

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-004340

Senator Kakoschke-Moore provided in writing.

Question

Savings from the new Compliance Framework

- a) How much are the savings from the New Compliance Framework?
- b) How are these savings from the New Compliance Framework generated?
- c) Are the savings from the New Compliance Framework generated from the number of people you have estimated will lose a percentage of their payment at the first and second strike of the Intensive Compliance Phase and will have their payment cancelled for four weeks at the third strike of this phase?

Answer

- a) The targeted compliance framework is expected to result in a net save of \$204.7 million over the forward estimates. This includes total savings of \$328.5 million from the Social Services portfolio. The savings are partially offset by additional costs primarily arising from additional processing of compliance actions by the Department of Human Services. Some implementation costs will also be incurred by the Department of Employment and Department of Human Services, for changes to IT systems and training for staff and employment service providers.

	Impact on Fiscal Balance
Department of Social Services	\$328.5m
Department of Human Services	-\$92.7m
Department of Employment	-\$31.1m
Total	\$204.7m

- b) Savings are the result of reduced income support payments to non-compliant job seekers. Only job seekers who refuse suitable work or persistently fail to meet their mutual obligation requirements without good reason will face loss of payments.
- c) Yes.