

**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: 3.1.1 Working Age Policy and Legislation

Question Number: W093-06

Question: Is it not true that enhanced Newstart is nothing more than Newstart with a concession card?

Answer:

No.

From 1 July 2006 the income test will become more generous for all Newstart Allowance recipients. The new income test has the following features:

- the free area remains at \$62 a fortnight;
- the range of income over which the rate is reduced by 50 cents for each dollar of income over the free area becomes \$62 to \$250 – the upper limit is currently \$142;
- income over \$250 will reduce payments by 60 cents for each extra dollar – this is currently 70 cents in the dollar; and
- for couples, partner income will also reduce payments by 60 cents in the dollar, instead of the current 70 cents.

In addition, access to Pharmaceutical Allowance and the Pensioner Concession Card will be expanded for sole parents.

Participation requirements will also be more flexible, to ensure that parents and people with disabilities can participate in employment assistance or other activities at an appropriate level and can access the help they may need to find work consistent with their capacity.