

## **Senate Standing Committee on Community Affairs**

### **ADDITIONAL ESTIMATES – 24 FEBRUARY 2011 ANSWER TO QUESTION ON NOTICE**

#### **Human Services Portfolio**

**Topic:** Newstart

**Question reference number:** HS 45

**Senator:** Carol Brown

**Type of question:** Written

**Date set by the committee for the return of answer:** 8 April 2011

**Number of pages:** 2

#### **Question:**

- a. Is the Department aware of the problem faced by permanent and ongoing employees who are employed by the same continuous employer ie Teacher Aides who are forced to meet the Activity Test requirements under Newstart to receive payments during periods of non paid leave, for instance during school holidays, regardless if they have a job to return to? If so, what issues?
- b. During the last financial year how many people were affected by this problem and can you provide an occupational breakdown?
- c. Has any policy work been undertaken by the Department of Human Services to find a solution to this problem? Has any policy work been undertaken in conjunction with DEEWR to find a solution to this issue? If yes please detail.
- d. What input did the Agency have in alerting the Department to this issue and helping to find solutions to this problem?
- e. Have any policy solutions been developed to alleviate this issue?
- f. What is the process to deal with issues arising from income support policies?

#### **Answer:**

- a. With the introduction of the Welfare to Work measures on 1 July 2006, including the changes to the compulsory participation requirements for parents, there was a cohort of job seekers that were impacted. This cohort were in paid employment and had work to return to after a period of unpaid leave and were then required to fulfil participation requirements during periods where they were not working. This policy is delivered by Centrelink on behalf of the Department of Education, Employment and Workplace Relations (DEEWR).
- b. Centrelink does not have any available data on job seekers affected by non paid leave periods.

- c. Since the implementation of Welfare to Work in July 2006, there have been provisions covering job seekers who have breaks in employment. Generally, if a break or holiday of less than three weeks (that is outside the control of the job seeker) occurs during an activity (e.g. paid work), there is no need to adjust the job seeker's requirements. If the break is greater than three weeks, then the person is required to undertake other suitable activities such as job search, for the period of the break.

Separate rules apply to principal carer parents where the activity is casual part-time paid employment. Breaks or holidays in casual part-time work of any duration, beyond the control of the parent, can result in the parent being required to undertake other suitable activities (job search in particular) for any fortnight in which the 30 hours part-time work requirement is not met.

Breaks or holidays in permanent part-time work will not result in principal carer parents having to undertake other activities as long as their basic rate of income support does not increase during the holiday (i.e. they receive the same level of employment income during the break).

Further provisions were implemented by Centrelink with effect from 1 July 2010, as part of the Federal Budget 2009-10 measure 'More flexible options for principal carers'. One of these new provisions allows for where a principal carer is meeting the activity test by working, and the person's employer initiates a shutdown period over the long school holiday Christmas break. In these circumstances, the principal carer is considered to be meeting the activity test as long as they reasonably expect to resume their employment after the break. This allowable break from employment can only be approved while the place of employment has shut down, for up to a maximum of eight weeks.

Centrelink is not aware of any ongoing policy work being undertaken by DEEWR on this issue.

- d. DEEWR is aware of this issue.

Centrelink was involved in the Participation Review Taskforce in 2008, which considered issues facing job seekers with Activity Test and participation requirements, and which ultimately led to the government accepting the Taskforce's recommendations and implementing them in the Federal Budget 2009-10 measure 'More flexible options for principal carers'.

- e. Refer to answer (c) above.

- f. Where Centrelink becomes aware of issues with income support policy, there are a number of forums and processes in place where cases are discussed with DEEWR as the policy owner.