



Australian Government
Department of Employment

Deputy Secretary
Martin Hehir

Senator Zed Seselja
Chairperson
Senate Community Affairs Legislation Committee
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Dear Senator Seselja

Submission to the Senate Community Affairs Legislation Committee

Thank you for the opportunity for the Department of Employment to make a submission to the Senate Community Affairs and Legislation Committee's inquiry into the Social Services Legislation Amendment (Youth Employment) Bill 2015 (the Youth Employment Bill).

This Bill will introduce a four-week income support waiting period for job seekers under 25 years of age applying for Youth Allowance (other) or Special Benefit and assessed as job ready (Stream A of jobactive) by the Job Seeker Classification Instrument (JSCI).

Schedule 4 in the Youth Employment Bill that relates to the Rapid Activation measure is the responsibility of the Employment Portfolio. Schedule 4 of the Bill is aimed at ensuring that those job seekers who are required to serve a four week waiting period also undertake pre-benefit activities as part of a new programme, RapidConnect Plus. RapidConnect Plus will require job seekers to complete pre-benefit activities during their four-week income support waiting period before they can begin receiving income support payments.

Under RapidConnect Plus, pre-benefit activities will include attending an interview with a jobactive provider, preparing a résumé, completing a job seeker profile, entering into and complying with a Job Plan and undertaking adequate job searches. Job seekers undertaking RapidConnect Plus will be assisted by their jobactive provider to undertake these activities and help them to find a job.

The number of job searches required would take into account the job seeker's capacity and/or the state of the job seeker's local labour market. Most pre-benefit activities would be included in the job seeker's Job Plan, which is negotiated between the job seeker and their

jobactive provider and is designed to assist young job seekers who are job ready to prepare for and find work as quickly as possible to avoid the risk of long-term unemployment and income support dependency.

Job seekers who meet the RapidConnect Plus activity requirements and who commence receiving income support payments would then be required to undertake the following activities in employment services: monthly contacts with employment providers, 25 hours per week of Work for the Dole (or other approved activities) for 26 weeks at six months unemployment (then annually thereafter) and access to the youth wage subsidy.

Failure to complete the pre-benefit activities within the four week waiting period would result in income support not being payable to the person at the end of the waiting period. In this circumstance the job seeker would be required to reapply for income support.

The Department of Social Services estimates that 85,000 young people annually, would commence serving a four week waiting period, and therefore be required to undertake RapidConnect Plus. This includes an estimated 10,000 young people who would serve a second four week waiting period in the same year.

Special Benefit

Currently, applicants for Special Benefit who are nominated visa holders can only be required to enter into a Job Plan once they have actually made a claim for, or are receiving, Special Benefit payments.

The Schedule will provide that a Special Benefit claimant can be required to enter into a Job Plan if they contact the Department about a claim or the Department is contacted on their behalf. This amendment aligns the time at which a Special Benefit claimant can be required to enter into a Job Plan with that of claimants for Newstart and Youth Allowance.

Reasonable Excuse

The Schedule also provides that, if a job seeker has a reasonable excuse for not complying with their pre-benefit activities, the Employment Secretary must not make a determination that income support is not payable. This is consistent with other provisions in the social security law under which a job seeker is not to be denied a benefit for non-compliance when there is a reasonable excuse for that non-compliance. A job seeker who has a reasonable excuse for not complying with their pre-benefit activities will be treated in the same way as a job seeker who complies with their pre-benefit activities.

Thank you for providing the Department with the opportunity to make a submission.

Yours sincerely

Martin Hehir

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