

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

**2004-2005 BUDGET SENATE ESTIMATES HEARING
31 MAY AND 1 JUNE 2004**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 1: Efficient and effective labour market assistance

Output 1.1: Working Age Payments

Question Number: W152-05

Question:

Senator Wong asked in writing:

Can trend data be provided showing, from 1996, the number of persons claiming Newstart and Youth Allowance (other) for more than 1 year; and (b) can this data also be broken down by: (i) state, and (ii) DEWR labour market region?

Answer:

The trend data requested can be provided by (i) state and (ii) DEWR labour market region for:

- 1999 to 2004 (Newstart Allowance, see Table 1); and
- Youth Allowance (other), see Table 2. Transitional influences continue to impact on the Youth Allowance (other) recipient population following its introduction in July 1998. There has not yet been sufficient time for a consistent time series to be established, particularly for recipients with income support durations of one year or more. Therefore, although the Youth Allowance (other) data for the period 1999 to 2004 is provided in Table 2, it is not comparable across this period.

The following tables provide the number of Newstart Allowance and Youth Allowance (other) recipients as at June of each year and set out the number of recipients on income support for one year or more.

Comparable data for the period 1996 to 1998 is not readily available for either payment.

Notes:

It is important not to equate the DEWR income support population data with the number of unemployed persons, as defined by the Australian Bureau of Statistics (ABS) in line with International Labour Organisation guidelines. As there are a number of significant definitional differences the two series cannot be directly compared.

The standard definition of payment duration used in published reports by DEWR, and previously FaCS, since 1998 in relation to recipients on Newstart Allowance and Youth Allowance (other) is their income support payment duration, which is different from the duration of unemployment as used by the ABS. In many cases the duration of unemployment under the ABS definition will be much shorter than the duration of income support receipt.

The income support duration definition for Youth Allowance includes periods on Youth Allowance as a full-time student, as well as periods unemployed (Youth Allowance (other)). As a consequence, Youth Allowance (other) recipients reported with a duration of more than 12 months may also include periods when the recipient was a full-time student.

For various reasons the total number of recipients identified by state/territory grouping is not directly comparable to the total number in the DEWR labour market region groupings, differing by on average around one per cent. Data grouped by DEWR labour market region is based on assigning (concording) postcode data into the 2004 Employment Services Areas groupings and then into the DEWR labour market region. It excludes recipients with invalid postcodes and there is a small residual error due to rounding. Since postcodes change over time, especially in regional areas, this concordance will be less accurate for earlier periods.

Due to confidentiality provisions, cells with fewer than 20 recipients have been replaced with '<20'. This includes cells that have a value of zero. If the total column makes it possible to work out the value of any '<20' cells, the total field has also been left blank.

Table 1: Newstart Allowance recipients with Income Support Durations of 1 year+, as at June

State/territory	1999	2000^(a)	2001	2002	2003	2004
NSW	128404	113200	100475	102814	101136	97469
VIC	99299	90662	79113	77027	74529	74732
QLD	79327	73166	69398	70106	65683	60490
WA	28412	29956	29060	31474	30095	27495
SA	36841	35029	32524	31167	28747	27002
TAS	16070	15392	14067	13803	13504	12685
NT	5242	6544	8966	10129	10644	10819
ACT	4729	3878	3130	3054	2991	2876
Australia	398324	367827	336733	339574	327329	313568

DEWR Labour market region		1999	2000^(a)	2001	2002	2003	2004
NSW	Sydney	59174	50359	43660	45967	45853	44967
	Hunter and North Coast	36647	33703	30749	30869	29507	27566
	Illawarra and SE NSW	14407	12445	10958	11029	10213	9689
	Western NSW	12854	12114	10936	10872	11401	11204
	Riverina	4694	4243	3915	3806	3827	3789
VIC	Melbourne	68623	62770	54363	53693	52289	52608
	Eastern Victoria	10825	9930	9097	8620	8240	8180
	Western Victoria	19294	17589	15335	14418	13659	13612
QLD	Brisbane	48449	44210	41132	42010	38155	34224
	Southern Queensland	12504	11489	10782	10552	10167	9577
	Central and Northern QLD	16552	16162	16543	16808	16655	16003
WA	Perth	20225	20806	20046	21823	20674	18734
	South Western Australia	3974	4017	4033	4501	4278	3738
	Greater Western Australia	3928	4848	4829	5019	5039	4914
SA	Adelaide	26205	24689	22934	22083	20380	18803
	South Australia Country	10518	10356	9697	9224	8530	8339
TAS	Tasmania	15962	15339	14011	13747	13437	12611
NT	Northern Territory	4930	6104	8328	9441	9878	10080
ACT	Australian Capital Territory	4700	3862	3112	3037	2968	2844

(a) Note: from 20 March 2000, eligible participants in Community Development Employment Projects (CDEP) started receiving CDEP participation supplement (CPS) and other add-ons, such as rent assistance, as part of income support payments. This added a number of new people to those who are normally eligible for unemployment payments, resulting in a gradual take up from 2000. A significant proportion of these new recipients had long-term status from 2000. The effect on unemployment payment recipient numbers varies considerably between regions - the Northern Territory and Western Australia being most affected.

Table 2: Youth Allowance (other) recipients with Income Support Durations of 1 year+, as at June						
State/territory	1999^(a)	2000^{(a)(b)}	2001	2002	2003	2004
NSW	8581	12703	12242	12955	13301	13392
VIC	5549	9171	8766	8848	9061	9332
QLD	6840	10470	11163	11158	10489	9720
WA	2392	3952	4038	4486	4284	3973
SA	2534	4275	4333	4203	4092	4043
TAS	1361	2170	2312	2349	2445	2179
NT	400	819	1242	1391	1462	1361
ACT	320	482	425	459	414	411
Australia	27977	44042	44521	45849	45548	44411

DEWR Labour market region		1999^(a)	2000^{(a)(b)}	2001	2002	2003	2004
NSW	Sydney	3167	4329	4109	4715	5053	5110
	Hunter and North Coast	2614	4237	4324	4366	4354	4250
	Illawarra and SE NSW	1160	1632	1404	1506	1527	1504
	Western NSW	1078	1691	1635	1638	1673	1828
	Riverina	472	717	635	617	581	558
VIC	Melbourne	3185	5206	4958	5288	5342	5626
	Eastern Victoria	851	1420	1368	1254	1361	1404
	Western Victoria	1435	2424	2309	2205	2248	2190
QLD	Brisbane	4077	6342	6808	6917	6317	5682
	Southern Queensland	996	1683	1797	1774	1737	1645
	Central and Northern QLD	1633	2293	2405	2363	2319	2247
WA	Perth	1620	2687	2715	3073	2926	2658
	South Western Australia	390	599	649	721	730	659
	Greater Western Australia	341	617	627	648	603	612
SA	Adelaide	1779	3100	3122	2991	2925	2879
	South Australia Country	730	1152	1192	1202	1166	1163
TAS	Tasmania	1345	2145	2272	2312	2398	2137
NT	Northern Territory	374	765	1140	1290	1351	1240
ACT	Australian Capital Territory	320	478	420	456	412	406

(a) Transitional influences continue to impact on the Youth Allowance (other) recipient population following its introduction in July 1998. There has not yet been sufficient time for a consistent time series to be established, particularly for recipients with income support durations of one year or more. Therefore Youth Allowance (other) data for the period 1999 to 2004 is not comparable.

Youth Allowance amalgamated five payments administered by the Department of Social Security (Youth Training Allowance, More than Minimum Family Payment, Newstart Allowance and Sickness Allowance for 16 to 20 year olds) and the Department of Employment, Education and Training (AUSTUDY for students aged 16 to 24).

Due to the number of recipients transferred to Youth Allowance with a start date of 1 July 1998, a substantial increase in the number of long term recipients is to be expected in Youth Allowance population numbers in the following years. In addition, long term Newstart Allowance recipients aged from 18 to 20 years were maintained on Newstart Allowance. In particular, 1999 long term Youth Allowance (other) recipient data is likely to be substantially understated due to the transitional arrangements.

(b) From 20 March 2000, eligible participants in Community Development Employment Projects (CDEP) started receiving CDEP participation supplement (CPS) and other add-ons, such as rent assistance, as part of income support payments. This added a number of new people to those who are normally eligible for unemployment payments, resulting in a gradual take up from 2000. A significant proportion of these new recipients had long term status from 2000. The effect on unemployment payment recipient numbers varies considerably between regions - the Northern Territory and Western Australia being most affected.