

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

Outcome Number: 1.10 Working Age Payments

Question No: SQ17-000462

Topic: Newstart Allowance

Hansard page: Written

Senator Murray Watt asked:

Can you please provide any data you have on reasons people leave Newstart Allowance? (e.g. into work, onto another payment (by payment type) etc.).

Answer:

In 2015-16, **375,052** Newstart Allowance recipients left income support and did not return again within 13 weeks. The following table lists the top 10 reasons recorded for the departures, drawn from the Research and Evaluation database that records departure reasons at last contact, which amount to 94.9 per cent of all reasons for leaving payment:

Reason left payment	
Failed to submit their fortnightly report*	52.3%
Earnings from six consecutive fortnights preclude payment**	8.8%
Did not re-engage with their Employment Service Provider***	8.4%
Commenced full-time employment	7.9%
Voluntarily withdraw (i.e. requested to be cancelled)*	6.2%
Temporary absence overseas	5.0%
Imprisonment	3.7%
Failed to respond to correspondence*	1.4%
Partner's earnings preclude payment	0.7%
Self-employed under New Enterprise Incentive Scheme	0.5%

- * In many cases, recipients who fail to submit their fortnightly report or respond to correspondence or who request to be cancelled, do so because they have gained employment. These responses are recorded under those cancellation reasons rather than full-time employment or other employment-related cancellation reason. Payment is cancelled after 28 days where a recipient fails to report or respond to correspondence.
- ** Newstart Allowance recipients who report income in excess of income free thresholds for six consecutive fortnights are automatically removed from payment.
- *** Jobseekers who fail to attend an appointment with their Employment Service Provider will be suspended. Those who do not re-engage with their provider may be cancelled; however it is likely that some of these recipients do not re-engage due to employment.

Also in 2015-16, **96,368** Newstart Allowance recipients transferred to an alternate income support payment, as follows:

Payment transferred to	
Parenting Payment	22.6%
Carer Payment	19.8%
Age Pension	18.3%
Austudy	17.3%
Disability Support Pension	12.0%
Youth Allowance (student)	6.56%
ABSTUDY	1.99%
Widow Allowance	0.48%
Sickness Allowance	0.38%
Youth Allowance (apprentice)	0.16%
Special Benefit	0.16%
Bereavement Allowance	0.14%