

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

**Outcome Number: 1**

**Question No: 294**

**Topic: Newstart Allowance**

**Hansard Page: Written**

**Senator Collins** asked:

The Government has claimed that it will save \$1.2 billion as a result of the changes to Newstart which will see people forced to wait 6 months before receiving income support and then will receive it only on for 6 months of every year a person remains unemployed, until they reach the age of 30.

- How did the Department arrive at this \$1.2 billion savings figure?
- What research/analysis was used by the Department in arriving at this savings figure?
- Did the Department consider the cost of implementing the 18 Work for the Dole sites when it arrived at the \$1.2 billion savings figure, including the expense of paying job seekers Newstart upon beginning Work for the Dole when these people would otherwise have been forced to wait 6 months before receiving any form of income support?
  - If so, how much additional money would have been saved by the Government if it did not implement these 18 Work for the Dole sites?
  - If not, what is the savings measure in light of the additional expense involved in implementing the 18 Work for the Dole sites?

**Answer:**

The savings figure was costed using standard budget costing methodology agreed with Department of Finance.

The Department did not take into account the cost of implementing the 18 Work for the Dole sites when it arrived at the \$1.2 billion savings figure, as this was a separate budget measure commencing on 1 July 2014 and the under 30's measure does not start until 1 January 2015.