

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2005-2006 BUDGET SENATE ESTIMATES HEARING
30 ,31 MAY and 3 JUNE 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 3: Increased workforce participation

Output Group 3.1: Working Age Policy

Output 3.1.1: Working Age Policy and Legislation

Question Number: W091-06

Question:

Senator Allison provided in writing:

Minister is it not true that Australians with a disability could be up to \$150 a week worse off under your proposed welfare to work changes.

For example: a 25 year old person with a disability who applies post 1 July for DSP, and is rejected because they are assessed as able to work just 16 hours a week, subsequently commences full time study. Is it not true Minister that the person will only qualify for Austudy at the lower rate, and will miss out on pensioner education supplement (PES), rent assistance, making them more than \$150 worse off than someone currently on DSP – where is the fairness in this?

Answer:

Currently a person aged 25 or over with a permanent disability who can work 30 or more hours per week, or who has a temporary impairment, and is studying, is assessed for Austudy Payment. A person aged 25 or over with a permanent disability who can work less than 30 hours per week and is studying, can receive Disability Support Pension instead of Austudy Payment.

From 1 July 2006 people claiming the Disability Support Pension will not be eligible for that payment if, on the basis of a comprehensive work capacity assessment, they can work 15 hours or more per week in the open labour market at award wages without ongoing support, or could be assisted to reach that capacity within two years. These people will be assessed for Newstart or Youth Allowance (other) instead. Recipients of these payments with disabilities able to work 15-29 hours a week will have access to the Pensioner Concession Card, the Pharmaceutical Allowance, the

Telephone Allowance and other concessions available to card holders and will have access to Rent Assistance.

The Welfare to Work reforms are aimed at encouraging people to work first. People aged 25 or over who choose to undertake full-time study rather than look for work will be assessed for the Austudy Payment instead of Newstart Allowance. Rent Assistance and the Pensioner Education Supplement are not available to Austudy Payment recipients. With regard to people with disabilities who are in receipt of DSP, the proportion of people working is more than double those studying.