

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Australian Government's response to the COVID-19 pandemic

2020 – 2021

Division: Macroeconomic Conditions Division
Topic: Costings for the JobSeeker program - request for additional information
Reference: Written question from Senator Gallagher – 10 July 2020, IQ20-000164

Question:

Senator Cormann: On that point, if that's what DSS said, they were very naughty, because jobseeker is an expenditure measure; it's not actually run out of the Treasury portfolio.

CHAIR: They said Treasury is responsible for the forecast.

Senator Cormann: The costings for expenditure measures like this are tracked by Finance, but I'm very happy to provide—

CHAIR: I wasn't asking about costings.

Senator Cormann: No, the numbers go into the costings information. I'm happy to get you the answer.

CHAIR: They told us that the numbers were being done by Treasury—that Treasury do the numbers for jobseeker, not the costing. So who does it?

Senator Cormann: Treasury estimates the unemployment forecasts. In terms of numbers of people in the jobseeker program, that goes into the Finance-DSS costing. I think you'll find the information that you're asking for and how that is tracking—the reason I know is that I review the information on how the actuals are running against estimates—comes out of Finance, working with DSS. I'm happy to provide you an answer to that question on notice.

Dr Kennedy: To be very clear, we do economic parameters, so we provide the economic forecasts, which underpin the finance costing in that case. So, when the jobseeker costing was done, it would have—Finance agreed with DSS—reflected what our forecasts were at that period for the evolution of the unemployment rate.

CHAIR: So Treasury doesn't have the information that would tell me the numbers of Australians that you'd now expect to be on jobseeker and youth allowance at the end of September.

Senator Cormann: The actuals versus estimates for this jobseeker program are tracked by Finance.

Answer:

The 2020 July Economic and Fiscal Update included the measure *COVID-19 Response Package – income support for individuals*, which sets out the costs for the provision of a time-limited Coronavirus Supplement to new and existing income support recipients during the COVID-19 pandemic, at a cost of \$16.8 billion over 5 years from 2019-20 (page 160 refers).

The 2020 July Economic and Fiscal Update further noted that payments relating to the Job Seeker Income Support program are expected to increase by \$11.8 billion over two years to 2020-21, largely reflecting the impact of COVID-19 pandemic on employment levels (page 54 refers).

This change is an update on the estimates for the Job Seeker Income Support program at 2019-20 MYEFO, which were:

Job Seeker Income Support	2019-20	2020-21
2019-20 MYEFO (\$m, UCB)	-11,490.3	-11,609.1