

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
Social Services Portfolio
2014-15 Budget Estimates Hearings

Outcome Number: 1

Question No: 217

Topic: Stronger Participation for Jobseekers under 30

Hansard Page: Written

Senator Brown asked:

As of 1 January 2015, unless they are exempt, all new recipients for Newstart and Youth Allowance will have to wait six months before they receive their payment, is that correct?

a. And from July 2015, existing recipients of these payments will also have their payment cut for six months, is that correct?

b. During the period that, what assistance will these young people receive? Will they receive JSA for example? Are they compelled to participate in any activities?

- If so, how can the Department compel them if they are not receiving any government payments?

c. Isn't the Government effectively disengaging these young people from any government support?

d. Once that six month period is over, if the person does not yet have a job, they will be required to participate in work for the dole, correct?

e. And if they do not, they will not receive any income support, correct?

f. How will Centrelink engage with people at the end of this period, if they have not had any contact with them for six months?

g. Is the Department concerned that young people with no interaction with Centrelink for six months will simply disengage with Centrelink entirely?

Answer:

From 1 January 2015, all new job seekers under 30 years of age applying for Newstart, Youth Allowance (other) and Special Benefit must participate in job search and employment service activities for up to six months before receiving payment, unless they are exempt. Periods of prior employment may reduce the first waiting period to a minimum of one month.

a: Existing job seekers (prior to 31 December 2014) will not serve a six month waiting period from 1 January 2015 and will be transitioned onto the new system from 1 July 2015. From 1 July 2015 existing recipients will commence the six month Work for the Dole phase.

b: Job seekers will have access to employment services to help them find a job and gain work-related skills, during any waiting period. Job seekers will be expected to take up any suitable work and will be supported to relocate to where the jobs are. If they do not participate, additional penalties, in terms of extensions to the waiting period, may apply.

c: These people will continue to be serviced by their employment service provider. An additional \$229.6 million in job seeker support will be available over four years, from 1 January 2015 to 30 June 2018, to assist young people affected by the changes, who are in financial hardship.

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d: After six months unemployment, the jobseeker will be required to participate in at least 25 hours per week of Work for the Dole activities and will be eligible to receive income support during this period.

e: People affected by this measure are bound by current job seeker compliance penalties. If they do not participate in Work for the Dole, without a valid reason, there may be penalties including a temporary cessation of income support.

f: Throughout the waiting period, people affected by this measure will still be engaged with DHS/Centrelink through the normal engagement arrangement e.g. reporting of earnings and change of circumstances. In addition people will remain in contact with employment service providers throughout the waiting period - at least on a monthly basis.

g: The Senate has resolved that officers of a department of the Commonwealth shall not be asked to give opinions on matters of policy.