

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2014-2015

Outcome 1 - Employment

Department of Employment Question No. EM0755_15

Senator Collins provided in writing.

Question

Newstart/Youth Allowance changes

The 2014-15 Budget provides that new jobseekers under 30 will have to wait up to six months before receiving unemployment benefits, and will then have to participate in Work for the Dole in order to receive Newstart payments for 6 months, before serving another 6 month period of nil rate of Newstart if they have not obtained unemployment or undertaken study, is this correct? Is it possible that someone aged 21 years could continue in this cycle of no payment for 6 months, then 6 month period of receiving Newstart or Youth Allowance for their entire twenties? With all non-compliance penalties taken into account, including JSA meeting obligation failures penalties and the non-compliance penalties outlined in the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014, what is the maximum period in which job seekers will not have access to income support in the form of Newstart or Youth Allowance?

Answer

The Stronger Participation Incentives for Job Seekers aged under 30 measure would require that job ready job seekers serve a six month waiting period (which can be discounted for prior employment history) before participating in six months of Work for the Dole, in which time they would receive Newstart or Youth Allowance (other). After six months in Work for the Dole the job seeker would be subject to a further six month waiting period. After completing this second six month waiting period the job seeker would commence in Work for the Dole. This six month cycle would continue until the job seeker found a job, moved to another income support payment or turned 30 years of age.

While on payment, the maximum single penalty a job seeker can incur is eight weeks. If this is incurred within eight weeks of the job seeker entering a 26 week waiting period preclusion period the unserved part of it will be served when (and if) the job seeker returns to payment following the conclusion of the preclusion period. If a job seeker fails to meet their requirements during a preclusion period, the maximum period by which their preclusion period can be extended is four weeks per incident of non-compliance.

If a job seeker (under 30 years old in the payment preclusion period) fails to attend a scheduled contact appointment without giving prior notice of a valid reason to their Job Services Australia provider, their payment preclusion period may be extended, the length of this payment preclusion period extension will be the subject of a disallowable Legislative instrument to be introduced into Parliament prior to the measure commencing.