

Senate Community Affairs Legislation Committee

ANSWERS TO QUESTIONS FROM SENATOR RICE

Social Services Portfolio Department of Social Services 2023-24 Budget Estimates

Question:

The total number of single principal carers with children aged 14-15 on the Jobseeker Payment as at December 2022, or the most recent available data.

Answer:

As at 31 March 2023, there are 18,290 Single Principal Carer JobSeeker Payment recipients with a youngest child aged 14 or 15 years.

Question:

The number of single principal carers with a child turning 8 between 8 May 2023 and 20 September 2023.

Answer:

There are 8,145 Parenting Payment (Single) recipients with a youngest child turning 8 years of age between 8 May 2023 and 19 September 2023, based on data as at 31 March 2023.

Question:

The latest data on the number of single people receiving the Jobseeker Payment who are aged 55-59 and who have received the payment for more than 9 months.

Answer:

As at 31 March 2023, there are 51,910 JobSeeker Payment recipients aged 55 to 59 years who have been on payment for 9 or more continuous months.

Question:

The average dollar increase in rent assistance received by households receiving income support as a result of the Budget measure, broken down by payment type, including how many of these households are expected to no longer be paying:

- 30% or more of their income in rent as a result of the increase?
- 50% or more of their income in rent as a result of the increase?
- Please provide a breakdown of the above by payment type.

Answer:

An estimated 1.1 million households receiving the maximum amount of rent assistance are expected to benefit from the 2023-24 Budget measure.

Payment type	Estimated Average \$ Change per fortnight for maximum rate recipients
Age Pension	17.75
Austudy	17.55
Carer Payment	17.52
Disability Support Pension	20.91
JobSeeker Payment	18.91
Parenting Payment Partnered	20.52
Parenting Payment Single	23.29
Special Benefit	14.57
Youth Allowance	17.39
Family Tax Benefit Part A	27.92

These estimates represent the modelled impact from the 15 per cent increase to maximum rates as at March 2023. The 15 per cent increase to Commonwealth Rent Assistance (CRA) maximum rates commences on 20 September 2023 (subject to legislation passing) and will continue to be indexed in September and March every year.

Rental stress is determined by a number of elements. The proportion of CRA households in rental stress is determined by gross income (including income support payments and CRA) and rent. These are affected by trends and changes over time in the rental market, income support payment rates, wages or investment returns, other income support measures such as changes to Jobseeker and Parenting Payment, CRA rate type, and the payment type

composition of the CRA population (due to differing payment rates of allowances, family tax benefit and pensions).

As such, changes in rental stress over time are difficult to predict. The Department estimates the 15 per cent increase to CRA maximum rates will reduce the overall proportion of CRA households in rental stress by around:

- three percentage points for households paying 30 per cent or more of their income in rent; and
- two percentage points for households paying 50 per cent or more of their income in rent.

Question:

The number of Age Pension recipients that have taken up paid work since the introduction of the temporarily higher rate of the work bonus, and how this differs from previous years without the additional work bonus.

Answer:

The decision for individual age pensioners to work, or increase their hours of work, is influenced by many factors such as their desire to work, financial situation and physical capabilities. This makes it difficult to isolate the impact of a specific policy change.

At the end of March 2023, 34,510 (1.3%) age pensioners had a Work Bonus Income Bank balance of nil, indicating the use of all their Work Bonus, including the upfront \$4,000 top-up during the first 4 months of the measure.

As there are just 4 months of data from December 2022 (when the measure began) to March 2023, the Work Bonus change is relatively new. The following compares the first 4 months of data with previous years.

In December 2022, around 3.1% of age pensioners (80,795 out of 2.58 million) had employment income.

- This is the same proportion working as the month before at 3.1% in November 2022, while the year before it was 3.0% in December 2021.

In March 2023, 3.2% of age pensioners (83,920 out of 2.59 million) had employment income.

- This is slightly higher than the previous year at 3.0% in March 2022, and lower than March 2021 at 3.6% and March 2020 (pre-COVID), at 3.9%.

Question:

The impact of payment suspensions as part of the Targeted Compliance Framework, including

- The total dollar value of payment suspensions by quarter, across all payments for
- FY 2021-22, 2022-23, and;
- A breakdown by payment types (eg. the dollar value of payment suspensions impacting people on JobSeeker in 2021-22, etc.).

Answer:

The Targeted Compliance Framework is the policy responsibility of the Department of Employment and Workplace Relations (DEWR). We understand DEWR have received a similar question and will respond accordingly.