

Senate Standing Committees on Education and Employment

Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021

QUESTION ON NOTICE

Date of hearing: 11 June 2021

Outcome: Employment

Department of Education, Skills and Employment Question No. IQ21-000059

Senator Louise Pratt on 11 June 2021, Proof Hansard page 32 and 33

Jobseeker breakdown and time frames

Question

Senator PRATT: . What is the number of days on average for those 144,000 people?

Ms O'Regan: I would have to take on notice the exact breakdown, but we have assumed, for the purposes of costing the measure, that there will be a behavioural change; a reduction of two days on average after the measure. We have assumed a behavioural change, and as I said, we would hope for a bigger behavioural change. That is an average. There would be no counterfactual for us to compare to, but some jobseekers will engage much more quickly than two days than they otherwise would in the absence of the measure. Of those 144,000 people, I can take on notice if we have got an exact breakdown of the number of days. Some of the people who, under current arrangements, might take a couple of days to engage may, under the measure, have no impact. There would be no impact on their payment because, we hope, they will engage on the same day. They will agree to their job plan on the day that they are referred.

...

Senator PRATT: I don't quite understand the significance of the two days. Can you explain what the two days actually means in the context of the EM?

Ms O'Regan: It is a bit complicated. It might be better if I take the detail on notice, because it is hard to explain. I can tell you that, after that assumed behavioural change of, on average, two days reduction, what we end up with, for the set of jobseekers who have some sort of delay because they have taken longer than they could have to agree their job plan, is an average time taken of 10.4 days. We hope people will connect more quickly. I should mention as well that the legislation says that any jobseeker who does not connect quickly for a reason beyond their control will not be negatively impacted by this budget measure, so their income support will be backdated to the date of referral rather than the date they agree the job plan.

Senator PRATT: So you initially said eight days was the average—

Ms O'Regan: That's current.

Senator PRATT: and now you're saying it's 10.4.

Ms O'Regan: The eight days is current arrangements as at January this year, for the online jobseekers.

Senator PRATT: That's the average for online services?

Ms O'Regan: Yes, under current arrangements. And the provider connected jobseekers—

Senator PRATT: What is the projected average under the new arrangement?

Ms O'Regan: That's the 10.4. We've had to make a range of assumptions to come up with the 10.4 and the 144,000 jobseekers that I mentioned and the cost of \$191.6 million over the forwards in income support savings.

Senator PRATT: Why do you expect it to be longer rather than shorter if you've got the compulsion to get a job plan underway dangling over people's heads?

Ms O'Regan: The average of eight and the 10.4 are not comparable.

Senator PRATT: Why?

Ms O'Regan: We can take it on notice and come back to you with—

Senator PRATT: No. I'd like an explanation now.

Ms O'Regan: Sure. I can give that to you. The average of eight includes those who connect immediately, on the same day. If you have a large number of people whose value is zero or 1, that's going to drag the average down, hence the figure of eight. In order to estimate the cost saving, we had to drop those people off, because there's no income support saving to be had from those people. So then we're looking at a smaller group of people who do have some number of days delay in income support start date, and the 10.4 is an average of those people.

Senator PRATT: Could you give me a comparable average, excluding those people who connect immediately, in the existing system, please.

Ms O'Regan: I'm trying to establish whether we have something we could give you now.

We're not sure it would be easy to derive that figure, because at the moment there is no income support delay for the people who connect. Currently, when online jobseekers agree their job plan their income support gets backdated to their date of claim. We could take on notice to see if there's any information available that we could provide to help elucidate that issue, but we certainly don't have it here now, I'm afraid.

Answer

The costing assumed that for those job seekers who experience a delay, the average delay would be 10.4 days. The below breakdown includes the number of days of payment delay that job seekers subject to the measure are expected to experience, after accounting for behaviour change.

The modelling assumes 54 per cent of job seekers would be subject to the ordinary waiting period (and therefore would not experience a delay if they agree their job plan in the first seven days).

Expected payment delay (days)	2022-23	2023-24	2024-25
0	219,858	202,289	195,461
1	20,181	18,568	17,941
2	11,613	10,685	10,324
3	7,974	7,337	7,089
4	7,631	7,021	6,784
5	7,032	6,470	6,252
6	11,605	10,678	10,318
7	5,926	5,453	5,268
8	4,158	3,826	3,696
9	4,050	3,726	3,600
10	3,633	3,343	3,230
11	3,926	3,612	3,490
12	3,971	3,654	3,531
13	12,539	11,537	11,148
14	4,727	4,349	4,202
15	2,916	2,683	2,593
16	2,537	2,334	2,255
17	2,100	1,932	1,867
18	2,240	2,061	1,991
19	13,201	12,146	11,736

20	5,736	5,278	5,100
21	1,775	1,633	1,578
22	1,155	1,063	1,027
23	1,137	1,046	1,011
24	866	796	769
25	953	876	847
26	10,266	9,446	9,127

Of the average 144,000 job seekers who would be assumed to experience a delay following implementation of the measure, if these 144,000 job seekers did not change their behaviour and engage sooner (as is expected), it would be expected that that their average delay would be two days longer at 12.4 days. However, if job seekers did not change their behaviour to connect two days more quickly, more job seekers would be expected to experience payment delay as a result of having not changed their behaviour. Consequently, if no behaviour change were expected, the number of jobseekers impacted by delay would be expected to increase to 169,000. This larger group would experience an average expected delay of 10.7 days.

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QUESTION ON NOTICE

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Outcome: Employment

Department of Education, Skills and Employment Question No. IQ21-000061

Senator Louise Pratt on 11 June 2021, Proof Hansard page 39

Online jobseekers

Question

Senator PRATT: Can someone complete their job plan within that one-week waiting period?

Ms O'Regan: Yes, absolutely, and the sooner the better. That's the idea of the measure.

Senator PRATT: So how many of the people in the system have actually completed it during that one week waiting period?

Ms O'Regan: As to the online jobseekers, I mentioned that average of eight days, so that would imply quite a large number doing it within the seven days. I don't have the exact day-by-day breakdown here. We could probably take that on notice.

Senator PRATT: Okay.

Answer

Based on data from the Department of Social Services, the costing assumed that 54 per cent of job seekers subject to the measure would serve the ordinary waiting period – an average of 188,000 job seekers per year.

Of these job seekers, it is projected that an average of 135,000 job seekers (72 per cent) will engage within their 7 day ordinary waiting period and so experience no delay in payment.

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QUESTION ON NOTICE

Date of hearing: 11 June 2021

Outcome: Employment

Department of Education, Skills and Employment Question No. IQ21-000062

Senator Louise Pratt on 11 June 2021, Proof Hansard page 42

Phone calls

Question

Senator PRATT: and then you wait for an inbound call. How many inbound calls have you had about payment suspensions, and how many have resulted in reinstatements?

Ms Ryan: Since the expansion of the contact centre in September last year, the contact centre, as of 31 March, has received over 185,000 calls—that is, inbound calls. I'm just going to see if I have the other answer, in terms of how many were related to payment suspensions. I'm not sure if I've got that at hand, but I could take it on notice.

Answer

Since the expansion of the Digital Services Contact Centre in September 2020, 107,593 inbound calls (as at 31 March 2021) have related to compliance. This can include general requests for information about the Targeted Compliance Framework or mutual obligation requirements.

The Digital Services Contact Centre has actioned 25,524 records in which a payment suspension has been lifted and a demerit removed, and a further 1,663 records in which a payment suspension has been lifted with the demerit remaining in place.

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QUESTION ON NOTICE

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Department of Education, Skills and Employment Question No. IQ21-000063

Senator Louise Pratt on 11 June 2021, Proof Hansard page 44

Cohort data

Question

Senator PRATT: Do you have an average rate [inaudible] here?

Ms O'Regan: No, I don't. We can ask DSS for that number if you like.

Senator PRATT: Can you get the [inaudible] cohorts and how many people are in each cohort on notice, please? And list the cohorts.

Ms O'Regan: Yes. Okay, will do. Thanks in advance to DSS.

Answer

The Department of Social Services has provided the following response.

JobSeeker Payment and Youth Allowance (other) cohorts as at 30 April 2021

	Total Recipients
JobSeeker Payment - Single - no children	593,415
JobSeeker Payment - Single - with children	129,939
JobSeeker Payment - Single - aged 60+ after 9 months continuous payment	86,242
JobSeeker Payment - Single - principal carer with exemption	3,604
JobSeeker Payment - Partnered	243,395
JobSeeker Payment - Partnered - separated because of illness	624
JobSeeker Payment - Partnered - separated because of imprisonment	598
JobSeeker Payment - Partnered - Wife Pension transitional rate	1,715
JobSeeker Payment - Total	1,059,532
Youth Allowance (other) - Single - aged under 18 - at home	5,004
Youth Allowance (other) - Single - aged under 18 - away from home	3,972
Youth Allowance (other) - Single - aged 18+ - at home	65,438
Youth Allowance (other) - Single - aged 18+ - away from home	38,105
Youth Allowance (other) - Single - with children	np
Youth Allowance (other) - Single - principal carer with exemption	<5
Youth Allowance (other) - Partnered - no children	2,709
Youth Allowance (other) - Partnered - with children	1,199
Youth Allowance (other) - Total	116,819

Note: the data includes JobSeeker Payment recipients who were 'current' and not receiving a nil rate of payment and Youth Allowance (other) recipients who were current on the Centrelink payment system.

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Department of Education, Skills and Employment Question No. IQ21-000064

Senator Louise Pratt on 11 June 2021, Proof Hansard page 44

Jobseeker activity

Question

Senator PRATT: May I also ask for the proportion of outbound calls made at the request of the jobseeker online, rather than proactive calls from identifying jobseekers' anomalies in circumstance?

Ms Ryan: Sorry, could you repeat that again? It was breaking up. The proportion of outbound calls?

Senator PRATT: Made at the request of the jobseeker and doing that online, rather than proactive calls from identifying jobseekers' anomalies. So those that were initiated by the jobseeker's request, and they've made that request online, versus the number of outbound calls made from the department having a look at someone's case and then making a call.

Ms Ryan: I can take that on notice and provide that, yes, where I can.

Answer

Currently job seekers can contact the Digital Services Contact Centre by phone, email or by submitting an online form. There is no specific online channel for job seekers to request a call back. However, in the case of a job seeker submitting a request for information to the Digital Services Contact Centre via email or online form, an outbound call will be made by an Employment Service Officer where the nature of the inquiry would be better handled through a telephone conversation.

In addition, where an email inquiry from a job seeker contains insufficient proof of identity, an Employment Service Officer will make an outbound call to the job seeker to first confirm their identity and then resolve their query.

