

**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

Outputs 3.1.1: Working Age Policy and Legislation

Question Number: W136-06

Question:

Senator Wong provided in writing:

- (a) How many new claims are anticipated for DSP in each of the 3 years from 2006-07?
- (b) How many in each year are projected to be granted?
- (c) In each of the 3 years from 2006-07, how many are projected to receive an alternative income support payment, and how many are projected to receive no payment, as a result of the proposed changes to DSP eligibility rules?
- (d) In each of the 3 years from 2006-07, what alternative payments will they receive (e.g. Newstart Allowance, Austudy), and how many are to projected receive each of these?
- (e) Of these people (in (c) and (d) above), please identify separately the number who apply for DSP during 2005-06 and are affected by the changes when they are reviewed under the new rules.
- (f) Will those who receive Youth Allowance as a result of the above changes be eligible for Youth Disability Supplement?

Answer:

- (a) Based on recent historical trends (and no policy change), around 117,000 DSP claims are anticipated each year.
- (b) Based on recent historical trends (and allowing for changes associated with the Welfare to Work reforms), around 53,000 DSP claims are estimated to be granted each year.

- (c) The estimated number of people who will receive an alternative income support payment as a result of the proposed changes to DSP eligibility rules is 20,300 each year.

The estimated number of people who would not receive a payment as a result of the proposed changes to DSP eligibility rules is 500 each year.

Note that these numbers exclude people who are granted DSP during 2005-06 and are affected by the changes when they are reviewed under the new rules. These numbers are in part (e).

- (d) In the main, people who do not meet the new eligibility requirements for Disability Support Pension may be eligible for:
- Newstart Allowance;
 - Parenting Payment (single or partnered);
 - Youth Allowance (unemployed or students);
 - Carer Payment;
 - Special Benefit; or
 - Austudy.

The estimated numbers of income support payments each year are as follows:

Income Support Payment	2006/07	2007/08	2008/09
Newstart Allowance	17,600	17,600	17,600
Parenting Payment (Single)	700	700	700
Parenting Payment (Partnered)	500	500	500
Youth Allowance (unemployed)	300	300	300
Youth Allowance (students)	300	300	300
Carer Payment	300	300	300
Special Benefit	300	300	300
Austudy	200	200	200

Note: components do not add to the total of 20,300 presented in (c) due to rounding

- (e) In the main, the group of people who apply for DSP during 2005-06 and are affected by the changes when they are reviewed, in line with normal practice, under the new rules, may be eligible for:
- Newstart Allowance;
 - Parenting Payment (Single or Partnered);
 - Youth Allowance (unemployed or students);
 - Carer Payment;
 - Special Benefit; or
 - Austudy.

The numbers estimated to transfer to these payments each year are as follows:

Income Support Payment	2006/07	2007/08	2008/09
Newstart Allowance	1,150	17,600	1,150
Parenting Payment (Single)	50	700	500
Parenting Payment (Partnered)	50	500	50
Youth Allowance (unemployed)	50	300	50
Youth Allowance (students)	50	300	50

Carer Payment	50	300	50
Special Benefit	50	300	50
Austudy	25	150	25

The above estimated numbers are not included in answers (d) and (e) above.

- Yes