



PARLIAMENT of AUSTRALIA

Parliament of Australia

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

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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</i> (No. 17 of 1908)		
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

Commencement Date	Details	Government at Commencement
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, standard of intelligence and development'. Pacific Islanders known as 'Kanakas' were also made eligible. Pension became exempt from income tax.	Curtin, ALP
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. 	Chifley, ALP

Commencement Date	Details	Government at Commencement
	<ul style="list-style-type: none"> Wife's Allowance became payable to de facto wives who had lived with the pensioner for at least three years. 	
1950	From August a pensioner medical service providing free general practitioner services and some medicines was introduced.	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> <p>From November access to the pensioner medical service was limited to pensioners with income under two pounds per week.</p>	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	<p>From October:</p> <ul style="list-style-type: none"> Wife's Allowance was made available to the wife of any age pensioner whose wife did not qualify for pension in her own right. 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. 	Menzies, LIB-CP

Commencement Date	Details	Government at Commencement
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 AP. • Aboriginal people were no longer disqualified from receiving an AP if they were living a 'nomadic or primitive' life. 	Holt, LIB-CP
1968	From September: <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	From April: <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	From May pensions granted in Australia could be paid in any country in which the pensioner lived. From July AP was subject to income tax.	Whitlam, ALP
1974	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	Whitlam, ALP

Commencement Date	Details	Government at Commencement
	<p>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>	
1977	<p>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 were increased in line with movements in the CPI in the six months to the preceding June.</p>	Fraser, LIB-NCP
1978	<p>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.</p>	Fraser, LIB-NCP
1979	<p>From November twice yearly indexation of the rate of pension was restored using the same method that had been used prior to November 1978.</p>	Fraser, LIB-NCP
1984	<p>From June the term 'de-facto spouse' replaced the term 'dependent female' in the legislation.</p> <p>From November the pension rates were increased even though the CPI had fallen in the relevant quarters.</p>	Hawke, ALP
1985	<p>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.</p>	Hawke, ALP
1986	<p>From November:</p> <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	<p>From October residency requirements were changed to exclude temporary residents and prohibited non-citizens.</p>	Hawke, ALP
1989	<p>From November the timing of indexation was brought forward in several steps of four weeks to March and</p>	Hawke, ALP

Commencement Date	Details	Government at Commencement
	September with the transition being complete by September 1990.	
1990	<p>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.</p> <p>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.</p>	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	<p>From January refugees applying for pensions were exempt from length of residence requirements.</p> <p>From July the age of eligibility for women applying for AP began to 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.</p>	Keating, ALP
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

Commencement Date	Details	Government at Commencement
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 MTAW. This ensured that the maximum rate of pension plus the supplement would always be somewhat more than 25 per cent of MTAW.</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 included people who migrated to Australia before 1 March 2000 and who would	Howard, LIB-NPA

Commencement Date	Details	Government at Commencement
	<p>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	From July the allowable period of temporary absence overseas for portable payments was reduced from 26 to 13 weeks.	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	<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	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).	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
<p>Original Enabling Legislation <i>Invalid and Old-Age Pensions Act 1908</i> (No. 17 of 1908)</p>		
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</p>	Fisher, ALP

Commencement Date	Details	Government at Commencement
	<p>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> <p>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.</p>	
1912	<p>Naturalised residents no longer had to wait three years to be eligible for pension.</p> <p>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.</p> <p>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.</p>	Fisher, ALP
1916	<p>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.</p>	Hughes, ALP
1923	<p>From September:</p> <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 	Bruce-Page, Nationalist-CP

Commencement Date	Details	Government at Commencement
	eligible for IP after 20 years continuous residence in Australia.	
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	<p>From December:</p> <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
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 of 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	From April Wife's Allowance of 15 shillings per week was introduced for wives of invalid pensioners where she lived	Curtin, ALP

Commencement Date	Details	Government at Commencement
	with him, was his legal wife and did not receive a pension in her own right.	
1944	From April: <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	Claimants for IP who were adequately maintained by their parents and were aged 21 years or more were made eligible for IP.	Chifley, ALP
1947	From July: <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	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.	Chifley, ALP
1950	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. From August a pensioner medical service providing free general practitioner services and some medicines was introduced.	Menzies, LIB-CP
1951	From October people aged 16 to 20 years maintained by their parents were made eligible for rehabilitation.	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.	Menzies, LIB-CP

Commencement Date	Details	Government at Commencement
1953	From October benevolent asylums were referred to as benevolent homes.	Menzies, LIB-CP
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	Holt, LIB-CP

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	married person reduced SEA by one dollar for every two dollars earned.	
1968	<p>From September:</p> <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 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	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	<p>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</p> <p>From November:</p> <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

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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 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.	Hawke, ALP
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	Hawke, ALP

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	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.	
1991	<p>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.</p> <p>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.</p> <p>An employment entry payment of \$200 was paid to DSP recipients who entered the work force.</p>	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

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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</p>	Howard, LIB-NPA

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	take account of high rates of pay for seasonal work and leave and redundancy payments.	
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 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).	Rudd, ALP