

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2008-09 BUDGET ESTIMATES HEARING

Outcome 7

DEEWR Question No. EW546_09

Senator Fisher asked on 2 June 2008, EEWHR Hansard page 10.

Question

Newstart Allowance

Page 10 – Senator Fisher - We are headed into a scenario where we have projected increased unemployment, and we have a projected additional budgeted amount of \$800 million for Newstart. I am trying to understand why.

Page 11 - Ms Paul—I think it is, actually. I have not been able here to break down precisely all of those components. Basically, you know that it is going to be a combination of policy effect and economic projection, which is what the minister went through the budget paper. Those things are all in the public arena. Basically, you have to combine them together to get this result. We have given you some indications of some of the major movements, for example, in the parenting area and so on. There is probably nothing much further. I am happy to take on notice to offer more details.

Answer

The projected increase of \$813 million in the budgeted amount for Newstart Allowance (NSA) is primarily results from Treasury forecasts.

The increase also takes into account announced existing and new policy in the Budget, as well as increases to the rate of NSA in line with CPI increases. CPI adjustments are made to NSA payments every March and September.