

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE
BUDGET ESTIMATES 2009-10**

Outcome 4

DEEWR Question No. EW0355_10

Senator Mason asked on 4 June 2009, EEWWR Hansard page 27.

Question

Cost of deferring the implementation date of the tightening of the workforce participation criterion

Senator Mason—I have a couple more questions and then I am happy to yield to my colleagues. On the issue of students who are currently in their gap year, if the implementation date for the tightening of the workforce participation test were to be changed from 1 January 2010, which is the current proposal, to 1 January 2011—in other words, put back 12 months to ensure that it is not retrospective in effect, which I think is what Senator Hanson-Young was arguing—what would be the cost to the budget?

Dr Morehead—I cannot answer that.

Senator Mason—Would you take that on notice? It is a very important question.

Dr Morehead—Yes.

Answer

The cost to budget from delaying the implementation of this measure by 12 months (that is, to 1 January 2011 rather than 1 January 2010) would be approximately \$585 million over the forward estimates. This has two main components the additional income support cost and adjustments to the costs of the new Student Start-up and Relocation scholarships.