

## Australia

Exchange rate: U.S.\$1.00 equals  
1.76 Australian dollars (A\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1908 (old-age and disability pensions) and 1942 (widow pension).

**Current laws:** 1991 (social security), 1992 (superannuation guarantee), and 1999 (family assistance).

**Type of program:** Dual social security (means-tested) and mandatory occupational pension (earnings-based) system.

#### Coverage

**Social security:** Residents.

**Mandatory occupational pension:** Employed persons earning more than A\$450 a month.

Exclusion: The self-employed.

#### Source of Funds

##### Insured person

*Social security:* None.

*Mandatory occupational pension:* None required, but voluntary contributions are encouraged.

##### Employer

*Social security:* None.

*Mandatory occupational pension:* 9% of basic wages.

##### Government

*Social security:* Total cost from general revenue.

*Mandatory occupational pension:* None.

#### Qualifying Conditions

##### Old-age pension

*Social security (means-tested unless blind):* Age 65 (men) or age 62.5 (women, as of July 1, 2000, and rising gradually to age 65 by July 1, 2013); resident and physically present in the country; 10 years' continuous residence (5 continuous years if the total residence period exceeds 10 years).

The pension is payable abroad if the pension is in payment before the insured leaves the country. The pension benefit may be reduced.

*Mandatory occupational pension:* Age 55 if permanently retired.

##### Disability pension

*Social security (means-tested unless blind):* Aged 16 to 65 (men) or 16 to 61 (women). A minimum 20% impairment level and an inability to work for at least 30 hours a week at full wages, or be retrained for such work for at least the next 2 years due to a physical or mental impairment or permanent blindness. Resident and physically present in the country.

If incapacity occurs prior to becoming an Australian resident, the same minimum residence requirements apply as for the old-age pension; there is no minimum residence requirement for an Australian resident with an impairment.

The pension is payable abroad under specific circumstances. The pension may be reduced.

*Wife's pension (means-tested):* Paid when both the disability pensioner and his wife are over age 21 (unless they have dependent children). (Since July 1, 1995, no new wife pensions have been awarded except for certain partners of recipients of a mature age allowance.)

*Carer payment (means-tested):* Paid to the provider of constant care at home for a recipient of social security or veteran's income support who has a physical or mental impairment (including a profoundly disabled child); or for two disabled children or more.

*Mobility allowance (not means-tested):* Paid to a disabled person aged 16 or older who cannot use public transportation without substantial assistance.

*Mandatory occupational pension:* There is no mandated provision for disability.

##### Survivor pension

*Social security (means-tested):* A widow(er) with dependent children is entitled to benefits under family tax benefit (Part B).

*Widow allowance:* A single woman aged 50 and without children if widowed, separated, or divorced after age 40. The widow must be resident and physically present in the country and have no recent workforce experience. (No new widow allowances have been awarded since March 20, 1997.)

If the widow resides in Australia when the spouse dies, there is no minimum residence requirement; otherwise, the minimum continuous residence requirement for the old-age pension is applied.

Benefits are payable abroad if the benefit is in payment before the person leaves the country. The benefit may be reduced.

*Mandatory occupational pension:* There is no mandated provision for survivors.

#### Old-Age Benefits

##### Old-age pension

*Social security (means-tested unless blind):* Up to A\$210.90 a week for a single person; A\$176.05 each for a couple.

*Wife's pension (means-tested):* Up to A\$176.05 a week. Benefits for dependent children are paid through family allowances. (No new wife pensions have been awarded since July 1, 1995.)

Carer payment (means-tested): Up to A\$210.90 a week; A\$176.05 if caring for a spouse.

Rent assistance (means-tested): Up to A\$60.06 per week, according to marital status and the level of rent. Special rules apply to people living in retirement villages.

Pharmaceutical allowance: A\$2.90 a week per family.

Telephone allowance: A\$72 a year for telephone subscribers.

Remote area supplement: A\$9.10 a week for a single person (A\$15.60 a week for a couple), plus A\$3.65 per child.

Pensioner concession card: Social security recipients are entitled to the concession card that provides reduced costs on certain federal, state or territory, and local government services.

Benefit adjustment: Benefits are adjusted in March and September according to changes in the price index (the single person rate of the old-age pension is maintained as a percentage of average weekly earnings).

*Mandatory occupational pension:* Usually a lump sum of total contributions, plus interest minus administrative fees and taxes.

### Permanent Disability Benefits

#### Disability pension

*Social security (means-tested unless blind):* For all married pensioners and single pensioners aged 21 and older, see old-age pension, above. For single people aged 18 to 20 and living away from the family home, up to A\$150.85 a week; A\$99.15 a week if living in the family home. Single disability pensioners under age 21 may also be eligible for the youth disability supplement of A\$42.65 a week that is included in the rates of the disability support pension payable to pensioners under age 21.

Mobility allowance (not means-tested): A\$32.20 a week.

Wife's pension (means-tested): See old-age benefits, above.

Carer payment (means-tested): See old-age benefits, above.

Rent assistance (means-tested): See old-age benefits, above.

Telephone allowance: See old-age benefits, above.

Remote area supplement: See old-age benefits, above.

Pensioner concession card: See old-age benefits, above.

Benefit adjustment: The disability pension, carer payment, and wife pension are adjusted in March and September according to changes in the price index.

### Survivor Benefits

#### Survivor pension

*Social security (means-tested):* See the single person old-age pension, above. (No new widow allowances have been awarded since March 20, 1997.)

Rent assistance: See old-age benefits, above.

Pensioner concession card: Social security recipients are entitled to the concession card that provides reduced costs on certain federal, state or territory, and local government services.

Orphan's payment: Benefits for orphans are delivered through family allowances.

Bereavement payment: The difference between a single-person pension and a married-person pension is paid to the surviving partner for 14 weeks after a pensioner's death; one pension payment is credited to the estate of a single pensioner.

Benefit adjustment: The survivor pension is adjusted in March and September according to changes in the price index.

### Administrative Organization

Department of Family and Community Services provides general supervision.

Centrelink administers the programs through 401 customer service centers and 16 area support offices.

### Sickness and Maternity

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#### Regulatory Framework

**First laws:** 1944 (cash sickness benefits), 1947 (pharmaceutical benefits), and 1948 (national health program).

**Current laws:** 1991 (cash benefits), 1953 (medical and hospital benefits), 1973 and 1983 (universal medical and hospital insurance, medicare).

**Type of program:** Dual social assistance (cash benefits) and universal (medical care) system.

Note: Maternity benefits are provided under Family Allowances, below.

#### Coverage

**Cash benefits:** Gainfully employed persons with limited income; others meeting the qualifying conditions.

**Medical and pharmaceutical benefits:** Residents.

#### Source of Funds

##### Insured person

*Sickness allowance:* None.

*Medical benefits:* 1.5% levy on income above A\$26,523 for couples and single parents (increased by A\$2,253 per child); A\$15,718 for single persons without dependents.

Higher income thresholds apply to low-income earners and to senior citizens.

Exemption from the levy: Veterans, war widows, and armed forces personnel with dependents (half levy if no dependents).

*Pharmaceutical benefits scheme:* Cost sharing for prescription drugs.

**Employer**

*Sickness allowance:* None.

*Medical benefits:* None.

*Pharmaceutical benefits scheme:* None.

**Government**

*Sickness allowance:* Total cost of cash benefits.

*Medical benefits:* Rebates for medical and hospital benefits.

*Pharmaceutical benefits scheme:* Assistance is provided toward the cost of a wide range of prescription drugs.

Government funding is provided for residential and community aged care.

Federal government general revenue grants and medicare grants provided to states and territories for public hospital operating costs meet approximately 40% to 50% of the total funding of the medical insurance scheme.

**Qualifying Conditions**

**Sickness allowance (means-tested):** Age 21 (age 25 if a full-time student) up to pension age. Resident in the country. Sickness or injury prevents work and must have a job to return to, or intends to resume full-time studies.

**Medical and pharmaceutical benefits:** Residents.

**Sickness and Maternity Benefits**

**Sickness allowance (means-tested):** Up to A\$166.40 a week each for a couple with dependent children; A\$161.70 for a single person aged 21 or older with no dependents, or up to A\$174.95 a week if single with dependents or over age 60.

Benefits for children are paid under Family Allowances, below.

Benefits are payable after a 7-day waiting period for as long as the person is qualified.

Rent assistance: See old-age benefits under Old Age, Disability, and Survivors, above.

Pharmaceutical allowance: See old-age benefits under Old Age, Disability, and Survivors, above.

Remote area supplement: See old-age benefits under Old Age, Disability, and Survivors, above.

Concession card: Entitled to a health care card that makes available additional health, household, and transportation assistance from state, territory, and local governments.

Benefit adjustment: Benefits are adjusted in March and September according to changes in the price index.

**Workers' Medical Benefits**

**Medical benefits:** The patient pays 15% of the scheduled fee for outpatient ambulatory care or A\$50.10, whichever is less (indexed annually for price changes).

Hospital benefits: Free standard ward inpatient treatment by staff doctors in public hospitals.

Private benefit organizations pay for private hospital stays, or public hospitals charge for those who choose treatment by their own physician in public hospitals.

**Pharmaceutical benefit:** A fee of up to A\$22.40 per prescription applies to most prescribed medicines. Pensioners, benefit recipients, and low-income persons pay a A\$3.60 fee per prescription.

The government pays pharmacists.

**Dependents' Medical Benefits**

The same medical and hospital benefits as for the head of the family. Family membership in a private benefit organization will also cover dependents.

**Administrative Organization**

**Sickness allowance:** Department of Family and Community Services provides general supervision.

Centrelink administers the programs through 401 customer service centers and 16 area support offices.

**Medical and pharmaceutical benefits:** Health Insurance Commission administers the program, and the federal Department of Health and Aged Care is responsible for policy development.

**Work Injury****Regulatory Framework**

**First laws:** For the six states, enacted between 1902 (Western Australia) and 1918 (Tasmania); 1911 (seamen's compensation); 1912 (commonwealth government employees); 1931 (Northern Territory); and 1946 (Australian Capital Territory).

**Current laws:** 1942, 1987, and 1998 (New South Wales); 1958, 1985, and 1993 (Victoria); 1986 (South Australia); 1986 (Northern Territory); 1988 (Tasmania); 1988 (federal government employees); 1989 (Australian Capital Territory); 1996 (Queensland); and 2001 (Western Australia).

**Type of program:** Compulsory insurance with a public or private carrier.

**Coverage**

Employed persons; the self-employed are not usually covered.

**Source of Funds**

**Insured person:** None.

**Employer:** Total cost met through insurance premiums. The cost of premiums varies with the assessed degree of risk. Some employers are permitted to self-insure.

**Government:** None, except as a self-insurer for its own employees.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

## Temporary Disability Benefits

The benefit varies depending on the state or territory in which the award is made. Generally, the benefit is at least 95% of earnings for a minimum of 26 weeks. Benefit may be payable for an extended period at reduced levels.

Maximum benefit levels are determined by the states and territories. Usually, the maximum benefit is in the form of a ceiling on the weekly benefit payment or is based on a total lump-sum value.

## Permanent Disability Benefits

**Permanent disability pension:** Total disability. See temporary disability benefits, above.

**Partial disability pension:** The pension is determined by the amount of earnings lost subject to a limit; lump-sum payments are made for specific injuries.

Lump-sum payments made for specified permanent injuries and for pain and suffering vary among states and territories.

**Medical benefits:** The reasonable cost of medical care, hospitalization, transportation, nursing care, and rehabilitation.

## Survivor Benefits

**Survivor benefit:** A lump sum for the survivor, plus a lump sum or a weekly payment for each child. In some cases, the benefit for a child may include a lump sum as well as a weekly payment.

**Benefit adjustment:** Benefits are indexed.

**Funeral grant:** The reasonable cost of a funeral.

## Administrative Organization

Worker's Compensation Board or Commission administers claims in most states (except Australian Capital Territory, Northern Territory, Tasmania, and Western Australia, which have multi-insurer systems with claims administered by insurers).

Worker's Compensation Board or Commission administers claims for Commonwealth employees.

Some states still allow common law actions for negligence against an employer.

## Unemployment

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### Regulatory Framework

**First law:** 1944.

**Current law:** 1991 (newstart allowance) and 1998 (youth allowance).

**Type of program:** Unemployment assistance.

### Coverage

Gainfully employed persons (also payable to those not previously gainfully employed who meet the qualifying conditions).

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost from general revenue.

### Qualifying Conditions

**Youth allowance (means-tested):** Unemployed young people aged 16 to 20 (age 24 if a full-time student, age 15 or older if old enough to leave school) who undertake approved education, training, job search, or other activity to prepare for employment or are incapacitated for work because of an illness or injury. The allowance is means-tested in terms of both parental and personal income and assets.

**Newstart allowance (means-tested):** Age 21 to pensionable age 65 (men) or 62.5 (women). A permanent resident and present in the country during the period of payment. Must be unemployed, capable of undertaking and actively seeking work, or temporarily incapacitated for work because of an illness. Unemployment is not due to voluntary leaving, a labor dispute, or the refusal of a suitable job offer. Otherwise, benefit may be paid at a reduced rate for up to 26 weeks or postponed for up to 8 weeks.

**Mature age allowance (means-tested):** An older unemployed person who is at least age 60 but less than pensionable age. Must have received the newstart allowance for the preceding 9 months, or a nonactivity-tested payment in the 13 weeks prior to the claim, and have no recent workforce experience. Recipients are not required to look for work.

**Partner allowance (means-tested):** Member of a couple (born on or before July 1, 1955) whose partner receives a major social security pension or allowance. Must have no recent workforce experience, no dependent children under age 16, and must not have received unemployment payments or sickness allowance in the 13 weeks prior to the claim. Recipients are not required to look for work.

### Unemployment Benefits

**Youth allowance (means-tested):** Between A\$82.55 and A\$197.65 a week depending on age, living arrangements, marital status, and whether recipient has dependent children.

**Newstart allowance (means-tested):** Up to A\$166.40 a week for each member of a couple over age 21; A\$184.50 a week if single, over age 21, and no dependents; A\$199.50 if single with dependents, or single and over age 60, after receiving the allowance for 9 months. The allowance is payable after a 7-day waiting period for as long as the person remains qualified.

**Mature age allowance (means-tested):** Same benefits as under the newstart allowance, above.

**Partner allowance (means-tested):** Same benefits as under the newstart allowance, above.

Rent assistance (means-tested): See old-age benefits under Old Age, Disability, and Survivors, above. Single recipients under age 25 and living with their parents are not eligible for rent assistance.

Remote area supplement: See old-age benefits under Old Age, Disability, and Survivors, above.

Concession card: Entitled to a health care card, or a pensioner concession card if over age 60, after receiving social security benefits for 9 months.

Benefit adjustment: The newstart allowance is adjusted in March and September according to changes in the price index.

## Administrative Organization

Department of Family and Community Services provides general supervision.

Centrelink administers the programs through 401 customer service centers and 16 area support offices.

## Family Allowances

### Regulatory Framework

**First law:** 1941 (family allowances).

**Current laws:** 1991 (orphan's pension), 1991 (child disability allowance), 1995 (birth grant), 1996 (family tax payment), 1997 (parenting payment), 1997 (maternity immunization allowance), and 1999 (family assistance).

**Type of program:** Dual universal and social assistance system.

### Coverage

Residents with one child or more.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost from general revenue.

## Qualifying Conditions

**Family tax benefit, Parts A and B (income-tested):** Families with dependent children up to and including age 20 (age 24 if a full-time student; age 21 for job seekers not receiving the youth allowance). Benefit is awarded without being subject to an income test if annual family income is A\$30,806 or less. Families receive some benefit under Part A for annual family income up to A\$83,184 with one dependent child under age 18 (the income ceiling is raised by A\$6,752 for each additional dependent child under age 18) or A\$84,401 with one dependent aged 18 to 24 (the income ceiling is raised by A\$7,969 for each additional dependent aged 18 to 24).

In addition, Part B provides extra assistance for single-income families (including single parents), particularly for families with children under age 5. Single parents are not subject to an income test. Couples receive some benefit under Part B if the secondary earner's annual income is below A\$11,206 and if the youngest child is under age 5; below A\$8,347 if the youngest child is between ages 5 and 18.

Large family supplement: For families with four or more children. The supplement is paid on top of the family tax benefit.

Multiple birth allowance: For the birth of three children or more. The allowance is paid every 2 weeks until the children are age 6.

Rent assistance: Payable to people receiving more than the base rate of the family tax benefit (Part A) and who pay rent to private landlords.

**Double orphan pension:** If both parents are dead (or one parent is dead and the other is in a hospital or an institution on a long-term basis, has been in prison for at least 10 years, or whose whereabouts is unknown) or for refugee children under certain circumstances.

**Maternity allowance:** Persons with a newborn child who are eligible for the family tax benefit (Part A). Includes persons with adopted babies, stillborn babies, and babies who died shortly after birth.

**Maternity immunization allowance:** Persons who received a maternity allowance at the time of the child's birth or who are receiving or are eligible for a family tax benefit (Part A) when the child is between 18 and 24 months old and after the child receives age-appropriate immunization or valid exemption from immunization.

**Child care benefit (income-tested):** Resident families with children who pay for child care with an approved or registered care provider. Children must meet the immunization requirements or be exempt from them.

**Health care card:** Recipients of the maximum family tax benefit (Part A); a low-income health care card is provided to those satisfying an income test on average gross weekly income in the 8 weeks immediately before the claim is made.

## **Family Allowance Benefits**

**Family tax benefit, Part A (income-tested):** The minimum and maximum rates of payment vary with the age of the dependent child.

The minimum rate per 2-week period for a child under age 18 is A\$40.74 (ages 18 to 24 years, A\$54.74).

The maximum rate per 2-week period for a child under age 13 is A\$126.70; for ages 13 to 15, A\$160.72; for ages 16 to 17, A\$40.74; and for ages 18 to 24, A\$54.74.

**Family tax benefit, Part B (income-tested for couples):** The maximum rate for a single parent with a child under age 5 is A\$108.78 every 2 weeks; for ages 5 to 15 (ages 6 to 18 if a full-time student), A\$75.88 every 2 weeks. The benefit rates for couples are subject to an income test if the annual income of the secondary earner is above A\$1,752.

Large family supplement: A\$8.68 every 2 weeks for each child after the third.

Multiple birth allowance: A\$105.98 every 2 weeks for triplets; A\$141.40 for quadruplets or more. The allowance is usually added to the family tax benefit.

Rent assistance: Paid at the rate of 75 cents for each dollar of rent paid above a determined rent threshold. The maximum rate of assistance for each 2-week period depends on whether the claimant is single or partnered, the number of children, and the level of rent.

**Double orphan pension (not income-tested):** A\$42.80 every 2 weeks.

**Maternity allowance:** A single lump-sum payment of A\$798.72 is paid for one child; A\$1,597.44 for twins.

**Maternity immunization allowance:** A single lump-sum payment of A\$208.

**Child care benefit (income-tested):** The rate of benefit depends on the number of children, the number of hours of care paid for each week, the age of the children, and the status of the care provider.

**Health care card:** The card makes available additional health, household, and transportation assistance from state, territory, and local governments.

Benefit adjustment: Benefits are adjusted on July 1 each year according to changes in the price index.

## **Administrative Organization**

Department of Family and Community Services provides general supervision.

Family Assistance Offices administer the program.