



Try, Test and Learn Fund – Older Newstart Allowance recipients

The Priority Investment Approach is a new way of looking at the welfare system. It uses data analysis to provide insights into how the system is working and uses those insights to find innovative ways of helping more Australians live independently of welfare.

What we know

At 30 June 2017 there were around 251,400 people aged 50 or over receiving Newstart Allowance. The latest Priority Investment Approach valuation shows that the expected average future lifetime cost for older Newstart Allowance recipients is \$320,000 per person.

The estimated total future lifetime cost for the group is \$80.5 billion. On average, this group is expected to receive income support for some or all of 26 years over the rest of their lives. Fifty-six per cent are expected to receive income support for some or all of every year for the rest of their lives.

If nothing changes, 75 per cent will be receiving income support payments in 10 years, and 74 per cent will be receiving income support payments in 20 years.

Older Newstart Allowance recipients

This priority group is defined as Newstart Allowance recipients aged 50 or over.

Older workers on Newstart Allowance represent a loss of skills and experience to the labour force, while increasing expenditure on unemployment payments and age pensions, and reducing taxation revenue from older workers.

Many older Australians want to work but find it difficult to get work. At June 2017 there were 195,000 Newstart Allowance recipients aged 50 or over who have been on income support for 12 months or over.

For many older workers, their health can also be a barrier to employment. There are 81,600 Newstart Allowance recipients aged 50 and over who have an assessed partial capacity to work.

Older Newstart Allowance recipients

- 53 per cent are female
- 32 per cent are aged 50-54
- 32 per cent are aged 55-59
- 35 per cent are aged 60-64
- 32 per cent have a partial capacity to work
- 35 per cent live in inner and outer regional areas

Try, Test and Learn Fund

The Try, Test and Learn Fund will seek new and innovative policy responses that support groups identified by Priority Investment Approach analysis as being at risk of long-term welfare dependency.