

## **Committee**

Public Hearing – 11 March 2021  
ANSWER TO QUESTION ON NOTICE

Department of Social Services

**Topic:** Senate Community Affairs Legislation Committee - Hearing into the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

**Question reference number:** IQ21-000020

**Senator:** Malarndirri McCarthy

**Type of Question:** Written. Hansard Page/s:

**Date set by the Committee for the return of answer:** 19 March 2021

### **Question:**

How many people does the department expect to be receiving unemployment payments (JobSeeker and Youth Allowance – other) in each year of the forward estimates? Has it changed at all since the budget?

- a. 2020-21 –
- b. 2021-22 –
- c. 2022-23 –
- d. 2023-24 –

### **Answer:**

There were 1.4 million recipients of JobSeeker Payment and Youth Allowance (other) in January 2021.

The forecast number of recipients reflects the Department of Treasury's forecast unemployment rate. Forecast unemployment rates were published in the Mid-Year Economic and Fiscal Outlook 2020-21:

- 2020-21 – 7 ¼
- 2021-22 – 6 ¼
- 2022-23 – 5 ¾
- 2023-24 – 5 ¼

The number of unemployment benefit recipients is expected to decline over the forecasting period as labour market conditions improve and the unemployment rate declines. To date, the labour market recovery from COVID-19 has been stronger than expected. Updated labour market forecasts will be released at Budget.

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**Topic:** Senate Community Affairs Legislation Committee - Hearing into the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

**Question reference number:** IQ21-000021

**Senator:** Malarndirri McCarthy

**Type of Question:** Written. Hansard Page/s:

**Date set by the Committee for the return of answer:** 19 March 2021

**Question:**

How many people are projected to be on unemployment (JobSeeker and Youth Allowance – other) payments in each month of 2021:

- a. March –
- b. April –
- c. May –
- d. June –
- e. July –
- f. August –
- g. October –
- h. November –
- i. December –

**Answer:**

The Department of Social Services does not project monthly recipient numbers. We publish monthly JobSeeker Payment and Youth Allowance (other) figures on [data.gov.au](https://data.gov.au).

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Department of Social Services

**Topic:** Senate Community Affairs Legislation Committee - Hearing into the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

**Question reference number:** IQ21-000022

**Senator:** Malarndirri McCarthy

**Type of Question:** Written. Hansard Page/s:

**Date set by the Committee for the return of answer:** 19 March 2021

**Question:**

How many people live in poverty in Australia?

a. How many children?

**Answer:**

There is no single accepted definition of poverty in Australia. The Department of Social Services monitors trends and debates around poverty and does not rely on any single measure in isolation.

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Department of Social Services

**Topic:** Senate Community Affairs Legislation Committee - Hearing into the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021

**Question reference number:** IQ21-000023

**Senator:** Malarndirri McCarthy

**Type of Question:** Written. Hansard Page/s:

**Date set by the Committee for the return of answer:** 19 March 2021

### **Question:**

Does increasing or decreasing the income free area have a positive or negative effect on the likelihood people will be able to take up casual or seasonal work – particularly where the prospect of ongoing work is remote?

- a. What impact will reducing the income free area for unemployment payments from \$300 per fortnight to \$150 per fortnight have on the marginal tax rate for every additional dollar earned?
- b. What impact will reducing the income free area for unemployment payments from \$300 per fortnight to \$150 per fortnight have the number of people undertaking casual or seasonal work while receiving payments?

### **Answer:**

The permanent increase to the income free area from 1 April 2021 ensures financial rewards from work will be greater.

The marginal tax rate faced by income support recipients depends on recipient's individual circumstances including the amount they earn and other payments they may be eligible for. It is not possible to determine the impact of the conclusion of the temporary \$300 income free area on marginal tax rates for all individuals.