

Senate Community Affairs Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SOCIAL SERVICES LEGISLATION AMENDMENT (YOUTH EMPLOYMENT
AND OTHER MEASURE) BILL 2015
SOCIAL SERVICES PORTFOLIO
Wednesday, 5 August 2015

Outcome Number: 1

Question No: 1

Topic: Job Seeker Classification Instrument

Hansard page: 45

Senator Siewert asked:

Senator SIEWERT: Okay. If you could, that would be appreciated. So then my next question, which you potentially cannot answer, would be: if that takes a period of time, where does the four weeks kick in? Do they get back pay? You are probably aware we were also talking to welfare rights about whether they would get back pay if there was a mistake made and they should have been in a different stream not subject to the waiting period.

Ms Halbert: I heard you discussing this earlier. My understanding—and I am happy to confirm this—is that, if someone goes through an assessment process and it is later found that that decision is wrong and the decision is overturned, the date of effect of the new decision would be the one on which the first one was made, so they would be able to be back paid. I am happy to confirm that.

Senator MOORE: That would be an SSAT decision?

Ms Halbert: It could be, but it is human services because it is a human services decision in the first instance.

Senator MOORE: Rachel, I think there will be a series of questions to human services about the mechanics, so that is another one.

Senator SIEWERT: Yes, exactly. If you could take that on notice, thank you.

Ms Halbert: We certainly can answer that question. I believe that is the right answer; I would just like to confirm.

Answer:

Assessments under the Job Seeker Classification Instrument (JSCI) are made prospectively and apply to the job seeker from the date of assessment onwards. If a person is initially assessed under the JSCI as a Stream A job seeker and is subsequently reassessed as being a Stream B or C job seeker, the reassessment of the job seeker is not applied retrospectively.

As a result, a person subject to a four week waiting period who is subsequently reassessed as a Stream B or C job seeker will be exempt from the waiting period with effect from the date of the reassessment. They would not be entitled to back payment for the period during which they were assessed as being a Stream A job seeker.

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Outcome Number: 1

Question No: 2

Topic: Growing Jobs and Small Business Package

Hansard page: 50

Senator Moore asked:

Senator MOORE: Can we also find out the list of programs that you read out, Ms Halbert and Ms Kidd? I am sorry; it is a Qantas issue with planes to Brisbane deciding not to fly and that is why we have been out there. Maybe they need some job ready people? In terms of the focus, can we find out from those programs that you read out, which already seem very positive, what numbers of job seekers they are targeted at. I will take that on notice, because I did pick up in particular about the issue of the 200 young people with mental health issues. The evidence given by Orygen and also headspace indicated that they were very keen to be involved in such programs, but they indicated they had many more than 200 on their books that could well be part of it. It is to build up the picture that from all the submissions we have got—and I am sure that you have read them all—everybody was actually speaking very positively about the support of programs that have been brought in. I think every submission, whilst raising concerns about this legislation, then went on to say that they welcomed the other things. It is important that the department gets the feedback. It was not everybody just saying, 'We hate what's going on.' I think they were very positive.

Ms Halbert: We can certainly get you those numbers.

Answer:

The following table outlines the Social Services led initiatives in the Youth Employment Strategy – Intensive Support for Vulnerable Job Seekers measure. This measure forms part of the Growing Jobs and Small Business Package. Other initiatives in the measure and within the Package are led by the Employment portfolio and will be outlined in a separate response.

Youth Employment Strategy – Intensive Support for Vulnerable Job Seekers: Social Services led measures	Estimated number of participants (over forward estimates)
<i>Employment Support for People with a Mental Illness</i>	
Trial of the Individual Placement and Support model for young people with mental illness	6,000
Trial of employment assistance model for young people with mental health issues in Disability Employment Services	200
<i>Transition Support for Young Refugees and Other Vulnerable Migrants*</i>	
Partnerships for Employment	2,000
Strong Connections to Education	1,500
Sport Engagement for Youth	10,000
Increased Vocational Opportunities	300

* note: these figures are from the costing for this initiative – the delivery model is still being finalised and participant estimates may change after a final decision is made on implementation.

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Outcome Number: 1

Question No: 3

Topic: Ordinary Waiting Period

Hansard page: 50

Senator Moore asked:

Senator MOORE: It would be good to see. There are the wraparound programs, which were asked for by everyone, to indicate the vulnerabilities and need for support. Could we find out how many people are getting those? One of the things that I wanted to talk about was the extension of the waiting period that people have before they get onto any payment, and that is not just for 22- to 24-year-olds. There is the definition of experiencing a personal financial crisis. You have heard a lot of evidence on concerns about that particular change. We have had evidence about how the process is done to look at which stream people fall into under the job-readiness element, but, regarding the particular change in the waiting period before you can go onto the payment, it is really a Centrelink question as to how that process is done—who does it and is it done face-to-face or is it done by phone? Do either of you know that?

Ms Halbert: Again, it is a question for DHS. I should not speak for them. Depending on the circumstances of the person, a departmental officer will make a decision or they will refer them to a social worker to establish the circumstances.

Answer:

Service Officers in the Department of Human Services conduct new claim interviews either over the telephone or in person. The majority of new claim interviews are conducted by the Department of Human Services over the telephone.

The application of waiting periods is done as part of the new claim process.

The decision about a person's claim and whether the person has experienced a personal financial crisis is made by a Service Officer. It is up to the individual Service Officer to determine what constitutes suitable evidence to support a person's claim, based on the person's circumstances. Service Officers may choose to seek advice and/or support from a Social Worker when assessing a claim or making waiver decisions. In cases of domestic violence a referral to a Social Worker will be made.

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Outcome Number: 1

Question No: 4

Topic: Ordinary Waiting Period

Hansard page: 50-51

Senator Moore asked:

Senator MOORE: That was the question I asked earlier to the group who look after the social workers professionally. It is my understanding that the current process of looking at someone's financial situation is quite rigorous. A number of questions are asked and people have to show their financial situation. There is the new component that is being brought in with this legislation. It makes another change which is looking at experiencing personal financial crisis. I want to understand what difference that makes, who does it and the sensitivity around those questions. I refer to page 4 of the explanatory memorandum to the legislation, which says:

It is expected that a person will meet this evidence requirement by complying with the current evidentiary requirements of the Department of Human Services.

What I am trying to understand is: why the change and what will that change entail and what will the cost be? In the departmental submission you provided, which justifies getting rid of the low-income supplement—which, by the way, people tend to agree with; I think we have only had one or two submissions that do not agree with that—one of the reasons for bringing in the change is that it will cost more for the Department of Human Services to do this than actual payments being made to people who claim it. By bringing in this new change to the eligibility process, what is the cost of doing that and to what intent?

Ms Halbert: From a policy perspective, there is change in what constitutes financial hardship. There is a change to the circumstances. You need to have experienced financial hardship in the last four weeks. There is a policy change.

Senator MOORE: What is the intent of that policy change?

Ms Halbert: The one-week waiting period is a longstanding waiting period for Newstart and Sickness Allowance. Previously, up to 75 per cent of people had that waiting period waived. So the intent of the waiting period did not seem to be applied. In looking at the previous policy, it was considered that, one, it should be focused on immediate financial crisis and, two, evidence should be provided in relation to that financial hardship. If you had sudden reasonable expenses—say, your car had broken down—you simply provide evidence around the cost that you think—

Senator MOORE: It says:

It will not always be necessary for a person to provide written evidence.

Ms Halbert: No. They are not going to go on to what evidence. That is a question for DHS. I am told that it is just the normal kinds of evidence that DHS would ask for, but that is a question for them.

Answer:

Under the current rules, a person can have the Ordinary Waiting Period waived on the grounds of severe financial hardship.

A single person is considered to be in severe financial hardship if the value of the person's liquid assets is less than the maximum fortnightly payment rate of the income support payment that would be payable to them, which includes entitlement to Rent Assistance and Pharmaceutical Allowance.

A member of a couple is considered to be in severe financial hardship if the value of the couple's liquid assets are less than twice the maximum fortnightly payment rate of the income support payment that would be payable to the person, which includes entitlement to Rent Assistance and Pharmaceutical Allowance.

Under the new rules, a person can have the Ordinary Waiting Period waived if they have experienced a personal financial crisis in the four weeks prior to claiming an affected income support payment.

A person is considered to have experienced a personal financial crisis if the person is in severe financial hardship, as described above, and in the four weeks prior to claiming they have suffered domestic violence or the person is in severe financial hardship because the person has incurred unavoidable or reasonable expenditure. Once the legislation has been passed, other circumstances constituting a personal financial crisis may be provided for in the relevant legislative instrument.

In most cases, the evidence required to demonstrate that a person has experienced a personal financial crisis is likely to be the same as that provided by the claimant at the time of claim. For example, this could include a Social Worker assessment, bank statements or a tenancy agreement. The requirement to provide any additional evidence to support unavoidable or reasonable expenditure, for example, receipts for car or whitegoods repairs, aligns with the existing requirements for waiving other waiting periods including the Income Maintenance Period, Seasonal Work Preclusion Period, Liquid Assets Waiting Period.

It is up to the individual Service Officer in the Department of Human Services to determine what constitutes suitable evidence based on the person's circumstances. Service Officers may choose to seek advice and/or support from a Social Worker when making waiver decisions. In cases of domestic violence a referral to Social Worker would be made.

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Outcome Number: 1

Question No: 5

Topic: Ordinary Waiting Periods – exemptions for financial hardship

Hansard page: 51

Senator Moore asked:

Senator MOORE: From a policy perspective—this is not in the departmental submission—you were saying that up to 70 per cent of people who were claiming financial hardship, which is the term we used to use in the department, were found to have met that requirement and the waiting period was waived. What kinds of figures are the department basing the change on? If 70 per cent are getting through with it being waived now, to make the savings that have been budgeted for in this legislation, what percentage of people do you think will still meet the requirement, which includes experiencing a personal financial crisis?

Ms Halbert: It was previously 75 per cent being waived. We are expecting around 40 per cent.

Senator MOORE: What kind of numbers?

Ms Halbert: About 250,000 people a year.

Senator MOORE: Who will meet the requirements to be waived?

Ms Halbert: Sorry—250,000 would be affected by the one-week waiting period, and after assessment approximately 160,000 will serve the one-week waiting period.

Senator SIEWERT: Perhaps I could just clarify that. You are saying that 150,000 people will then still be affected, will be subject to—

Ms Halbert: Forty per cent will have their one-week waiting period waived. That is 160,000 people.

Senator SIEWERT: Okay; thank you.

Senator MOORE: The modelling is done around the tightening; that will mean that 90,000—is that right?

Ms Halbert: I have a total figure for the number of people affected—

Senator MOORE: That is 250,000—

Ms Halbert: That is right. So, about 35 per cent more people will be affected.

Senator SIEWERT: So, I must be—

Senator MOORE: I am still a bit lost, too. Ms Halbert, could you provide those figures to us and spell that out, rather than having us going backwards and forwards now?

Ms Halbert: Sure.

Answer:

Currently, around 78 per cent of Ordinary Waiting Periods are waived under the severe financial hardship rules. This is approximately 313,000 per year for new claimants of Newstart Allowance and Sickness Allowance.

It is estimated that around 40 per cent of Ordinary Waiting Periods will be waived in the new system. This is approximately 170,000 per year for new claimants of Newstart Allowance, Sickness Allowance, Youth Allowance (other) and Parenting Payment.

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Outcome Number: 1

Question No: 6

Topic: Ordinary Waiting Period

Hansard page: 51

Senator Siewert asked:

Senator MOORE: Perhaps we could have a look at it in terms of this change. The savings around this one were proposed to be, for ordinary waiting periods, \$274.8 million. Is that right?

Ms Halbert: Yes, that is correct.

Senator MOORE: So, the \$274.8 million is for the people who will not have it waived under the new process.

Ms Halbert: Correct—who have served the waiting period.

Senator SIEWERT: How many people will be affected? Let's just get that clear: who will now be subject to that one-week period who will not have it waived but who would have in the past?

Ms Halbert: I would rather take it on notice, but are you asking for the total number of people, or the additional?

Senator SIEWERT: The additional.

Ms Halbert: We will take that on notice.

Senator MOORE: Yes. We just want it spelt out how the \$274.8 million gets there. That would be good.

Ms Halbert: Yes. I understand.

Answer:

Under the current rules, the Ordinary Waiting Period applies to new claimants of Newstart Allowance and Sickness Allowance.

Under the new rules, it is estimated that 179,000 Newstart Allowance and 9,500 Sickness Allowance new claimants will have an Ordinary Waiting Period applied due to the tightening of the hardship test.

It is also estimated that 17,500 Newstart Allowance and Sickness Allowance new claimants will have an Ordinary Waiting Period applied due to the changes to the concurrency rules.

In addition, it is estimated that the extension of the Ordinary Waiting Period to other payments will result in 15,000 Parenting Payment Partnered, 19,500 Parenting Payment Single and 31,500 Youth Allowance (other) new claimants having an Ordinary Waiting Period applied.

The \$274.8 million in savings is achieved through expanding the number of payments affected, tightening the hardship test and changes to the concurrency rules.

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Outcome Number: 1

Question No: 7

Topic: Ordinary Waiting Periods

Hansard page: 51

Senator Moore asked:

Senator MOORE: Also, the other change to the ordinary waiting period is that up until now the ordinary waiting period could be combined—served with the other series of waiting periods that people have to apply for a payment. When you apply for a payment there is a number of waiting periods to which you can be subject, depending on your circumstances. It is my understanding that up until now if you were subject to the two-week waiting period for Newstart or sickness allowance—which were the two that were covered previously—you could combine the waiting periods. But under this proposal it is specifically precluded. The one-week waiting period is served regardless.

Ms Halbert: After any waiting period that you have served.

Senator MOORE: So, that is a change. Is that specially budgeted for in the \$274 million?

Ms Halbert: It would be incorporated in the costing. I would have to take it on notice.

Answer:

Based on the Department's costings, it was estimated that approximately 17,500 additional one-week Ordinary Waiting Periods per year would be attributed to the changes to existing waiting period concurrency rules. This figure was included in the total estimated number of additional one-week Ordinary Waiting Periods applied each year and used to derive the budgeted \$274.8 million in savings.

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Outcome Number: 2

Question No: 8a

Topic: Emergency Relief

Hansard page: 52

Senator Moore asked:

Senator MOORE: The emergency relief component: we have talked a lot around that, but one of the particular questions we had from one of the witnesses was emergency relief access and the types of people who gained it. In talking with the National Union of Students and the other organisation that was looking at young people, we were trying to get an idea of the access to emergency relief that students have. Does DSS have any information about the kinds of people who access emergency relief? Is the student population or the young population a huge user of emergency relief at this point in time?

Ms Halbert: I expect that DSS would have information on the types, but I would have to take it on notice.

Answer:

Historically, the Department has not collected data on the age or occupations of clients accessing Emergency Relief.

Under the Department's new grant arrangements, providers will report a standard set of information about the clients accessing their service in the future. This standard information will include the age of clients.

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Outcome Number: 2

Question No: 8b

Topic: Emergency Relief

Hansard page: 52

Senator Moore asked:

Senator MOORE: I just wanted to give you the background of why I want it. Regarding the emergency relief usage, I know you said that work is still being done around it, but the other thing I would like to know is how in fact the linkage will be made with the target audience. That will be put on notice to the people who work with emergency relief. If it has been identified specifically for a group, the questions we asked last year were about how it was going to be separately allocated to the people who have won emergency relief money under the grant process. How will we know and be able to track the \$85 million to see whether it has in fact been used by the right people to give us an indication of whether it is adequate, if there has been a basis? Did we find out whether there was a basis for \$8.5 million—whatever the figure was?

Ms Halbert: It was \$8.1 million. I will take the first part of your question on notice. In answer to the second part, it is proportionate to last year's budget measure in relation to the smaller population et cetera.

Answer:

Following the passage of legislation, the Department will undertake an analysis of payments data and consult with the Emergency Relief (ER) sector to inform the targeting and distribution of available funds to those most affected by the measure.

Under the Department's new grant arrangements providers will report a standard set of information about the clients accessing their service. This data set includes age information which may provide some means for monitoring take-up of ER assistance by this cohort.

Reporting requirements regarding the allocation of funding under this measure will take into consideration the need to reduce red tape and administrative burden on service providers, to free up their capacity to focus on service delivery.

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Wednesday, 5 August 2015

Outcome Number: 2

Question No: 8c

Topic: Emergency Relief

Hansard page: 52

Senator Moore asked:

Senator MOORE: Did we find out whether there was a basis for \$8.5 million—whatever the figure was?

Ms Halbert: It was \$8.1 million. I will take the first part of your question on notice. In answer to the second part, it is proportionate to last year's budget measure in relation to the smaller population et cetera.

Senator MOORE: And perhaps we could refine that to find out what the justification is, just to figure out what the basis of that is. It has come up consistently in the evidence we have received that people were concerned about the linkage of an emergency relief package with a budget measure in terms of the policy background to it.

Answer:

The funding allocation of \$8.1 million was a decision of Government. The funding is proportional to the amount of funding allocated under the “Stronger Participation Incentives for Job Seekers under 30” initiative. The calculation took into account differences in this measure - including the smaller cohort size, reduced age range and waiting period, exemptions and subsequent anticipated reduction in demand for assistance.