

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates 2016 - 2017

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: Outcome 2: Indigenous
Topic: CDP

Senator: Siewert, Rachel

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Type of question: Written

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Number of pages: 7

Question:

1. Please provide financial year to date figures for CDP penalties broken down by type.
 - What was the average number of days people were no-show for the financial year to date data?
2. How many people have completely dropped off the income support system in remote communities since CDP started?
3. Of the 33,000 people in the CDP program, 28 per cent of these are serviced by the CDP but do not have Work for the Dole requirements. Can this cohort of people be subjected to penalties?
4. At the estimates hearing Mr James said that '94.4 per cent of those who had potential serious failures had their penalty either partially or fully waived.' Please provide a breakdown by number and percentage of how many were partially waived and how many were fully waived.
 - Of those partially waived, what was the average number of weeks they went without income support?
5. Minister Scullion has quoted a five-fold increase in engagement since the CDP programme started. How can this claim be made with any accuracy when this data was not formally captured prior to July 1 2015?
 - Is this evidence instead of how long some providers have struggled to come to terms with the administrative burden of an unnecessarily complicated compliance framework and performance measures which seem misaligned with the desired outcome of the program, employment?
 - How do the Minister and the Department define engagement?
 - What is the actual attendance in Work for the Dole activities nationally?

6. Under the CDP program providers seem to have a stronger financial incentive to keep participants trapped in the Work for the Dole cohort, rather than helping them find employment, is this accurate?

Answer:

1. The attached table (Attachment A) provides 2015-16 financial year data for penalties applied in CDP, broken down by type. The June quarter 2016 figures are the latest data available.
 - Around 86 per cent (125,742) of penalties were No Show No Pay penalties in 2015-16. Each penalty applied is equivalent to one day, one tenth of an income support payment.

Since 1 July 2015, 1,765 people receiving an activity tested income support payment in CDP regions had their income support cancelled without returning to another income support payment within 12 months (as at 28 October 2016).

2. As at 5 October 2016, there were 33,411 participants in CDP, noting the caseload numbers can fluctuate due to seasonal impacts, job-seeker's status in the systems and factors such as employment. Caseload numbers generally vary between 33,000 and 36,000.

As at 5 October 2016, around 51 per cent of the caseload had requirements to participate in CDP activities.

Job seekers that do not have requirements to attend CDP activities may still have mutual obligations (for example, attending appointments with their CDP provider and undertaking job search where appropriate). Where these mutual obligations are not met, penalties may be applied in line with the national Job Seeker Compliance Framework.

3. In 2015-2016 there were 18,961 serious participation failures across the CDP region.

Of these only 5.6 per cent (1,053) were fully served while 94.4 per cent (17,908) were either fully or partly waived. 66 of the 18,961 serious participation failures were fully waived for hardship reasons (0.3 per cent) and 17,842 were either fully or partly waived due to the job seeker agreeing to undertake compliance activity before the full 8-week non-payment period was served (94.1 per cent).

The Department of the Prime Minister and Cabinet (PM&C) has requested this data from DSS and the requested breakdown of partial waivers is complex and will require additional time. This data will be provided once it is received.

4. Reported attendance and valid non-attendance in activities in CDP has increased from 7 per cent in July 2015 (at the commencement of the programme) to 60 per cent in September 2016.
 - a. No. There has been a steady increase in actual engagement since CDP commenced, which we expect to continue.

- b. Engagement is reported attendance and valid non-attendance (such as being absent due to being sick or having caring responsibilities) in activities. Around 60 per cent of the caseload are currently engaged in the programme.
 - c. Reported actual attendance in activities in CDP is currently around 36 per cent. Questions relating to the National 'Work for the Dole' statistics should be directed to the Department of Employment
5. No. CDP providers can receive up to \$7,500, excluding GST, over a six month period for supporting a job seeker into employment. In comparison a CDP provider can receive up to \$6,225, excluding GST, in service payments for supporting job seekers in activities over a six month period. Achieving this full amount in service payments requires providers to engage with job seekers and demonstrate outcomes for each hour job seekers are required to participate.

It is important to note that CDP activities are designed to prepare a job-seeker for work – including through appropriate training and reducing barriers to work such as poor literacy or numeracy or addiction issues. The training the providers do with their job-seeker during this period is essential to assisting the job-seeker find and retain work.

It is also important to note that as part of performance reviews under the CDP Programme Management Framework, providers receive 35 per cent of their overall weighting based on their capacity to meet their Regional Employment Target (26 week employment outcomes).

This provides significant incentive for providers to seek to deliver employment outcomes, as a poor rating against this KPI makes it difficult for providers to receive a 'good' overall performance rating. Additionally, providers are required under the terms of the Funding Agreement to deliver remote employment services which includes engaging with employers and supporting job seekers into employment.

The CDP Programme Management Framework, financial incentives and contractual requirements work together to ensure that providers are focussed on ensuring job-seekers are gain the skills and experience they need to find work and retain work and achieve long term employment outcomes.

Job seekers have been supported into over 10,500 jobs since CDP commenced and over the same period more than 3,400 job placements reached a 26-week outcome.

Attachment A: Quarterly Penalties and suspensions applied to CDP job seekers in 2015-16 (by State)

Quarterly Penalties incurred by CDP job seekers in 2015-16 (by State)

Quarters for 15-16 FY	Financial Penalty Type	WA	SA	NSW & QLD	NT	NATIONAL
Jul 15 - Sept 15	No Show No Pay	2,088	846	4,911	6,553	14,398
	Non-Attendance Failures	11	12	9	15	47
	Reconnection	2	1	9	20	32
	Serious failures			1	1	2
	CCAs	202	49	532	863	1,646
	UE NPPs	12	3	13	25	53
	Total Financial Penalty events	2,315	911	5,475	7,477	16,178
Oct 15 - Dec 15	No Show No Pay	4,650	2,316	8,798	14,365	30,129
	Non-Attendance Failures	88	6	26	73	193
	Reconnection	20	7	17	61	105
	Serious failures			0	4	4
	CCAs	413	383	1,202	2,150	4,148
	UE NPPs	15	4	10	21	50
	Total Financial Penalty events	5,186	2,716	10,053	16,674	34,629
Jan 16 - Mar 16	No Show No Pay	7,905	2,211	10,063	19,841	40,020
	Non-Attendance Failures	57	1	11	213	282
	Reconnection	30	4	11	126	171
	Serious failures	2		0	1	3
	CCAs	743	373	1,462	3,094	5,672
	UE NPPs	5	1	8	21	35

	Total Financial Penalty events	8,742	2,590	11,555	23,296	46,183
Apr 16 - Jun 16	No Show No Pay	8,019	2,017	9,089	22,070	41,195
	Non-Attendance Failures	5		22	126	153
	Reconnection	117	54	71	537	779
	Serious failures	1		0	2	3
	CCAs	1,228	404	1,546	4,305	7,483
	UE NPPs	8	1	11	31	51
	Total Financial Penalty events	9,378	2,476	10,739	27,071	49,664
Total FY	No Show No Pay	22,662	7,390	32,861	62,829	125,742
	Non-Attendance Failures	161	19	68	427	675
	Reconnection	169	66	108	744	1,087
	Serious failures	3	0	1	8	12
	CCAs	2,586	1,209	4,742	10,412	18,949
	UE NPPs	40	9	42	98	189
	Total Financial Penalty events	25,621	8,693	37,822	74,518	146,654

* NSW and QLD have been merged together to protect the identities of the smaller number of communities and service provider working with CDP in NSW

Note: YTD' figures have not been provided as data for the first quarter of 2016-17 is not yet available.

Quarterly Suspensions incurred by CDP job seekers in 2015-16 (by State)

Quarters for 15-16 FY	Suspension Type	WA	SA	NSW & QLD	NT	NATIONAL
Jul 15 - Sept 15	Suspension - NAR	5,073	808	4245	10,020	20,146
	Suspension - Reconnection	97	14	98	163	372
	Suspension - Third Party	11	1	8	12	32
	Suspension - Activity	1,418	766	3395	3,229	8,808
	Suspension - Total	6,599	1,589	7746	13,424	29,358
Oct 15 - Dec 15	Suspension - NAR	4,521	683	2909	7,223	15,336
	Suspension - Reconnection	156	22	123	268	569
	Suspension - Third Party	11		9	8	28
	Suspension - Activity	2,779	840	5443	6,506	15,568
	Suspension - Total	7,467	1,545	8484	14,005	31,501
Jan 16 - Mar 16	Suspension - NAR	4,797	909	3163	9,508	18,377
	Suspension - Reconnection	209	30	182	361	782
	Suspension - Third Party	5		1	3	9
	Suspension - Activity	4,208	796	6437	8,346	19,787
	Suspension - Total	9,219	1,735	9783	18,218	38,955
Apr 16 - Jun 16	Suspension - NAR	4,240	595	3092	8,300	16,227
	Suspension - Reconnection	120	29	172	395	716
	Suspension - Third Party	4			4	8
	Suspension - Activity	3,238	1,212	5778	9,423	19,651
	Suspension - Total	7,602	1,836	9042	18,122	36,602
Total FY	Suspension - NAR	18,631	2,995	13,409	35,051	70,086
	Suspension - Reconnection	582	95	575	1,187	2,439
	Suspension - Third Party	31	1	18	27	77
	Suspension - Activity	11,643	3,614	21053	27,504	63,814
	Suspension - Total	30,887	6,705	35,055	63,769	136,416

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