

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2016-17 Supplementary Estimates Hearings

Outcome Number: 1.3 Income Support for Vulnerable People Question No: SQ16-000326

Topic: Family & Students Payments Policy

Hansard page: Written

Senator Siewert, Rachel asked:

Under the proposed four week wait for income support for young people, how many young people does the Department estimate will need to access emergency relief as a result of the measure?

- a) How many young people does the Department estimate will be assessed as 'vulnerable' as a result of becoming homeless or being threatened with eviction and consequently exempted from this measure each year for the next three years?
- b) What are the expected savings in Rent Assistance per year, over the next 3 years as a result of this proposed measure?
- c) Can the Department advise of countries that apply similar measures for young people under 25?
- d) What has the OECD advised on the four week waiting period for those under 25?

Answer:

Under the four week waiting period for income support for young people, it is estimated that, of the 75,000 job-ready young Australians, around one third may need to access Emergency Relief.

- a) Around 83,000 young people will be exempt from the four week waiting period. It is not possible to disaggregate this figure by exemption type.
- b) Estimated savings from the four week waiting period, as set out in the Explanatory Memorandum to the Social Services Legislation Amendment (Youth Employment) Bill 2016, are \$173.3 million over four years. It is not possible to disaggregate by rate component.
- c) New Zealand, the Netherlands and Belgium have some form of a 'waiting period' and/or pre-benefit activities in place for job seekers. The differences in the models in place in New Zealand, the Netherlands and Belgium and the four week waiting period proposed for Australia mean that they are not directly comparable.

New Zealand

A New Zealand job seeker has 20 working days to complete a range of pre-benefit activities before they can be paid. If these activities are completed within 20 working days, they can receive back-payment to either the end of their stand-down period, or the date they applied for payment (whichever is later). If an applicant does not complete the required activities within 20 working days, and does not have a reasonable excuse, their application will lapse. The stand-down period is two weeks from the date of the event which triggered their need or benefits, usually the end of their last job.

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2016-17 Supplementary Estimates Hearings

The Netherlands

In the Netherlands, individuals that should be able to find employment within six months are classified in class IV and are assigned to a caseworker. A waiting period of a maximum of four weeks is then applied to class IV job seekers aged under 27 during which individuals have to look for employment by themselves. This period may also be applied to job seekers over 27, if the caseworker chooses to. The number of job applications required during this period varies between job seekers and is specified by the individual's caseworker. While the application of this waiting period is mandatory, caseworkers have the discretion to not apply a waiting period if the person's financial situation will not be sufficient to support them through this period.

Belgium

Belgium operates a "Semestre de Motivation", a period of time between education and work where young people are not eligible for unemployment benefits but receive an 'integration' allowance. This allowance is used as strong encouragement to register with employment services and is conditional on the development of a personal action plan, which may include work experience or training.

d) The Department is not aware of any specific advice from the OECD on the four week waiting period.