

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2016-17 Supplementary Estimates Hearings

Outcome Number: 1.10 Working Age Payments

Question No: SQ16-000421

Topic: Family & Students Payments Policy

Hansard page: 20 and 22

Senator Murray Watt asked:

Please provide any figures that show a breakdown of how much the overall increase to people receiving Newstart allowance is attributable to the different factors contributing to the increase. Can you do what you can to track some of these factors and what that means in numerical or percentage terms. How much of that increase from 450,000 to 750,000 can be explained by population growth over that 11 year period?

Answer:

There are a number of factors that have contributed to the increase in the number of Newstart Allowance (NSA) recipients over the past 10 years, including economic and labour market conditions, particularly the impact of the 2007-08 Global Financial Crisis, as well as demographic changes including population growth. It is not possible to quantify the individual impact of these factors on NSA recipient numbers.

Successive policy changes to the payments system have also contributed to the increase in NSA recipients. This includes the Welfare to Work reforms of 2006, the removal of grandfathering for Parenting Payment (PP) in January 2013, changes in the eligibility for Disability Support Pension (DSP), raising the Age Pension age for women and the closure of payments such as Wife Pension, Partner Allowance and Widow B Pension.

As at the end of September 2016 there were 77,302 recipients on NSA who were previously on PP and transferred to NSA as a result of the removal of grandfathering in 2013. As at the end of September 2016, there were 2,735 recipients on NSA who were previously on DSP and transferred as a result of the under 35s review. It is not possible to quantify the number of recipients who have claimed and are receiving NSA but who would previously have claimed another payment, such as DSP or Wife Pension, had the eligibility for those payments not been changed.