

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

**2006-2007 BUDGET SENATE ESTIMATES HEARING
29TH AND 30TH MAY 2006
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

Question Number: W066-07

Question:

Senator Wong asked in writing:

When tax and withdrawal of benefits are taken into account, what will be the post-1/7/06 weekly disposable income and the post-1/7/06 amount of earnings kept (both in dollar terms and as a proportion of additional income earned) for the following hypothetical individuals: a) A single parent working 5, 10, 15, 20, 25, 30, 35 or 40 hours per week earning \$13 per hour (i.e. \$65, \$130, \$195, \$260, \$325, \$390, \$455 or \$520 respectively), where that parent has two children aged between 8 and 12? b) A person with disabilities without children working 5, 10, 15, 20, 25, 30, 35 or 40 hours per week earning \$13 per hour (i.e. \$65, \$130, \$195, \$260, \$325, \$390, \$455 or \$520 respectively)?

Answer:

The results for part (a) of the question are in Table 1. The results for part (b) of the question are in Table 2.

Table 1: Single principal carer with Newstart Allowance, two children, (weekly equivalents)

Hours worked	-	5	10	15	20	25	30	35	40
Private income	-	\$65	\$130	\$195	\$260	\$325	\$390	\$455	\$520
Disposable income (\$)	\$439	\$487	\$511	\$527	\$547	\$569	\$591	\$629	\$677
Gain (\$)	-	\$48	\$72	\$88	\$108	\$130	\$152	\$191	\$238
Gain (as % of private income)	-	74%	55%	45%	41%	40%	39%	42%	46%

Notes to table:

- Results are rounded to nearest dollar and are the weekly equivalent of annual amounts.
- Working credit interactions (if any) have not been included.
- Calculations assume circumstances remain unchanged from those shown for the full financial year (for example, the effect of CPI indexation increases in payment rates is not included).
- Note that principal carer parents are not required to accept a job of more than 25 hours per week.
- Gain is calculated by reference to the disposable income at zero private income.

Table 2: Single person, partial capacity for work, Newstart Allowance (weekly equivalents)

Hours worked	-	5	10	15	20	25	30	35	40
Private income (\$)	0	\$65	\$130	\$195	\$260	\$325	\$390	\$455	\$520
Disposable income (\$)	\$208	\$256	\$280	\$296	\$316	\$336	\$354	\$409	\$456
Gain (\$)	-	\$48	\$72	\$88	\$108	\$127	\$146	\$201	\$247
Gain (as % of private income)	-	74%	55%	45%	41%	39%	38%	44%	48%

Notes to table:

- Results are rounded to nearest dollar and are the weekly equivalent of annual amounts.
- Working credit interactions (if any) have not been included.
- Where hours worked is 30 hours a week or more on an ongoing basis, Newstart Allowance is calculated under standard rates - the person is assumed to have a full capacity for work. This is assumed in the table. Note however that a person assessed as having a partial capacity for work will not be required to work more than 15 hours.
- Calculations assume circumstances remain unchanged from those shown for the full financial year (for example, the effect of CPI indexation increases in payment rates is not included).
- Gain is calculated by reference to the disposable income at zero private income.