

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

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

Outcome 3 - Employment

DEEWR Question No. EW0160_14

Senator Siewert asked on 4 June 2013, Hansard page 62

Question

Newstart - 2013-14 PBS

Senator SIEWERT: Let us go with the bottom row of figures. In 2014-15 it goes down to 90 and then up again to 97. What influences that from the previous year to the following year? Mr Emerson: Again, that is a model population impact from our colleagues in Treasury. We work with them— Senator SIEWERT: So I should go and ask Treasury? Mr Emerson: We worked with them on this. Ms Taylor: There would be a whole range of factors that would go into making up that, looking at where the population is going and the rate and the predicted movements on and off Newstart. Part of that may also be the ageing of the cohort moving on to other payments as well. So there are a whole lot of other things that would go towards making that up. Senator SIEWERT: But the point is that you used Treasury figures to predict those figures? Mr Emerson: Yes. Senator SIEWERT: For the figure of 230, it says it is from the 2012-13 revised budget. Was that different to the original figure that you predicted? Ms Taylor: Sorry, I do not have that, but I can get it. Senator SIEWERT: If you could.

Answer

The original forecast for the Program 3.5 key performance indicator, regarding the average duration on income support of Newstart Allowance recipients, was 187 weeks for 2012–13. This forecast was provided in the Portfolio Budget Statement 2012–13 (page 97) with a note that indicators were to be reviewed to take account of legislative changes.

The revision to forecasts for average durations takes account of changes to eligibility for Parenting Payment from 1 January 2013, changes to Youth Allowance (other) from 1 July 2012 and projected recipient numbers over the next four financial years. The forecast for average income support duration includes periods in receipt of other income support payments prior to receiving the current income support payment.

The original forecast of 187 weeks for 2012–13 was revised to 230 weeks in the Portfolio Additional Estimates Statement 2012–13 (page 44). It is this revised forecast of 230 weeks for 2012–13 that appears in Table 2.3.5A of the Portfolio Budget Statement 2013–14 (page 86) with explanatory comments provided in footnote 6 and footnote 7.