

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

**Outcome Number: 1.10 Working Age Payments**

**Question No: SQ16-000453**

**Topic: Newstart**

**Hansard page: 27**

**Senator Rachel Siewert** asked:

We were given figures in 19 October Hansard - maybe they were combining some from the Department of Employment - that medical exemptions had gone up from 20 per cent to 25 per cent. Why are their figures 20 per cent and yours - for example, the temporary medical is 11 per cent?

**Answer:**

As at June 2016, 11.2 per cent of Newstart Allowance (NSA) recipients were temporarily incapacitated and were not required to undertake fortnightly Mutual Obligation requirements. This includes recipients with a Temporary Medical Incapacity Exemption (including a Temporary Incapacity Exemption – serious illness), as well as those with a temporary reduced work capacity or a partial capacity to work of 0-14 hours per week (recipients in this latter category are only required to undertake a quarterly interview with the Department of Human Services (DHS)). This figure includes Newstart Allowance recipients only, across all employment services types, including jobactive, Disability Employment Services and Community Development Programme.

The Department of Employment (DoE) has advised that figures provided by DoE on 19 October 2016 relate specifically to the proportion of recipients suspended from the caseload, as at September 2016, due to a Temporary Medical Reason. These figures include job seekers that are suspended in jobactive only, and will include job seekers on NSA and other income support types, as well as volunteer job seekers.

The Temporary Medical Reason suspensions category includes the following individual reasons:

- Temporary Medical Incapacity Exemptions
- Temporary Incapacity Exemption – Serious Illness
- Rehabilitation Course Exemption
- Disability Support Pension Illness Exacerbation
- Medical reasons (for Volunteer job seekers only)

The following information may help to clarify the terminology used regarding exemptions and suspensions:

- Exemption - Exemptions are applied by the DHS when a job seeker is unable to meet their mutual obligation requirements for a specified period of time – commonly because of a temporary medical incapacity, a personal crisis, or caring responsibilities. This results in the job seeker's suspension from participation in jobactive, as they are not required to participate during an exemption period.

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- Suspension - A suspension in the context of jobactive means a job seeker is suspended from having to participate in jobactive. A job seeker may be suspended for a variety of reasons including an exemption applied by DHS, or where they are fully meeting their Mutual Obligation requirements by undertaking part-time work. During this time, the provider is not required to provide services to the job seeker and is not eligible for Administration Fees for this period. A Fully Eligible Participant who has been suspended in jobactive can participate voluntarily in services.
- Suspension – A suspension in the context of income support payments means that a recipient’s payment has been suspended. Payments may be suspended for a range of reasons, including non-compliance (for example for failing to attend a compulsory appointment) or for a temporary unapproved overseas absence. A payment that has been suspended may be subsequently restored (including with back pay if applicable) or cancelled, depending on individual circumstances.