

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

**QUESTIONS ON NOTICE
Additional Estimates 2011–2012**

Outcome 4 - Employment

DEEWR Question No. EW1235_12

Senator Brown provided in writing.

Question

Newstart Allowance

1. How does the value of the Newstart Allowance compare to unemployment benefits in comparable countries?
2. How has its real value, and its relationship to the minimum wage and average weekly earnings, changed over time?

Answer

1. Unemployment benefits payable in each country are determined by the benefit system in place in that country. Those countries with insurance schemes tend to have higher payment rates, but these are time limited, and payment levels are influenced by an individual's contribution. The Australian system targets poverty prevention and acts as a safety net for those in most need. The unemployment benefits in this system are tax-payer funded, available to a wider range of job seekers (subject to income and assets test), and not time limited. Other supplementary payments such as housing assistance and family assistance also vary across countries, making comparisons difficult.

2. Newstart Allowance is indexed to movements in the Consumer Price Index twice a year in March and September. As a result, the real value of Newstart Allowance has been maintained over time. For more information please refer to Table 1.

Table 1

Month/Year	NSA Single (per week)	National Minimum Wage (per week)	Average Weekly Earnings (Original, Persons, Total earnings)*
Sept-2001	\$182.30	\$413.40	\$670.20
Sept-2002	\$187.45	\$431.40	\$694.10
Sept-2003	\$192.50	\$448.40	\$728.80
Sept-2004	\$197.30	\$467.40	\$754.80
Sept-2005	\$202.25	\$484.40	\$799.50
Sept-2006	\$210.45	\$511.86	\$830.20
Sept-2007	\$214.90	\$522.12	\$871.10
Sept-2008	\$224.65	\$543.78	\$901.80
Sept-2009	\$228.00	\$543.78	\$940.00
Sept-2010	\$234.85	\$569.90	\$978.40
Sept-2011	\$243.40	\$589.30	\$1,024.20

* Collected for August each year.