910 to 1991 and institutional pensioners 1917 to 1956.

(b) shows children allowance paid for 1974 to 1981. Shows adult allowees from 1982.

Means Testing

The history of the Australian pension system has been dominated by the means test. A rather severe means test applied to the pensions when initially introduced. Private income above a threshold reduced pension on a pound-for-pound basis and assets above a certain amount reduced pension by one pound for every ten pounds of assets. From the beginning the family home was concessionally treated and by 1912 it was completely exempt from consideration under the means test.

The means test changed little between 1909 and 1946. During the depression of the thirties attempts were made to reduce pension expenditure by among other things reducing the rate of pension, requiring relatives to contribute to the support of aged people and attempting to recover pension paid from the estate of deceased pensioners. Many of these measures proved to be administratively unworkable partly due to the intense opposition they provoked and were repealed by the late thirties.

The Push for a Universal Age Pension

After World War II pressure for the abolition of the means test prompted a series of changes, many of which were intended to be steps on the way to its eventual abolition. The means test was criticised for excluding the thrifty from the pension and generally discouraging saving. Both sides of politics endorsed abolition or liberalisation of the means test well into the seventies. The most significant changes along the road to abolition were:

- Substantial increases in the levels of permissible income and the property limit introduced by the Chifley Government in 1946 and 1948.
- Further increases to the levels of permissible income and the property limit, an increase in the property exemption, exemption of income from property from consideration and exemption of blind pensioners from the test by the Menzies Government in 1954.
- A further increase in the property limit in 1958 and the introduction of a merged means test in 1961 by the Menzies Government. The new test had no property limit, but income was deemed to be derived from property above an exempt amount of 400 pounds. That deemed income and any

income not derived from property reduced the annual pension paid by one pound for every pound of income above an exempt amount.

- The introduction of a tapered withdrawal rate by the Gorton Government in 1969. The annual rate of pension was reduced by only half of the amount of income above the exempt amount rather than the full amount as had been the case previously.
- In 1972 the McMahon Government introduced a large increase in the level of exempt income as a prelude to abolition of the means test within three years for age pensioners aged 65 years and older.
- The Whitlam Government abolished the means test for age pensioners aged 75 years and over in 1973 and for those aged 70 years and over in 1975, having matched the McMahon Government commitment before the 1972 election.
- In 1976 the Fraser Government removed any consideration of assets from the means test making it an income test only.

The years 1946 to 1980 saw a steady growth in the proportion of the aged population who received age pensions as the means test was liberalised. Table 2 shows that around 32 per cent of the aged population received an age pension up until World War II. Means test changes over the following decades saw that proportion rise to a high of 77 per cent in the late seventies. By the late eighties it had dropped back to around 60 per cent due to a major policy shift.

The Abandonment of Universalism and the Ascendancy of Targeting

In 1978 the Fraser Government began the retreat from universalism through abolition of the means test for the aged by freezing the rate of pension paid free of the income test to those aged 70 years or more. The income test was reintroduced for any additional entitlement. The process of reinstating a full means test was completed when the Hawke Government strengthened the income testing of pensions for those aged 70 years and over in 1983 and introduced an assets test in 1985. The fiscal pressures on government in the seventies and eighties reversed the trend to universalism and replaced it with a new orthodoxy called targeting. Means testing is essential in a targeted approach in order to ensure that those most in need receive the benefit of the limited dollars available.

The Hawke and Keating Governments increased targeting through reforms to such areas as the treatment of investment income, assets testing and the handling of compensation payments. The objective was equitable treatment of all pensioners with private income no matter what the source. However between 1987 and 1993, the income testing provisions relating to investments became more and more complicated as the appearance of new investment products prompted the introduction of corresponding new income testing provisions. A review of the income and assets tests was commissioned and reported in 1994. The resulting reforms simplified arrangements by deeming income from investments based on the value of the investments held.

Further changes were introduced to moderate the tendency for means testing to produce poverty traps and disincentives to saving and self-provision. The amount of income exempt from the income test was increased substantially in 1987. It was further increased and the taper rate was reduced as part of the compensation package provided in 2000 when the Goods and Services Tax was introduced.

The Means Test 1909 to 1961, the Merged Means Test 1961 to 1976, the Income Test 1976 to 1985, the Income and Assets Tests from 1985

| Commencement Date | Details | Government at Commencement |
|--|---|----------------------------|
| Original Enabling Legislation <i>Invalid and Old-Age Pensions Act 1908 (No. 17 of 1908)</i> | | |
| 1909 | From April the Old-Age Pension (AP) was introduced. The pension was subject to a means test as follows: <ul style="list-style-type: none"> • The value of property, both real and personal, owned by a pensioner could not exceed 310 pounds and applicants were not permitted to deprive themselves of property in order to qualify for the pension • Where the value of the property of a single pensioner included their residence and exceeded 100 pounds, pension was reduced by one pound for every ten pounds of value in excess of 100 pounds. Where the property did not include their residence or that residence produced income, pension was reduced by one pound for every ten pounds of value in excess of 50 pounds. The pensions of members of couples were reduced in the same way but the amounts above which pension was reduced were halved to 50 pounds and 25 pounds respectively • Income over 26 pounds per annum reduced the amount of pension payable on a pound for pound basis. The rate of pension was initially 26 pounds per annum, so a pensioner's total income could not exceed 52 pounds per annum under these rules. Each member of a pensioner couple was deemed to receive half of the couple's total income and own half of the couple's total property | Fisher, ALP |
| 1910 | From November Invalid Pension (IP) was introduced and paid under the same means test as AP. | Fisher, ALP |
| 1912 | From December the value of a pensioners home was excluded from consideration when assessing the value of their property. The higher level of exempt property was removed as a result of this change. | Fisher, ALP |
| 1917 | From September: <ul style="list-style-type: none"> • War pensions paid to dependants of deceased or incapacitated soldiers was exempted from consideration as income under the means test. • Contributions to the maintenance of an invalid parent were excluded from consideration when assessing eligibility. | Hughes, Nationalist |
| 1921 | From January married blind pensioners could receive sufficient pension up to the maximum rate to bring the joint income of their family up to four pounds five shillings per week. | Hughes, Nationalist |
| 1928 | From September war pension for incapacitated soldiers became exempt income under the means test. | Bruce-Page, Nationalist-CP |
| 1931 | From July war pensions were once again counted as income under the means test as part of the financial emergency measures taken during the Depression. | Scullin, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | From November pensioners with deposits in the Savings Bank of New South Wales could assign them to the government and have them excluded from their property value under the means test. | |
| 1932 | <p>From October further emergency measures were introduced:</p> <ul style="list-style-type: none"> • Eligibility for pension ceased where relatives could adequately maintain the pensioner. Relatives could be required to make compulsory contributions to pensioner's maintenance. • Transfers of property worth more than 100 pounds made for no consideration in the five years before claiming pension could prevent pension eligibility. • Pension payed to a pensioner could be recovered from the pensioner's estate after they died. • The rate of pension payable before the income test was applied was reduced to 15 shillings per week. <p>These emergency measures were not fully implemented and those concerning property were repealed in April 1935.</p> | Lyons, UAP |
| 1933 | From October sustenance and food relief provided by a State Government were excluded as income under the means test. | Lyons, UAP |
| 1934 | From June relatives could no longer be required to contribute to a pensioner's maintenance. | Lyons, UAP |
| 1941 | <p>From December:</p> <ul style="list-style-type: none"> • The property exemption for a married pensioner was raised to be the same as that for a single pensioner. • The special provisions for blind pensioners under the means test introduced in 1921 were repealed. | Curtin, ALP |
| 1942 | <p>From July:</p> <ul style="list-style-type: none"> • Pensioners could no longer assign deposits in the Savings Bank of New South Wales to the government and have them excluded from consideration under the means test. • Voluntary support from relatives other than parents no longer excluded people from pension eligibility. • Permissible income for a blind pensioner was set at the level of the basic wage. | Curtin, ALP |
| 1944 | Permissible income for blind pensioners was set at five pounds and the link with the basic wage removed. | Curtin, ALP |
| 1946 | <p>From August the following items were exempt when assessing the value of property under the means test:</p> <ul style="list-style-type: none"> • the value of furniture and personal effects • the surrender value of any life insurance policy up to 200 pounds • the capital value of any life interest or annuity • the value of a contingent interest | Chifley, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | <ul style="list-style-type: none"> • the present value of a reversionary interest up to 500 pounds, and • the value of property not yet received from a deceased estate. <p>Permissible income under the means test was increased to one pound per week.</p> <p>The upper limit on property was raised to 650 pounds.</p> <p>The pension rate was reduced by two pounds for every complete ten pounds of property above 400 pounds.</p> <p>Claimants for IP who were adequately maintained by their parents and were aged 21 years or more were made eligible for IP.</p> | |
| 1947 | From July an income disregard in respect of children of ten shillings per week was introduced. Receipt of child endowment and child allowance reduced this disregard by the full amount received. | Chifley, ALP |
| 1948 | From October the amount of AP payable was reduced where the total amount of war, service and AP exceeded three pounds two shillings and sixpence for a single person or six pounds two shillings for a pensioner couple. | Chifley, ALP |
| 1951 | From October the income disregard in respect of children was reduced to five shillings per week and it was no longer reduced by the value of any child endowment and child allowance received. | Menzies, LIB-CP |
| 1953 | <p>From October:</p> <ul style="list-style-type: none"> • The permissible income for a single pensioner was raised to two pounds per week. It was raised to two pounds ten shillings for Wife's Allowance and married pensioners whose wife was not a pensioner. • The pension was now reduced by one pound for every complete ten pounds of property between 150 pounds and 450 pounds and by two pounds for every complete eleven pounds between 450 pounds and 1250 pounds. | Menzies, LIB-CP |
| 1954 | <p>From October:</p> <ul style="list-style-type: none"> • The means test for permanently blind people was removed. • Income from property became exempt under the means test. • The pension was now reduced by one pound for every complete ten pounds between 200 pounds and 1750 pounds. | Menzies, LIB-CP |
| 1955 | From October the limit on the total amount of age pension and war pension was removed and war pension only counted as income under the means test. | Menzies, LIB-CP |
| 1961 | From March a merged means test was introduced. It superseded the separate tests on income and property. One pound for every ten pounds of property above 200 pounds was added to the annual income of pensioners to produce an amount of 'means as assessed'. Where means as assessed exceeded 182 pounds per annum the annual rate of pension was reduced by the excess. | Menzies, LIB-CP |
| 1967 | From June Sheltered Employment Allowance (SEA) was introduced. | Holt, LIB-CP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | People engaged in sheltered employment were eligible. SEA was paid at the same rate as IP but the means test was structured to allow for earnings. Earnings above \$10 per week for a single person or \$17 per week for a married person reduced SEA by one dollar for every two dollars earned. | |
| 1969 | <p>From September:</p> <ul style="list-style-type: none"> • The means test was adjusted so that only half of the amount of means as assessed was deducted from the annual rate of pension. The means test became known as the 'tapered means test'. The unadjusted means test was retained for determining eligibility for funeral benefit, the pensioner Medical Service and fringe benefits. • SEA became subject to the pension means test. | Gorton, LIB-CP |
| 1972 | From September pensioners receiving superannuation pensions or annuities received concessional treatment under the means test. Their superannuation could be treated as a property value determined by conversion factors which related to their age. This was only done where it was to the pensioner's advantage. | McMahon, LIB-CP |
| 1973 | From September the means test was abolished for those aged 75 years or more. | Whitlam, ALP |
| 1975 | From May the means test was abolished for those aged 70 to 74 years. | Whitlam, ALP |
| 1976 | From November the means test was replaced by an income only test. Assets were no longer taken into account but any income derived from those assets was included under the income test. Concessional treatment of superannuation pensions was discontinued. Where a pensioner deprived themselves of property or income in order to receive a pension they were no longer refused a pension. Instead the disposed of income could be deemed to be income received by the pensioner. | Fraser, LIB-NCP |
| 1978 | From October the rate of pension paid free of the income test to those aged 70 years or more was frozen at \$51.45 for a single pensioner and \$42.90 for a married pensioner. Higher rates of payment could be received if they qualified under the income test. Blind pensioners were not affected by this change. | Fraser, LIB-NCP |
| 1983 | <p>From November:</p> <ul style="list-style-type: none"> • The income test free component of the pension for those aged 70 years or older was subject to a special income test. Where income exceeded \$200 per week for a single pensioner or \$333 per week for a couple the previously income test free component was reduced by fifty cents for each dollar of income above those levels. • The exemption under the income test for income from Friendly societies or trade unions was removed. | Hawke, ALP |
| 1985 | From March an assets test was introduced which applied to all income-tested pensions. The assets or income test was applied, but not both. The test giving the lower pension level was applied. The following assets were not considered under the test: | Hawke, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | <ul style="list-style-type: none"> • the pensioners home • special aids for disabled people • pre-paid funeral expenses • an inheritance not able to be received • awards for valour not held as investments, and • the capital value of a life interest, most annuities, contingent or reversionary interests not created by the person or gift cars provided by DVA. <p>The value of the assets if sold at the time of assessment, less any debt, was used. Disposal of assets without adequate return was allowed to the value of \$2000 per annum for a single pensioner or \$4000 for a couple. Disposal above these values resulted in the excess being assessable. The value of disposed assets being assessed was reduced by 10 per cent each year.</p> <p>Hardship provisions applied where a person was considered to be in severe hardship as a result of the assets test. Under these provisions assets could be disregarded where they produced little or no income, could not be sold or could not be expected to be sold or used as security for a loan.</p> <p>A pensioner loan scheme was introduced for people entitled to little or no pension due to the assets test, who did not want to sell or rearrange their assets. Provided that at least 70 per cent of their assets could not readily be converted to cash, and there was adequate security for the loan, the person could receive the pension payable if only the income test applied. The excess over the entitlement under the assets test became a debt with interest of 10 per cent per annum.</p> <p>The first \$120 000 of a single pensioner's assets and the first \$150 000 of a pensioner couple's assets were exempt from consideration under the test. For those who owned their own home only \$70 000 of assets for single pensioners and \$100 000 of assets for a pensioner couple were exempt. These exemption levels were subject to annual indexation in line with the CPI. Pension was reduced by \$2.00 per week for every \$1000 of assets in excess of the exemption levels.</p> | |
| 1986 | From November the rate of DSS pension payable to a recipient of a war widow's pension was frozen. New grants were paid at the rate of \$60.05 per week subject to the income and assets tests. | Hawke, ALP |
| 1987 | <p>From May:</p> <ul style="list-style-type: none"> • The timing of automatic indexation of assets test exemption levels was deferred by six weeks to 12 June of each year from 1 May of each year. • For new claimants for IP, Rehabilitation Allowance (ReA) and SEA, amounts equal to the pension or allowance they received were recoverable from any compensation for an incapacity to work which they received. <p>From July the separate income test for rent assistance was abolished.</p> | Hawke, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | <p>From November:</p> <ul style="list-style-type: none"> • Earnings credits were introduced for all pensioners except Carer Pension (CP). Pensioners could save up unused portions of the income test free area to a limit of \$1000. When income exceeded the free area the credit was reduced until totally depleted. The normal income test then applied again. • Restitution payments made by the West German Government were not regarded as income under the income test. <p>From December separate rules for the treatment of investment income under the income test were introduced. The growth component of market linked investments made before or after 13 December 1987 was treated as income averaged over the 12 months after withdrawal. Income from accruing return investments (which produced a known rate of return) was deemed to be received throughout the period of the investment. Savings provisions applied to investments of this type entered into before 1 January.</p> | |
| 1988 | <p>From February 50 per cent of a lump sum settlement of a compensation claim for personal injury was deemed to be for economic loss and was recoverable where pension had been paid during the period of that economic loss.</p> <p>From November:</p> <ul style="list-style-type: none"> • Money received from a home equity conversion loan was exempt from consideration under the income test until it reached the amount of \$40 000. • The value free or subsidised board and lodgings was disregarded under the income test. <p>From December an 11 per cent annual rate of return was imputed to all market linked investments entered into after 9 September 1988. A lower rate could be used where evidence suggested that the product was yielding a lower return.</p> | Hawke, ALP |
| 1990 | <p>From January:</p> <ul style="list-style-type: none"> • Insurers and/or employers (including State and Territory instrumentalities) were made liable to DSS for money owed to DSS from lump sum compensation payments even where they had released to money prior to the service of a notice of charge. • Compensation recovery debts could be recovered by withholdings from pension payments. <p>From February income from compulsorily preserved superannuation benefits was disregarded under the income and assets tests.</p> <p>From April that part of an annuity or funded superannuation payment made up of return of capital was excluded from consideration under the income test.</p> <p>From August a minimum interest rate (initially 10 per cent) was deemed on new loans made by pensioners.</p> <p>From November a person who had a work related accident or illness was</p> | Hawke, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | required to make a compensation claim to be eligible for any DSS payment. | |
| 1991 | <p>From March:</p> <ul style="list-style-type: none"> • The amount a pensioner could give away without triggering the deprivation provisions was increased to \$10 000 per annum. The full amount of deprived assets was deemed to earn 10 per cent for five years under the income test. • A minimum interest rate was deemed on cash and deposits in financial institutions. The first \$2000 was exempt from this provision. For amounts above \$2000, 10 per cent interest or the actual return if higher was assessed as income under the income test. The Minister for Social Security had the power to vary the deeming rate from time to time. <p>From July the income test free areas were indexed annually.</p> | Hawke, ALP |
| 1993 | <p>From March:</p> <ul style="list-style-type: none"> • Assessment of income from managed investments was simplified. The categorisation into market linked investments and accruing return investments was removed. All managed investments were assessed on their actual rate of return over the previous twelve months. • Losses assessed on managed investments could be offset against gains during the same period on other managed investments. <p>From July an earnings credit was introduced for CP recipients.</p> <p>From September:</p> <ul style="list-style-type: none"> • The managed investment rules were extended to shares and other securities listed on the stock exchange and acquired after 18 August 1992. • The Assets test was modified so that assets above the asset test thresholds reduced pension by \$1.50 per week for every \$1000. <p>From November non-cash credits from exchange trading systems were exempt from consideration under the income test.</p> | Keating, ALP |
| 1994 | From March pensioners were required to take action to claim any comparable foreign payments (CPF) they may be entitled to. This provision applied to those with an entitlement in a country that Australia had a social security agreement with. | Keating, ALP |
| 1996 | From January certain saved investments could be cashed in without the capital growth being assessed under the income test as a transition measure before the introduction of 'Extended Deeming'. | Keating, ALP |
| | From July a major reform of the income test treatment of financial assets was introduced. A system called 'Extended Deeming' was introduced. When assessing income under the income test, the total value of all financial assets was added together. A rate of return of five per cent was deemed to have been received on the first \$30 000 (\$50 000 for a couple) worth of assets and a rate of seven per cent was deemed for asset holdings above these levels. The first \$2000 (\$4000 for | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | <p>a couple) was exempt from extended deeming. These rates were set at levels considered to be easily achievable using safe investments. The Minister for Social Security could vary the deeming rates as market rates changed.</p> <p>Financial assets included:</p> <ul style="list-style-type: none"> • bank, building society and credit union accounts • cash • term deposits • cheque accounts • friendly society bonds • managed investments • investments in superannuation funds, approved deposit funds and deferred annuities after age pension age • listed shares and securities • loans, debentures and bonds • shares in unlisted public companies • gifted assets above the allowable limits, and • gold and other bullion. <p>Financial assets did not include:</p> <ul style="list-style-type: none"> • Homes, contents or other real estate • cars, boats or caravans • antiques or stamp and coin collections • investments in superannuation funds, approved deposit funds and deferred annuities before age pension age • standard life insurance policies, and • income streams such as superannuation pensions allocated pensions, immediate annuities or allocated annuities. | |
| 1997 | <p>From March:</p> <ul style="list-style-type: none"> • The earnings credit scheme was abolished. • People becoming AP recipients after 20 March 1997 and receiving compensation on or after 20 March 1997 had the economic loss component considered in assessing their eligibility. Previously AP eligibility was not affected by compensation. • The calculation of preclusion periods due to the receipt of compensation after 20 March 1997 was altered. The compensation amount was divided by the amount above which no pension was payable to a single person under the income test. Previously the compensation amount had been divided by 'all persons average weekly earnings'. • For compensation received after 20 March 1997, the compensation | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | <p>preclusion period was applied only to the recipient and not to his or her spouse as had previously been the case.</p> <ul style="list-style-type: none"> The exemption under the 'extended deeming' provisions for the first \$2000 (\$4000 for a couple) held by a pensioner was removed. <p>From September:</p> <ul style="list-style-type: none"> Superannuation assets were assessed under the income and assets tests where a person had been in receipt of pension for 39 weeks after reaching the age of 55 years. Farmers of age pension age were able to transfer farms and farming assets up to the value of \$500 000 to the next generation without the transfer affecting their pension entitlement. The farmer needed to have a long term involvement in farming and be on a low income to qualify. This provision was to be effective only until 14 September 2000. | |
| 1998 | <p>The 1998-99 Budget included a proposal to modify the income test treatment of non-economic loss compensation payments. Lump sums in excess of \$10 000 were to be treated as ordinary income over 26 fortnights. Periodic payments of more than \$2000 in any 28 day period were to be treated as ordinary income. The measure was originally intended for implementation from July 1999, but implementation was delayed until January 2004.</p> <p>From July a pension bonus scheme for people deferring retirement and continuing to work for at least 20 hours per week was introduced. A tax free bonus payment equal to 9.4 per cent of the basic pension entitlement for each year of deferral up to a maximum of five years was to be paid when the pension was received.</p> <p>From September the treatment of income streams such as superannuation pensions, allocated pensions and annuities, and roll-over and ordinary annuities was reformed. Three categories were introduced:</p> <ul style="list-style-type: none"> Income streams for life, life expectancy or at least 15 years with no access to capital and purchased after age pension age were exempt from the assets test. Under the income test a deduction based on the purchase price was applied. Other income streams with a term greater than five years but less than lifetime or life expectancy if the person was over pension age were asset tested. Under the income test a deduction based on the purchase price was applied. Short-term income streams of five years or less were asset tested. Under the income test they were treated as other financial investments. | Howard, LIB-NPA |
| 2000 | <p>From July:</p> <ul style="list-style-type: none"> The income and assets tests were adjusted as part of a package of measures to compensate for the impact of the introduction of the GST. The taper rate under the income test was reduced from 50 cents in | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | <p>every dollar of private income to 40 cents in every dollar.</p> <ul style="list-style-type: none"> The income and assets test free areas were increased by 2.5 per cent above the normal indexation rise. <p>From September the expiry date for the Retirement Assistance for Farmers Scheme was extended until 30 June 2001.</p> <p>The requirement to take action to claim a comparable foreign payment was extended to people with entitlements in any country, rather than only those countries with which Australia had a social security agreement.</p> | |
| 2001 | <p>From April overpayments caused by administrative error gave rise to recoverable debts.</p> <p>From July the superannuation assets of people aged between 55 years and age pension age were exempt from the income and assets tests.</p> <p>From September partners of compensation recipients were no longer subject to dollar for dollar reduction of their payment. Instead once the compensation recipient's payment was reduced to nil by dollar for dollar deductions the excess was treated as income under the income test for their partner.</p> | Howard, LIB-NPA |
| 2002 | <p>From January the income and assets of certain private companies and trusts were included in a person's income and assets for the purposes of the income and assets tests.</p> <p>From July no more than \$30 000 could be given away by a pensioner or a pensioner couple in any five year period before the deprivation provisions were triggered. The annual \$10 000 limit remained in place.</p> | Howard, LIB-NPA |
| 2003 | <p>From December compensation payments for victims of Nazi persecution paid by any country were exempt from the income test. Only payments from Germany and Austria had previously been exempt.</p> | Howard, LIB-NPA |
| 2004 | <p>From July intergenerational transfers of sugarcane farms and farm assets (valued at up to \$500,000) by people of pension age were exempt from the gifting rules for a 3 year period. Recipients of the gifted assets had to be actively involved in the farm.</p> <p>From September a 50% assets test exemption for market linked income streams was introduced. The existing 100% exemption for certain non-commutable income streams was reduced to 50% for those purchased after 20 September 2004.</p> | Howard, LIB-NPA |
| 2005 | <p>From July aged care accommodation bonds were no longer assessed as assets under the assets test.</p> | Howard, LIB-NPA |
| 2006 | <p>From September special disability trusts could be established by parents or immediate family members to provide for the care and accommodation needs of the beneficiary. Amounts of up to \$500,000 could be held in the trust (amount to be indexed annually). The amount in the trust would not be assessed under the assets test and income of the trust would not be assessed under the income test. Contributions to the trust could be made by pensioners without the asset disposal rules applying.</p> | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| 2008 | From January the threshold for funeral investments that were exempt from the means test was increased from \$5000 to \$10,000. The threshold was also indexed to movements in the CPI. | Rudd, ALP |
| 2009 | <p>From September the income test taper rate was increased from 40 per cent to 50 per cent of each dollar of private income above the income test free area.</p> <p>Transitional arrangements were put in place to ensure that no pensioners suffered a reduction in pension rate due to the change in the taper rate.</p> <p>A work bonus was introduced for pensioners of age pension age. Half of the first \$500 earned in each fortnight was disregarded under the income test.</p> <p>The Pension Bonus Scheme was closed to new applicants.</p> | Rudd, ALP |

Table 3: Maximum Rates of Pension, from 1909

| Date of effect | Rate | |
|----------------|-------------|--|
| | \$ per week | |
| 01.07.09 | 1.00 | |
| 12.10.16 | 1.25 | |
| 01.01.20 | 1.50 | |
| 13.09.23 | 1.75 | |
| 08.10.25 | 2.00 | |
| 23.07.31 | 1.75 | |
| 04.07.35 | 1.80 | |
| 24.09.36 | 1.90 | |
| 09.09.37 | 2.00 | |
| 26.12.40 | 2.10 | |
| 03.04.41 | 2.15 | |
| 11.12.41 | 2.35 | |
| 02.04.42 | 2.50 | |
| 01.10.42 | 2.55 | |
| 07.01.43 | 2.60 | |
| 01.04.43 | 2.65 | |
| 05.08.43 | 2.70 | |
| 05.07.45 | 3.25 | |
| 03.07.47 | 3.75 | |
| 21.10.48 | 4.25 | |
| 02.11.50 | 5.00 | |
| 01.11.51 | 6.00 | |
| 02.10.52 | 6.75 | |
| 29.10.53 | 7.00 | |
| 27.10.55 | 8.00 | |
| 24.10.57 | 8.75 | |
| 08.10.59 | 9.50 | |

| Date of effect | Rate | | |
|----------------|------------------|--------------------|--|
| 06.10.60 | 10.00 | | |
| 05.10.61 | 11.00 | | |
| Date of effect | Standard Rate | Couple Rate (each) | |
| | \$ per week | \$ per week | |
| 14.11.63 | 11.50 | 10.50 | |
| 01.10.64 | 12.00 | 11.00 | |
| 13.10.66 | 13.00 | 11.75 | |
| | \$ per fortnight | \$ per fortnight | |
| 10.10.68 | 28.00 | 25.00 | |
| 09.10.69 | 30.00 | 26.50 | |
| 08.10.70 | 31.00 | 27.50 | |
| 08.04.71 | 32.00 | 28.50 | |
| 07.10.71 | 34.50 | 30.50 | |
| 04.05.72 | 36.50 | 32.00 | |
| 05.10.72 | 40.00 | 34.50 | |
| 14.12.72 | 43.00 | 37.50 | |
| 04.10.73 | 46.00 | 40.50 | |
| 04.04.74 | 52.00 | 45.50 | |
| 08.08.74 | 62.00 | 51.50 | |
| 01.05.75 | 72.00 | 60.00 | |
| 13.11.75 | 77.50 | 64.50 | |
| 13.05.76 | 82.50 | 68.50 | |
| 11.11.76 | 87.00 | 72.90 | |
| 12.05.77 | 94.20 | 78.50 | |
| 10.11.77 | 98.60 | 82.20 | |
| 11.05.78 | 102.90 | 85.80 | |
| 09.11.78 | 106.40 | 88.70 | |
| 08.11.79 | 115.80 | 96.50 | |
| 08.05.80 | 122.10 | 101.70 | |
| 06.11.80 | 128.20 | 106.80 | |
| 07.05.81 | 133.30 | 111.10 | |
| 05.11.81 | 139.40 | 116.20 | |
| 06.05.82 | 148.30 | 123.60 | |
| 04.11.82 | 154.50 | 128.80 | |
| 05.05.83 | 164.70 | 137.30 | |
| 03.11.83 | 171.80 | 143.20 | |
| 03.05.84 | 178.80 | 149.10 | |
| 01.11.84 | 183.80 | 153.30 | |
| 02.05.85 | 188.60 | 157.30 | |
| 14.11.85 | 195.80 | 163.30 | |
| 01.05.86 | 204.20 | 170.30 | |
| 25.12.86 | 212.40 | 177.10 | |
| 25.06.87 | 224.30 | 187.00 | |
| 24.12.87 | 232.20 | 193.50 | |
| 23.06.88 | 240.10 | 200.10 | |
| 22.12.88 | 248.50 | 207.10 | |
| 22.06.89 | 258.40 | 215.40 | |

Social security payments for the aged, people with disabilities and carers 1901 to 2010

| Date of effect | Rate | | | |
|----------------|--------|--------|---------------------------|------------------|
| 23.11.89 | 267.20 | 222.70 | | |
| 26.04.90 | 282.40 | 235.40 | | |
| 27.09.90 | 291.70 | 243.20 | | |
| 28.03.91 | 301.60 | 251.50 | | |
| 26.03.92 | 306.10 | 255.30 | | |
| 28.01.93 | 312.10 | 260.30 | | |
| 19.09.93 | 316.20 | 263.70 | | |
| 20.03.94 | 318.10 | 265.30 | | |
| 20.09.94 | 321.40 | 268.20 | | |
| 20.03.95 | 326.10 | 272.00 | | |
| 20.09.96 | 335.90 | 280.20 | | |
| 20.03.96 | 342.60 | 285.80 | | |
| 20.09.96 | 346.40 | 288.90 | | |
| 20.03.97 | 347.80 | 290.10 | | |
| 20.03.98 | 354.60 | 295.80 | | |
| 20.09.98 | 357.30 | 298.10 | | |
| 20.03.99 | 361.40 | 301.60 | | |
| 20.09.99 | 366.50 | 305.90 | | |
| 20.03.00 | 372.00 | 310.50 | | |
| 20.07.00 | 386.90 | 322.90 | | |
| 20.09.00 | 394.10 | 328.90 | | |
| 20.03.01 | 402.00 | 335.50 | | |
| 20.09.01 | 410.50 | 342.60 | | |
| 20.03.02 | 421.80 | 352.10 | | |
| 20.09.02 | 429.40 | 358.40 | | |
| 20.03.03 | 440.30 | 367.50 | | |
| 20.09.03 | 452.80 | 378.00 | | |
| 20.03.04 | 464.20 | 387.60 | | |
| 20.09.04 | 470.70 | 393.00 | | |
| 20.03.05 | 476.30 | 397.70 | | |
| 20.09.05 | 488.90 | 408.20 | | |
| 20.03.06 | 499.70 | 417.20 | | |
| 20.09.06 | 512.10 | 427.70 | | |
| 20.03.07 | 525.10 | 438.50 | | |
| 20.09.07 | 537.70 | 449.10 | | |
| 20.03.08 | 546.80 | 456.80 | Pension Supplement | |
| 20.09.08 | 562.10 | 469.50 | single rate | partnered rate |
| 20.03.09 | 569.80 | 475.90 | \$ per fortnight | \$ per fortnight |
| 20.09.09(a) | 615.80 | 464.20 | 56.10 | 42.30 |
| 20.03.10 | 644.20 | 485.60 | 56.90 | 42.90 |
| 20.09.10 | 658.40 | 496.30 | 57.70 | 43.50 |

Notes: (a) a pension supplement was also paid from this date.

Table 4: Pension Means Test Limits from 1909

| Date of Effect | Permitted income (\$ pa) (a) | Property Limit (\$ pa) (b) | | Property Exempt (\$) I | Child Disregard (\$ pa) (d) | | |
|----------------|------------------------------|----------------------------|------------------|------------------------|-----------------------------|---------|--------|
| | | Single | Couple | | Single | Couple | Other |
| 01.07.09 | 52 | | 620 | 100(e) | | | - |
| 13.09.23 | 65 | | 800 | 100(f) | | | - |
| 15.08.46 | 104 | | 1 300 | 100 | | | - |
| 03.07.47 | 104 | | 1 300 | 100 | | | 52 |
| 21.10.48 | 156 | | 1 500 | 200 | | | 52 |
| 01.11.51 | 156 | | 2 000 | 200 | | | 26 |
| 02.10.52 | 156 | | 2 000 | 200 | | | 52 |
| 29.10.53 | 208 | | 2 500 | 300 | | | 52 |
| 14.10.54 | 364 | | 3 500 | 400 | | | 52 |
| 23.10.58 | 364 | | 4 500 | 400 | | | 52 |
| | Means as assessed (g) | | | | | | |
| | Single | Couple | | | | | |
| 09.03.61 | 364 | 728 | 400 | | | | 52 |
| 13.10.66 | 364 | 728 | 400 | | | | 156 |
| 24.04.67 | 520 | 884 | 400 | | | | 156 |
| 09.10.69 | 520 | 884 | 400 | | | | 208 |
| 05.10.72 | 1 040 | 1 794 | 400 | | | | 312 |
| | Permitted income (h) | | | | | | |
| | Single | Couple | | | | | |
| 25.11.76 | 1 040 | 1 794 | | | | | 312 |
| 04.11.82 | 1 560 | 2 600 | | | | | 312 |
| | | | Assets limit (i) | | | | |
| | | | Homeowners | | Non-homeowners | | |
| | | | Single | Couple | Single | Couple | |
| 21.03.85 | 1 560 | 2 600 | 70 000 | 100 000 | 120 000 | 150 000 | 312 |
| 01.05.86 | 1 560 | 2 600 | 75 750 | 108 000 | 129 750 | 153 000 | 312 |
| 25.06.87 | 1 560 | 2 600 | 83 250 | 118 500 | 143 250 | 178 500 | 312 |
| 09.07.87 | 2 080 | 3 640 | 83 250 | 118 500 | 143 250 | 178 500 | 624 |
| 23.06.88 | 2 080 | 3 640 | 89 250 | 127 000 | 153 250 | 191 000 | 624 |
| 22.06.89 | 2 080 | 3 640 | 96 000 | 137 000 | 164 500 | 205 500 | 624 |
| 13.06.90 | 2 080 | 3 640 | 103 500 | 147 500 | 177 500 | 221 500 | 624 |
| 01.07.91 | 2 184 | 3 848 | 110 750 | 157 500 | 190 250 | 237 000 | 624 |
| 01.07.92 | 2 236 | 3 952 | 112 500 | 160 000 | 193 000 | 240 500 | 624 |
| 01.07.93 | 2 288 | 3 952 | 112 750 | 160 500 | 193 250 | 241 000 | 624 |
| 01.07.94 | 2 340 | 4 056 | 115 000 | 163 500 | 197 000 | 245 500 | 624 |
| 01.07.95 | 2 444 | 4 264 | 118 000 | 167 500 | 202 000 | 251 500 | 624 |
| 01.07.96 | 2 548 | 4 472 | 124 000 | 176 000 | 212 500 | 264 500 | 624 |
| 01.07.98 | 2 600 | 4 576 | 125 750 | 178 500 | 215 750 | 268 500 | 624 |
| 01.07.99 | 2 652 | 4 680 | 127 750 | 181 500 | 219 250 | 273 000 | 624 |
| 01.07.00 | 2 756 | 4 888 | 133 250 | 189 500 | 228 750 | 285 000 | 639.60 |
| 01.07.01 | 2 912 | 5 200 | 141 000 | 200 500 | 242 000 | 301 500 | 639.60 |
| 01.07.02 | 3 016 | 5 304 | 145 250 | 206 500 | 249 750 | 311 000 | 639.60 |
| 01.07.03 | 3 120 | 5 512 | 149 500 | 212 500 | 257 500 | 320 500 | 639.60 |
| 01.07.04 | 3 172 | 5 616 | 153 000 | 217 500 | 263 500 | 328 000 | 639.60 |
| 01.07.05 | 3 224 | 5 720 | 157 000 | 223 000 | 270 500 | 336 500 | 639.60 |
| 01.07.06 | 3 328 | 5 928 | 161 500 | 229 000 | 278 500 | 346 000 | 639.60 |
| 01.07.07 | 3 432 | 6 032 | 166 750 | 236 500 | 287 750 | 357 500 | 639.60 |

| Date of Effect | Permitted income (\$ pa) (a) | Property Limit (\$ pa) (b) | Property Exempt (\$) (c) | . | Child Disregard (\$ pa) (d) | | |
|----------------|------------------------------|----------------------------|--------------------------|---------|-----------------------------|---------|--------|
| 01.07.08 | 3 588 | 6 240 | 171 750 | 243 500 | 296 250 | 368 000 | 639.60 |
| 01.07.09 | 3 692 | 6 448 | 178 000 | 252 500 | 307 000 | 381 500 | 639.60 |
| 10.07.10 | 3 796 | 6 656 | 181 750 | 258 000 | 313 250 | 389 500 | 639.60 |

Notes:

- (a) Amount of income allowed before pension was reduced.
- (b) No pension was payable where property exceeded this value.
- (c) Amount of property allowed before pension was reduced.
- (d) Amount of income disregarded for each child.
- (e) \$50 for each married pensioner. Higher rates until 1912 for those not owning a home. From 1912 pensioners home was fully exempt.
- (f) From 1941 property exemption was the same for both single and married pensioners.
- (g) Merged means test introduced.
- (h) Income only test introduced.
- (i) Assets test introduced.

Concessions and Allowances

From quite early in the history of pension provision by the Commonwealth consideration was given to additional allowances and entitlements. As early as the 1920s payments to assist with the cost of funerals were discussed with the aim of relieving pensioners from the need to save for that last big expense. Funeral Benefit was eventually introduced in 1943 as part of a broader move towards a comprehensive welfare scheme. Its existence as a separate payment was ended in 1990 but provision for assistance with the costs of funerals is still provided through bereavement payments to surviving spouses or to the deceased's estate.

Concessions for pensioners developed gradually. The earliest example was the provision of free radio licences to blind people in 1933. The Pensioner Medical Service created in 1951 provided for the first time free medical services and medicines to pensioners. Since then a range of other concessions have been added by both the Commonwealth and the State governments. Eligibility for the Commonwealth concessions came to be used by the States as a convenient eligibility test for their own concessions. As the range of concessions and the eligibility conditions expanded, the value of these concessions increased considerably as did their cost. In 1993 cost sharing arrangements were developed to allow the states to expand eligibility for their concessions to match eligibility extensions for Commonwealth concessions.

Assistance directly linked to rent payments was introduced in 1958 as a means of assisting the poorest pensioners who were entirely dependent on their pensions. It was called Supplementary Assistance at first but was renamed Rent Assistance in 1985. Over time it has been extended to all pensioners who rent in recognition of the extra costs they face compared to home owners.

Concessions for low-income self-funded retirees were introduced in 1994. Since then they have been extended to middle income retirees as well.

Funeral Benefit 1943 to 1990

| Commencement Date | Details | Government at Commencement |
|--|--|-----------------------------------|
| Original Enabling Legislation <i>Invalid and Old-Age Pensions Act 1943 (No. 14 of 1943)</i> | | |
| 1943 | From April funeral benefits of up to ten pounds were introduced to pay for the funeral expenses of deceased age pensioners and invalid pensioners. | Curtin, ALP |
| 1947 | From July funeral benefit could be paid in respect of claimants for AP or IP who would have qualified had they lived. | Chifley, ALP |
| 1951 | From October funeral benefit was payable for recipients of tuberculosis allowance if they would have qualified for AP or IP. | Menzies, LIB-CP |
| 1965 | From October funeral benefit of up to twenty pounds was payable to age, invalid or widow pensioners or wife allowance recipients who were responsible for the funeral costs of a spouse, a child or a pensioner. The rate remained at ten pounds for deceased claimants and tuberculosis allowees. | Menzies, LIB-CP |
| 1969 | From September when the tapered means test was introduced, funeral benefit for deceased pensioners who had qualified for pension only because of the new test was paid only at the lower \$20 rate. | Gorton, LIB-CP |
| 1976 | From November an income only test replaced the means test for funeral benefit. | Fraser, LIB-NCP |
| 1990 | From January funeral benefit was replaced by a lump sum bereavement payment equivalent to 14 weeks pension payable to the surviving member of a pensioner couple. When a single pensioner died one fortnight's payment was paid to their estate. | Hawke, ALP |

Pensioner Concessions from 1933

| Commencement Date | Details | Government at Commencement |
|--------------------------|--|-----------------------------------|
| 1933 | Free radio licences were introduced for blind people. | Lyons, UAP |
| 1946 | Concessional rate radio licences were provided to age and invalid pensioners. These were later extended to widow pensioners and also to television licences. Eligibility was based on that for telephone rental concession as described below. | Curtin, ALP |
| 1951 | From February a Pensioner Medical Service scheme of free general practitioner medical services and medicines was established. Age, invalid, widow and service pensioners, tuberculosis allowees and their dependants were eligible to use the Service. | Menzies, LIB-CP |
| 1955 | From November a special means test limited access to the Pensioner Medical Service to those who would have qualified for a full rate pension under the income test in force at 31 December 1953. Pensioners with more income of more than two pounds per week were excluded. | Menzies, LIB-CP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | Tuberculosis allowees and those already enrolled were not excluded. | |
| 1964 | From October telephone rental concession was introduced. A one-third reduction of the annual rental for a telephone was available to age, invalid or widow pensioners who lived alone, or with other eligible people or with other low-income people. | Menzies, LIB-CP |
| 1966 | From January the special means test was abolished and all pensioners were eligible to use the Pensioner Medical Service. | Menzies, LIB-CP |
| 1969 | From September following the introduction of the tapered means test, those who were eligible for pension only because of the new test were not eligible to use the Pensioner Medical Service or any other fringe benefits. | Gorton, LIB-CP |
| 1973 | From June Supporting Mother's Benefit was introduced. Recipients were eligible for telephone rental concession but not to use the Pensioner Medical Service. From September eligibility for the Pensioner Medical Service and fringe benefits was restricted to pensioners with means of less than \$1716 per annum (\$2990 for a couple). | Whitlam, ALP |
| 1975 | From July: <ul style="list-style-type: none"> The Pensioner Medical Service was superseded by the introduction of Medibank. Pensioners were entitled to the full range of medical services. Free pharmaceuticals continued as under the Pensioner Medical Service and eligible pensioners were issued with a Pensioner Health Benefit Card. The Department of Social Security Annual Report for 1974-75 mentions fare reductions available to pensioners travelling on Australian Government rail and shipping services. | Whitlam, ALP |
| 1976 | From September: <ul style="list-style-type: none"> Pensioner Health Benefit Cardholders were exempt from the Health Insurance Levy introduced in October 1976. They remained entitled to standard Medibank medical and hospital cover. The Department of Social Security <i>Annual Report</i> for 1975-76 mentions mail redirection concessions for pensioners and a range of concessions offered by State Governments for the first time. State concessions had however existed at least since 1972. | Fraser, LIB-NCP |
| 1983 | From January pensioners who did not qualify for a Pensioner Health Benefit Card were made eligible for concessional rate pharmaceuticals, paying \$2.00 per item. | Fraser, LIB-NCP |
| 1983 | From November the basic income limits for the fringe benefits income test were indexed on a similar basis to the indexation of pension rates. | Hawke, ALP |
| 1988 | From January holders of Pensioner Health Benefit Cards were able to retain fringe benefits for three months where their income rose no more than 25 per cent above the income test limits. | Hawke, ALP |
| 1990 | From October access to free pharmaceuticals for Pensioner Health Benefit Card holders was replaced by pharmaceuticals at a concessional | Hawke, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | rate of \$2.50 per item. Once expenditure per family reached \$130 per annum there was no charge for additional items. A Pharmaceutical allowance was introduced to compensate pensioners for their reduced entitlements to free pharmaceuticals. The allowance was paid at the rate of \$2.50 per week and indexed annually. | |
| 1992 | From July Telephone allowance was introduced to replace the telephone voucher scheme. Quarterly payments totalling \$51.80 per annum were paid to pensioners who qualified for fringe benefits and were telephone subscribers. | Keating, ALP |
| 1993 | From April the separate income and assets tests for fringe benefits were abolished. All pensioners were given eligibility for fringe benefits. | Keating, ALP |
| 1995 | From September Disability Support Pension (DSP) recipients could retain fringe benefits for 12 months after losing eligibility due to earnings. | Keating, ALP |
| 2004 | From December a utilities allowance of \$100 for a single person and \$50 for each member of a couple was paid annually to age pensioners and age service pensioners. The allowance was paid in two instalments in March and September of each year. | Howard, LIB-NPA |
| 2006 | <p>In June a one-off payment of \$102.80 for a single person or \$51.40 for a partnered person, was paid to people of age pension age in receipt of income support and recipients of Mature Age Allowance, Widow Allowance and Partner Allowance.</p> <p>From July eligibility for Telephone Allowance was extended to Newstart and Youth Allowance recipients who had a 'partial capacity to work' (partially disabled) or were single 'principal carers' (sole parents). They could retain eligibility for 12 months (disabled) or 6 months (sole parents) after ceasing to receive an allowance.</p> <p>Eligibility for the Pensioner Concession Card was extended to Newstart and Youth Allowance recipients who had a 'partial capacity to work' (partially disabled) or were single 'principal carers' (sole parents). They could retain eligibility for 12 months (disabled) or 12 weeks (sole parents) after ceasing to receive an allowance.</p> <p>Eligibility for Utilities Allowance was extended to recipients of Mature Age Allowance, Widow Allowance and Partner Allowance.</p> | Howard, LIB-NPA |
| 2007 | In June a one-off payment of \$500 was paid to people of age pension age in receipt of income support and recipients of Mature Age Allowance, Widow Allowance and Partner Allowance. | Howard, LIB-NPA |
| 2008 | <p>From March the rate of Utilities Allowance was increased to \$500 per annum for a single person and \$250 per annum for a partnered person. It was paid quarterly. Eligibility was also extended to all people receiving Disability Support Pension, Carer Payment, Wife Pension, Widow B Pension and Bereavement Allowance.</p> <p>The rate of Telephone Allowance for people receiving Age Pension, Disability Support Pension, Carer Payment and Commonwealth Seniors Health Card was increased to \$132 per annum if they had an internet connection in their home.</p> <p>In June a one-off payment of \$500 was paid to people of age pension age</p> | Rudd, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| | <p>in receipt of income support and recipients of Mature Age Allowance, Widow Allowance, Wife Pension, Widow B Pension and Partner Allowance.</p> <p>In December all pensioners received an economic Security Strategy payment of \$1400 as part of the Government response to the Global Financial Crisis.</p> | |
| 2009 | <p>From September the Pension Supplement (PS) was introduced for recipients of Age Pension, Carer Payment, Wife Pension, Widow B Pension, Bereavement Allowance, Disability Support Pension (except if under 21 years without children) and certain other recipients of age pension age. PS combined the value of Telephone Allowance, Utilities Allowance, Pharmaceutical Allowance, the GST Supplement and an additional increase into one payment.</p> <p>PS was income tested as part of the pension except that there was a minimum component that was not reduced until entitlement to the pension plus PS was reduced to nil. PS was paid fortnightly but up to half could be paid quarterly if the pensioner chose that option.</p> | Rudd, ALP |

Commonwealth Seniors Health Card from 1994

| Commencement Date | Details | Government at Commencement |
|-------------------|---|----------------------------|
| 1994 | <p>From July the Commonwealth Seniors Health Card (CSHC) was introduced. The card gave access to concessional prescription medicines under the Pharmaceutical Benefits Scheme, free hearing aids and certain free basic dental services. The card was available to people of age pension age who were not eligible for Age Pension (AP) for some reason such as insufficient length of residence or high asset holdings, but whose incomes would qualify them for AP under the income test.</p> | Keating, ALP |
| 1999 | <p>From January the income test for the CSHC was changed to one based on taxable income and the income limits were increased to \$40 000 per annum for a single person and \$67 000 for a couple. Taxable income would be adjusted to include foreign income, certain employer-provided fringe benefits and the value of net rental property losses.</p> | Howard, LIB-NPA |
| 2001 | <p>From September holders of the CSHC were entitled to receive the telephone allowance of \$17.20 per quarter.</p> <p>The income limits under the income test for the CSHC were increased to \$50 000 per annum for single people and \$80 000 per annum for couples.</p> | Howard, LIB-NPA |
| 2004 | <p>From December a Seniors Concession Allowance of \$200 per annum was payable to holders of the CSHC to compensate for them being ineligible for the same range of State and Territory concessions as social security pensioners. The allowance was paid in two instalments in December and June of each year.</p> | Howard, LIB-NPA |
| 2006 | <p>In June a one-off payment of \$102.80 was paid to those eligible for the Seniors Concession Allowance.</p> | Howard, LIB-NPA |

| | | |
|------|--|-----------------|
| 2007 | In June a one-off payment of \$500 was paid to those eligible for the Seniors Concession Allowance. | Howard, LIB-NPA |
| 2008 | From March Seniors Concession Allowance was paid quarterly and the rate was increased to \$500 per annum. In June a one-off payment of \$500 was paid to those eligible for the Seniors Concession Allowance. In December all recipients of Seniors Concession Allowance received an economic Security Strategy payment of \$1400 as part of the Government response to the Global Financial Crisis. | Rudd, ALP |
| 2009 | From September the Senior Concession Allowance and Telephone Allowance were combined to form Seniors Supplement (SS). The single rate was also increased to bring it to two-thirds of the combined couple rate. SS was paid at the rate of \$785.20 pa for single people and \$692.80 for a partnered person in four quarterly payments. | Rudd, ALP |

Mobility Allowance from 1983

| Commencement Date | Details | Government at Commencement |
|---|--|----------------------------|
| Original Enabling Legislation <i>Social Security Legislation Amendment Act 1982 (No. 98 of 1982)</i> | | |
| 1983 | From April: <ul style="list-style-type: none"> Mobility Allowance (MA) was introduced for severely handicapped people in employment or vocational training who were unable to use public transport without substantial assistance. MA was tax-free and income test free. It was paid at the rate of \$10 per week. recipients had to be aged 16 years or more, be legally present in Australia and be undertaking employment or vocational training for at least 20 hours per week. MA could continue for three months after employment or training ceased. It could not be paid where a person was provided with a vehicle under the gift car scheme for veterans or had been provided with a sales tax exemption on a new vehicle during the previous two years. | Hawke, ALP |
| 1986 | From November MA was payable where the claimant performed a combination of employment and vocational training for at least 20 hours per week. | Hawke, ALP |
| 1993 | From January MA was indexed annually in line with movements in the CPI. From March: <ul style="list-style-type: none"> MA recipients could choose to take their entitlement as a lump sum advance payment equivalent to six-months of MA. They could do this once in any twelve month period. Qualification for MA was extended to people who were unable to use public transport unaided and were undertaking job search or | Keating, ALP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | doing voluntary work for at least eight hours per week. | |
| 1994 | From May eligibility was extended to people undertaking job search activities under a Competitive Employment, Placement and Training Program (CETP). | Keating, ALP |
| 1995 | From September eligibility for MA was extended to handicapped recipients of NSA/JSA/YTA. | Keating, ALP |
| 2000 | From July the rate of MA was increased as part of the package of measures to compensate for the introduction of the GST. | Howard, LIB-NPA |
| 2006 | From July a higher rate of MA was introduced for people receiving Disability Support Pension, Newstart Allowance or Youth Allowance (not students), who could not use public transport without substantial assistance and who were undertaking job search for a part-time job of at least 15 hours per week or who were working part-time for at least 15 hours per week. The higher rate was \$100 per fortnight and was indexed to the CPI annually. | |

Supplementary Assistance 1958 to 1985, Rent Assistance from 1985

| Commencement Date | Details | Government at Commencement |
|--|--|----------------------------|
| Original Enabling Legislation: <i>Social Services Act (No. 2) 1970 (No. 59 of 1970)</i> | | |
| 1958 | From October Supplementary Assistance (SA) was introduced for pensioners paying rent and having no more than ten shillings per week of private income. It was paid at the rate of ten shillings for single pensioners and married pensioners where only one spouse was receiving a payment. | Menzies, LIB-CP |
| 1965 | From October: <ul style="list-style-type: none"> Eligibility for SA was extended to pensioners whose wives received a Wife's Allowance and to single residents of benevolent homes. The means test was altered so that SA was reduced by the amount of means as assessed in excess of 26 pounds. | Menzies, LIB-CP |
| 1968 | From September married age or invalid pensioners, whose spouses were receiving benefits, became eligible for SA. | Gorton, LIB-CP |
| 1970 | From March married pensioners who had to live apart due to illness became eligible for SA. | Gorton, LIB-CP |
| 1974 | From November: <ul style="list-style-type: none"> The amount of SA was restricted to the amount of rent actually paid. SA for sheltered employment allowees was replaced by Incentive Allowance. The new allowance was paid at the rate of \$5 per week and was means test free. | Whitlam, ALP |
| 1982 | From February the maximum rate of SA became either \$8 per week or one half of the amount by which rent paid or payable was more than \$10 | Fraser, LIB-NCP |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | per week, whichever was the lower. Tenants of government housing authorities ceased to be eligible. | |
| 1984 | From March SA was no longer subject to income tax. | Hawke, ALP |
| 1985 | From September Supplementary Assistance was renamed Rent Assistance (RA). | Hawke, ALP |
| 1986 | From December the rent threshold above which RA was payable was increased to \$15 per week. | Hawke, ALP |
| 1987 | From July the separate income test on RA was abolished and RA was means tested under the pension income test. From December RA for families with children was paid as part of Family Allowance Supplement (FAS). | Hawke, ALP |
| 1989 | From June: <ul style="list-style-type: none"> • A \$5 per week payment was added to RA for those with children. • Ex-prisoners were able to reduce the waiting period by the length of time they spent in prison. • The rent threshold above which RA was payable was raised to \$20 per week. • Those paying for board and lodgings had only two-thirds of their payment counted as rent. • From December the maximum rate was standardised across all pensions, benefits and family allowance supplement. | Hawke, ALP |
| 1990 | From June a higher rate was introduced for those with three or more children. | Hawke, ALP |
| 1991 | From March: <ul style="list-style-type: none"> • The rent threshold above which RA was paid was increased to \$25 per week. • Twice yearly indexation in line with movements of the CPI was introduced for the rate of RA. | Hawke, ALP |
| 1993 | From March: <ul style="list-style-type: none"> • The rent threshold above which RA is payable was indexed and set at levels which varied according to family situation. For single people with no children the threshold was \$60 per fortnight, for single people with children \$80 per fortnight, for couples without children \$100 per fortnight and for couples with children \$120 per fortnight. • Above the new thresholds RA was paid at the rate of 75 cents for each dollar of rent paid up to the maximum amount. | Keating, ALP |
| 1996 | From March the following changes occurred: <ul style="list-style-type: none"> • Maximum rates of RA were increased by \$5 per fortnight for families with children • The minimum amount of rent that must be paid to receive RA was raised by \$5, and | Howard, LIB-NPA |

| Commencement Date | Details | Government at Commencement |
|-------------------|--|----------------------------|
| | <ul style="list-style-type: none"> People receiving RA under various savings provisions resulting from previous changes in RA conditions had their rate frozen until general rates caught up to their higher saved rate. | |
| 1997 | From July single people sharing accommodation were eligible for a maximum rate of RA which was two thirds of the maximum rate payable to other people receiving RA. People receiving Carer Payment (CP) or Disability Support Pension (DSP) were exempt from this change. | Howard, LIB-NPA |
| 1998 | From January people who lived in public housing but were not the primary tenant were to be excluded from eligibility for RA. Exemptions applied where the primary tenant was unsubsidised or where the State Housing Authority had been notified of the sub-tenants presence and their income had been taken into account in setting the rent for the household. | Howard, LIB-NPA |
| 2000 | From July the rates of payment for RA were increased as part of a package of measures to compensate for the introduction of the GST. | Howard, LIB-NPA |

Table 5: Maximum Rates of Supplementary Allowance/Rent Assistance for Pensioners from 1958

| Date of Effect | Basic Rate | |
|----------------|------------------|--------|
| | \$ per fortnight | |
| 23.10.58 | 2.00 | |
| 14.10.65 | 4.00 | |
| 05.10.72 | 8.00 | |
| 14.11.74 | 10.00 | |
| 11.02.82 | 16.00 | |
| 04.11.82 | 20.00 | |
| 01.11.84 | 30.00 | |
| 22.06.89 | 30.00 | |
| 21.12.89 | 40.00 | |
| 21.06.90 | 50.00 | |
| 27.09.90 | 60.00 | |
| 28.03.91 | 62.00 | |
| 28.03.92 | 62.90 | |
| 20.09.92 | 63.00 | |
| | Couple | Single |
| 20.03.93 | 63.20 | 67.20 |
| 20.09.93 | 64.00 | 68.00 |
| 20.03.94 | 64.40 | 68.40 |
| 20.09.94 | 65.20 | 69.20 |
| 20.03.95 | 66.20 | 70.20 |
| 20.09.95 | 68.20 | 72.40 |
| 20.03.96 | 69.60 | 73.80 |
| 20.09.96 | 70.40 | 74.60 |
| 20.03.97 | 70.60 | 74.80 |
| 20.09.97 | 70.60 | 74.80 |
| 20.09.98 | 71.00 | 75.20 |
| 20.03.99 | 71.40 | 75.80 |
| 20.09.99 | 71.60 | 76.00 |
| 20.03.00 | 72.60 | 77.20 |

| Date of Effect | Basic Rate | |
|----------------|------------|--------|
| 01.07.00 | 79.80 | 85.00 |
| 20.09.00 | 81.20 | 86.40 |
| 20.03.01 | 82.80 | 88.00 |
| 20.09.01 | 84.40 | 89.60 |
| 20.03.02 | 85.40 | 90.60 |
| 20.09.02 | 86.80 | 92.00 |
| 20.03.03 | 88.00 | 93.20 |
| 20.09.03 | 89.20 | 94.40 |
| 20.03.04 | 90.20 | 95.40 |
| 20.09.04 | 91.40 | 96.80 |
| 20.03.05 | 92.40 | 98.00 |
| 20.09.05 | 93.60 | 99.20 |
| 20.03.06 | 95.00 | 100.60 |
| 20.09.06 | 97.40 | 103.20 |
| 20.03.07 | 98.20 | 104.00 |
| 20.09.07 | 99.40 | 105.40 |
| 20.03.08 | 101.00 | 107.20 |
| 20.09.08 | 103.80 | 110.20 |
| 20.03.09 | 104.80 | 111.20 |
| 20.09.09 | 105.40 | 111.80 |
| 20.03.10 | 107.00 | 113.40 |
| 20.09.10 | 108.60 | 115.20 |

© Commonwealth of Australia 2011

This work is copyright. Except to the extent of uses permitted by the *Copyright Act 1968*, no person may reproduce or transmit any part of this work by any process without the prior written consent of the Parliamentary Librarian. This requirement does not apply to members of the Parliament of Australia acting in the course of their official duties.

This work has been prepared to support the work of the Australian Parliament using information available at the time of production. The views expressed do not reflect an official position of the Parliamentary Library, nor do they constitute professional legal opinion.

Feedback is welcome and may be provided to: web.library@aph.gov.au. Any concerns or complaints should be directed to the Parliamentary Librarian. Parliamentary Library staff are available to discuss the contents of publications with Senators and Members and their staff. To access this service, clients may contact the author or the Library's Central Entry Point for referral.
