

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2017-18 Budget Estimates Hearings

Question No: SQ17-000315

Outcome Number: 1.5 Supplementary Payments and Support for Income Support Recipients

Topic: Pharmaceutical Allowance

Hansard page: 103

Senator Murray Watt asked:

Do we know how many of these 8,400 people would, if you like, lose their entitlement to the pharmaceutical allowance?

What length of time would most of those 2,000 people have been on sickness allowance for?

Answer:

Currently, Pharmaceutical Allowance (\$6.20 per fortnight single; \$3.10 per fortnight partnered) is automatically paid to Sickness Allowance recipients. In line with existing Newstart Allowance rules, JobSeeker Payment recipients will be assessed to determine their eligibility for Pharmaceutical Allowance. JobSeeker Payment recipients will be eligible if they:

- are temporarily incapacitated (unable to work for at least 8 hours per week on wages that are at or above the relevant minimum wage, due to a medical condition);
- have a partial capacity to work (a person with a physical, intellectual or psychiatric impairment has a partial capacity to work if the impairment prevents them from working at least 30 hours per week at the relevant minimum wage or above, independently of a programme of support, within the next 2 years);
- are a single principal carer of a dependent child; or
- are 60 years or more of age and have been in receipt of income support continuously for at least nine months.

It is estimated that around 400 former Sickness Allowance recipients will be ineligible for Pharmaceutical Allowance when they transition to JobSeeker Payment as they will not meet the criteria above. This represents less than five per cent of the Sickness Allowance population on 20 March 2020.

As at December 2016, Sickness Allowance recipients' average duration on payment was 49 weeks (source: data.gov.au – DSS Demographics, December 2016).