

## **Senate Standing Committee on Education and Employment**

### **QUESTIONS ON NOTICE Budget Estimates 2017 - 2018**

#### **Outcome 1 - Employment**

**Department of Employment Question No. EMSQ17-004270**

**Senator Marshall provided in writing.**

#### **Question**

##### **New job seeker compliance measures - income support payments**

Which external stakeholders, if any, were consulted in the development of this proposal?  
Please provide details of the findings of this review and who was consulted.

#### **Answer**

As part of the development of the targeted job seeker compliance framework, the Department of Employment consulted and worked with the Department of Human Services, the Department of Social Services and the Department of the Prime Minister and Cabinet. Other Australian Government departments were also consulted as part of usual Budget processes.

Due to the Cabinet-in-Confidence nature of Budget proposals, stakeholders external to the Australian Government were not consulted about the proposal. However, the Department of Employment continually seeks and reflects on feedback it receives regarding its policies and programmes. Known views and evidence from other stakeholders, including welfare sector organisations, employment service providers and job seekers, were therefore able to be considered as part of the policy development process.

Detailed findings from the policy development process are reflected in the proposed changes to the Job Seeker Compliance Framework. In summary they are:

- The majority of job seekers (64 per cent) attend all appointments or miss one at most over a typical 6 month period.
- Approximately 11 per cent of job seekers (100,000) miss five or more appointments or activities in a typical 6 month period without reasonable excuse.
- The current 8 week non-payment period for persistent non-compliance is ineffective with 93 per cent of those penalties being waived.
- Suspending payment until job seekers attend has increased attendance at re-connection appointments from 65 per cent to 88 per cent.
- Approximately half (52 per cent) of the job seeker caseload has one or more capability issue (eg homeless, mental health issues, person with disability), leaving the other half (48 per cent) with no recorded barriers to complying.
- Approximately 40 per cent of the 100,000 (40,000) who have missed five or more appointment/activities have no capability issue(s) noted.
- The 40,000 who have no capability issues recorded and repeatedly miss appointments often attend only re-connection appointments to have suspended income support payments reinstated.
- Those 40,000 are over represented by males (65 per cent versus 55 per cent for the entire case load), over represented by people aged less than 30 years old

(68 per cent versus 39 per cent for the entire case load) and Indigenous people are over represented (25 per cent versus 10 per cent for the entire case load).

- The current framework wastes administrative effort on ineffective compliance work (56 per cent of Participation Reports are either rejected or withdrawn) that could be better focused on providing support to job seekers who have capability issues.