

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
Social Services Portfolio
2014-15 Budget Estimates Hearings

Outcome Number: 1

Question No: 288

Topic: Newstart Allowance

Hansard Page: Written

Senator Collins asked:

(a) Will job seekers be able to receive other forms of income support whilst they are in the 6 monthly cycles of not receiving Newstart payments? - What income support payments will they be eligible for? - What income support will they not be eligible for? - Will they still be able to receive rent assistance, if otherwise eligible, during the periods they do not receive Newstart payments?

(b) Will these changes also apply retrospectively to existing job seekers or only for new job seekers from January 2015?- If so, does that mean current recipients of Newstart in this age bracket will have their payments suspended for 6 months after receiving payments for 6 months and not finding work? Given that Work for the Dole obligations will coincide with Newstart payments, will Work for the Dole only be mandatory where Newstart payments are being received? - Will Work for the Dole obligations continue during the entire 6 month period where Newstart payments are being received?

(c) Can a job seeker elect to undertake Work for the Dole obligations prior to being unemployed for 6 months in order to gain access to payments sooner? If not, why not?

Answers:

(a) Job seekers will not be able to access any other income support during the six month waiting period, unless their circumstances change and they become eligible for another payment. The Government has provided an additional \$229.6 million in job seeker support over four years, from 1 January 2015 to 30 June 2018, for young people who require financial assistance.

However, job seekers who commence an approved course of study/training may be eligible for Youth Allowance (student) or Austudy. Rent Assistance is available, where the person is eligible, while they are in receipt of income support.

(b) Job seekers under 30 years old currently receiving Newstart or Youth Allowance (other), up until 31 December 2014, will be transitioned onto the new system from 1 July 2015.

New job seekers under 30 years of age applying for Newstart, Youth Allowance (other) and Special Benefit from 1 January 2015 must participate in job search and employment service activities for up to six months before receiving payment.

For the cohort affected starting 1 January 2015, after the waiting period, the jobseeker will be required to participate in at least 25 hours per week of Work for the Dole activities for six months in a twelve month period and then will be eligible to receive income support during this time.

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(c) Jobseekers will not be able to elect to undertake Work for the Dole obligations during the waiting period to access income support. The purpose of the waiting period is to encourage young jobseekers to take up paid work or study/training.