

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2013-2014**

Outcome 3 - Employment

DEEWR Question No. EW0161_14

Senator Siewert asked on 4 June 2013, Hansard page 65

Question

Newstart - difference in earnings

Senator SIEWERT: So it is January to March, the exact same cohort, not just for single parents—not the whole cohort of the grandfathered mob, but just the group that have been swapped. Are you able to break that down? Ms Taylor: I might take that on notice. I can understand what you are saying. Senator SIEWERT: What I am saying is that, as their children get older, parents would be more likely to feel more confident about finding work. Mr Emerson: Yes, that is true. Senator SIEWERT: I am trying to look at whether that cohort had a higher percentage. Ms Taylor: I will take that on notice and get that for you. Senator SIEWERT: So we are comparing, exactly, like with like. CHAIR: Ms Taylor, you are saying that there is a cohort that has gone the other way? Ms Taylor: No. There are more people reporting earnings, so there has been an increase in the number of people who are reporting earnings. There has been a decrease in those not reporting earnings, as you would expect. CHAIR: A decrease in people not reporting earnings? Ms Taylor: Yes, that is right—not. So it is a double negative. Senator SIEWERT: Do you get an idea of what the earnings are? Ms Taylor: I will take that on notice. Mr Emerson: We will take that on notice and provide you with the detail, but there has been an increase in average earnings over that period of time. CHAIR: And you are going to try and break that down prior to the change? Ms Taylor: Yes, exactly. Mr Emerson: Yes. Senator SIEWERT: That would be useful. Chair, I have let the officers know that I have detailed questions on notice and I will submit them. There is no point in asking for them now.

Answer

Number of recipients reporting earnings

The number of formerly grandfathered Parenting Payment Single recipients, with children aged 8 and over, reporting earnings on Newstart Allowance increased by 2416 or 10.2 per cent from 1 January 2013 to 29 March 2013. This compares to an increase of 2367 or 5.8 per cent over the same period in 2012, for grandfathered Parenting Payment Single recipients, with children aged 8 and over. To clarify, this is not a comparison between the same families, rather families with the same characteristics, being grandfathered Parenting Payment Single recipients with children aged 8 years and over.

Average earnings

The average earnings for formerly grandfathered Parenting Payment Single recipients who transferred to Newstart Allowance on 1 January 2013, as a result of the changes to Parenting Payment eligibility, were \$983.61 in March 2013. Average earnings for formerly grandfathered Parenting Payment Single recipients were \$941.66 for December 2012. Analysis of earnings across different payment types and different time periods is limited because average earnings will be influenced by a range of factors. For example, average earnings measured after January 2013 cannot include: former Parenting Payment recipients that have exited income support due to high earnings that exceed the Newstart Allowance threshold; or, the impact of seasonality.