

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-004071

Senator Cameron asked on 29 May 2017 on proof Hansard page 22

Question

Targeted job seeker compliance framework

Senator CAMERON: What is the saving from the first strike in the intensive compliance phase?

Mr Hehir: I would need to get that detail. The total saving in that period—the \$204.7 million is a net figure.

...

...

Senator CAMERON: I want a table that can give us a clear understanding of what demerits are saving what, both in the intensive compliance phase and in the pre-intensive-compliance area. Can that be done?

Mr Hehir: I will just need to check with DSS because it is actually DSS who do the elements of the saving associated with the income support penalties. So I will need to check and see whether they have those figures.

Ms Leon: They certainly have them, but it is about whether they have them at hand immediately, while we are here.

Mr Hehir: Yes.

CHAIR: Do we know when they will be appearing next door?

Senator SIEWERT: Yes, Wednesday and Thursday. Working-age payments are Wednesday.

CHAIR: All right.

Ms Leon: So we will do the table—

Senator SIEWERT: Although DHS is Thursday.

Ms Leon: We can already provide you with what the administrative costs are for the department. There are administrative costs for implementing and, again, they are net costs. DHS at the moment expends quite a bit of effort in processing all of the participation reports for one-day payment reductions that occur in what will now not incur a payment deduction. That is all the people in the personal responsibility phase. So DHS will save some money by not having to do those, but they will incur some costs doing the new parts of this process, so the DHS net cost is \$92.7 million. Some of that of course is IT as well, to build the new system. The employment costs are \$31.1 million—that is for our department. Then the save in income support is \$328.5 million.

We will now see whether we can get broken down for you how much of that is attributable to the intensive compliance phase, where people are losing one week, two weeks or four weeks of income support, and how much of it is attributable to the personal responsibility phase, where people who used to lose some income support now will not lose it.

Answer

Savings in income support payments for new compliance framework (\$m)					
	2017-18	2018-19	2019-20	2020-21	Total
1 st penalty	\$0	-\$26.0	-\$26.2	-\$27.9	-\$80.1
2 nd penalty	\$0	-\$27.4	-\$37.9	-\$40.4	-\$105.7
3 rd penalty	\$0	-\$30.0	-\$51.6	-\$54.5	-\$136.0