

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-004341

Senator Marshall provided in writing.

Question

New jobseeker compliance measures - transition off income support

How many people are expected to transition off income support payments and into paid work as a result of this proposal?

Answer

The new job seeker compliance framework is expected to have a positive impact on employment outcomes, as more job seekers will meet the mutual obligation requirements designed to assist them into work.

International evidence suggests that more effective compliance arrangements can improve exit rates. For example, following the introduction of tougher sanctions in the UK in 1996, job seeker exit rates increased from 21 per cent to 28 per cent. UK research in 2015 also showed that sanctions lead to reduced receipt of Jobseeker's Allowance, corroborating earlier Danish and Dutch evidence showing that stronger compliance systems can lead to higher rates of exit from payment.