

## Senate Standing Committee on Community Affairs

### SUPPLEMENTARY ESTIMATES – 21 OCTOBER 2010 ANSWER TO QUESTION ON NOTICE

#### Human Services Portfolio

**Topic:** Job seeker breaches in the Northern Territory

**Question reference number:** HS 8

**Senator:** Scullion

**Type of question:** Hansard CA page 122

**Date set by the committee for the return of answer:** 10 December 2010

**Number of pages:** 3

#### **Question:**

**Senator SCULLION** - The reason I am asking these is that it is the first time we have had, I think, a particular demographic that are not necessarily but broadly representative of demographics in other jurisdictions. We have an opportunity to have a look quite carefully at that demographic to see exactly who is in what position—and it is easy to ask. At each set of estimates I will just be asking the same set of questions, if you like, and you will be able to provide me with that information then. I think it is very important because we will be able to see a trend, even if it is shifting from one program to another activity. We will actually see where there are jobs available if we have got the right levers to be able to move them on. It would be very useful, Ms Drayton, if I could have, on the same basis as the *Closing the Gap* report was provided, a better breakdown. Instead of 66 eight-week non-payment periods, which is the eight-week one, in the new block, if you could provide a better breakdown of the actual breaching, that would be useful.

**Ms Drayton** - I would be very happy to do that.

**Senator SCULLION** - I am not sure, for privacy reasons, if it can actually come down to an area; it may. But, if it does not, can you give us as much detail as possible, within those parameters?

**Ms Drayton** - Can I just check: is this just in the communities or—

**Senator SCULLION** - I am just trying to get the same dataset. I am looking for the 73 communities described as the NTER communities. Not all remote communities are caught in that, but most of them are.

**Ms Drayton** - We can do that for you.

#### **Answer:**

The following data is based on all initially applied failures for the relevant period, i.e. both Job Services Australia provider and Centrelink generated failures. Centrelink is only able to investigate failures that have been reported to it. Since 1 July 2009, providers have been able to use either a Contact Request or a Participation Report to facilitate job seeker reengagement following non compliance. There is no failure or penalty applicable to a Contact Request. Contact Requests have been used extensively in remote areas since 1 July 2009.

Please note that due to different extraction rules, the data may vary from that supplied by the Department of Education, Employment and Workplace Relations. For this reason, the data should be used for indicative purposes only.

**Number and type of failures applied in the 73 prescribed communities**

<b>Type of Failure</b>	<b>01/08/07 to 31/01/08</b>	<b>01/02/08 to 30/06/08</b>	<b>01/07/08 to 31/12/08</b>	<b>01/01/09 to 30/06/09</b>	<b>01/07/09 to 31/12/09</b>	<b>01/01/10 to 10/06/10</b>
Participation Failure (W2W)	305	665	495	258	3	
Serious Failure (W2W)	14	8	3	7	1	
Connection Failure					111	198
No Show, No Pay Failure					5	31
Reconnection Failure					4	15
Serious Failure (NATCM)					0	0
Unemployment Non-Payment Period					13	23
<b>Total</b>	<b>319</b>	<b>673</b>	<b>498</b>	<b>265</b>	<b>137</b>	<b>267</b>

**Key:** W2W – Welfare to Work  
 NATCM – New Activity Test Compliance Model

**Outline of penalties applicable to a failure**

**Participation Failure (W2W):** A Participation Failure carried no financial penalty in the first instance. There was potential for a loss of payment for a subsequent (i.e. reconnection) Participation Failure but only if the reconnection appointment with the provider could be arranged within two days. Thus the vast majority of Participation Failures in the 73 prescribed communities carried no financial penalty. Where three or more Participation Failures were incurred within 12 months, this led to a Serious Failure and an automatic loss of payment for eight weeks.

**Serious Failure (W2W):** Loss of payments for eight weeks. Financial Case Management was offered to those eligible under hardship provisions.

**Connection Failure:** A Connection Failure carries no financial penalty.

**No Show, No Pay Failure:** One day’s payment is lost for every instance (one day equals 1/10 of the job seeker’s fortnightly entitlement).

**Reconnection Failure:** One calendar day’s payment is lost for every day of non compliance starting on the day of the initial reconnection requirement until the job seeker satisfies that requirement (one calendar day equals 1/14 of the job seeker’s fortnightly entitlement).

Serious Failure (NATCM): Loss of payments for eight weeks. Payment can be resumed if the job seeker agrees to participate in a Compliance Activity or if the job seeker satisfies hardship provisions.

Unemployment Non-Payment Period: Loss of payments for eight weeks. Payment can be resumed if the job seeker is in hardship and meets the eligibility criteria.