

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2005-2006 BUDGET SENATE ESTIMATES HEARING
30 ,31 MAY and 3 JUNE 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 3: Increased workforce participation

Output Group 3.1: Working age policy

Outputs 3.1.1:: Working Age Policy and Legislation

Question Number: W156-06

Question:

Senator Wong provided in writing:

Welfare to work, increasing participation of people with a disability:

(a) Please provide a detailed breakdown of the expenses for all components of this item in the Budget Statement (broken down into each employment or other program, and each income support payment) for each of the years from 2005-06 to 2008-09.

(b) Please detail the anticipated reductions, in each year, in DSP expenses and offsetting increases in expenses on other DEWR and non-DEWR payments

Answer:

(a) and (b) The estimated costs of changes to employment programmes administered by the Department of Employment and Workplace Relations as a result of the Welfare to Work, increasing participation of people with a disability measure are:

	Estimated Programme Cost (\$m)			
	2006/07	2007/08	2008/09	3 Year Total
People with a disability - Service:				
Vocational Rehabilitation	38.138	23.864	24.389	86.391
Open Employment Services	24.399	41.228	31.685	97.312
Personal Support Programme	6.922	4.238	4.238	15.398
JPET	0.136	0.085	0.087	0.308
Community Development Employment Project	5.980	3.171	3.898	13.049
Work for the Dole	0.375	1.036	0.959	2.370
Job Network	31.021	29.133	27.307	87.461

Note: ¹ Slight discrepancies may occur between the sum of the three years and the total figure due to rounding.

² There are no administered costs for services in 2005-06.

The estimated changes to income support payments administered by the Department of Employment and Workplace Relations as a result of the Welfare to Work, increasing participation of people with a disability measure are:

	Estimated Payment Cost (\$m)			
	2006/07	2007/08	2008/09	3 Year Total
People with a Disability – Income Support Payment:				
Disability Support Pension	-443.978	-766.265	-1094.508	-2304.751
Mobility Allowance	27.963	34.23	40.602	102.795
Newstart	283.94	470.492	663.635	1418.067
Pensioner Education Supplement	-1.162	-1.985	-2.8	-5.947
Parenting Payment Partnered	6.779	11.238	15.853	33.87
Parenting Payment Single	14.066	23.603	33.703	71.372
Youth Allowance (Unemployed)	27.624	31.393	35.054	94.071

Note: ¹ Slight discrepancies may occur between the sum of the three years and the total figure due to rounding.

² There are no administered costs for income support payments in 2005-06.

Although not reflected in the above tables, the total net impact, as published in Budget Paper 2, also includes the reversal of the Disability Reform Bill. The Welfare to Work package superseded previous proposed reforms associated with the Disability Reform Bill, which was not passed by Parliament, and were therefore never implemented by Government.

The impact of the reversal of the Disability Reform Bill is:

	Estimated Cost (\$m)				
	2005-06	2006-07	2007-08	2008-09	4 Year Total
Reversal of the DSP Reform Bill:	22.377	114.172	258.169	409.837	804.555

Note: ¹ Slight discrepancies may occur between the sum of the four years and the total figure due to rounding.

The total net impact, as published in Budget Paper 2, also includes Departmental expenses:

People with a Disability – Departmental expenses:	Estimated Departmental Cost (\$m)				
	2005-06	2006-07	2007-08	2008-09	4 Year Total
Increasing participation of people with a disability – Welfare to Work	28.939	35.401	18.348	25.350	108.038
Reversal of the DSP Reform Bill	-18.671	-30.825	-45.360	-45.360	-140.216

Variation between the total of the figures presented above and the total net impact as published in Budget Paper 2, relate to the minor differences between fiscal balance (used for Budget Paper 2) and appropriation (used for the above figures). Fiscal balance excludes depreciation and superannuation expenses associated with Departmental costs.