

## How the budget changes will apply

Created 19 May 2005 - 12:08am

The scenarios below illustrate some of the differences between the current DSP arrangements and the new system proposed in the budget. Current DSP recipients have been 'quarantined' from these changes and will not be moved from the DSP to Newstart under the announced reforms, so these scenarios are based on new applicants for the DSP.

<p><b>Amanda</b> is not working and receives the full DSP, her only source of income. She is later assessed as being capable of working 15 hours per week and is moved from the DSP to Newstart. In compliance with the Newstart requirements, she looks for work but is unable to find any in her area. <b>She receives \$38 less per week than the pension.</b></p>	<p>DSP \$235</p> <p>Newstart \$197</p>
<p>Eventually, <b>Amanda</b> is successful in finding 15 hours' part-time work, at the minimum wage of \$12.30 per hour, and also receives a reduced Newstart Benefit. <b>She receives \$55 more per week than she did on the pension.</b></p>	<p>DSP \$235</p> <p>Wages \$173</p>
<p><b>Ben</b> is also on the DSP, but is already working 15 hours' part-time at \$12.30 per hour. He is shifted to Newstart and stays in his current job. <b>Total \$345</b></p>	<p>Wages \$172 (after tax)</p> <p>DSP \$174</p> <p>Wages \$173</p>
<p><b>Colin</b> is working 21 hours a week at a better-paid job, earning \$18.25 an hour, and receiving a partial DSP. These earnings are too high to qualify for Newstart. <b>He receives \$89 per week less than when he received the pension, and after 12 months will no longer qualify for a concession card.</b></p>	<p>Wages \$334 (after tax)</p> <p>DSP \$94</p> <p>Wages \$339</p> <p>Total \$428</p>

Sources: Federal budget papers, ACOSS, AFDO

**Notes:** these scenarios are hypothetical and are limited by the amount of information available at the time *PL* went to press. Actual amounts received will vary depending on individual circumstances, and may be supplemented by other benefits such as pharmaceutical allowance or rent assistance. All figures are per week (not per fortnight) and are rounded to the nearest whole dollar.

- [Disability Support Pension](#)
- [HIV Living](#)