

Senate Select Committee on COVID-19

Public Hearing – 18 August 2020
ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Senate Select Committee on COVID-19 - Question 9

Question reference number: SQ20-000564

Senator: Katy Gallagher

Type of Question: Spoken. Hansard Page/s: 64

Date set by the Committee for the return of answer: 01 September 2020

Question:

CHAIR: You haven't been told otherwise? In terms of the jobseeker payment and the supplement, I'm trying to understand how much the government is saving by introducing the liquid asset waiting period. For those, presumably, 6,000 people who are waiting, do you have a dollar figure on the financial difference between not having a liquid asset waiting period and having one?

Mr Bennett: Not with me, Senator. I'd have to take that on notice. If I understand your question correctly, you're asking: what is the difference if we take that cohort and apply some analysis? Because you can serve a liquid asset waiting period of somewhere between one week and 13 weeks, what would be the average that we would expect them to serve?

CHAIR: Yes.

Mr Bennett: I'd have to take that on notice.

CHAIR: Fair enough—because people would serve different times?

Mr Bennett: Correct.

CHAIR: It might be difficult to quantify. What if you use the average waiting time; is that fair?

Mr Bennett: We could have a look to see what the historical average was associated with the waiting period and provide information on that basis.

Answer:

The change to the Liquid Assets Waiting Period (LAWP) was costed as part of the Coronavirus Supplement and is not separately identifiable.

The vast majority of claimants do not have a LAWP applied. In 2019-20 around 5 per cent of applicants had a LAWP applied. In 2018-19 it was around 3 per cent.

In 2018-19, the average LAWP applied was 8 weeks and 3 days (59 days) (data as at 2 August 2019).

A significant proportion of claimants who serve the maximum LAWP of 13 weeks have liquid assets that far exceed the point at which the maximum LAWP applies. In 2019-20 it was around \$74,000, with 23 per cent of people serving the maximum 13 week LAWP having liquid asset reserves above \$100,000.