

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2014-2015

Outcome 1 - Employment

Department of Employment Question No. EM0799_15

Senator Siewert provided in writing.

Question

Work for the Dole - Under 30s

Please advise how the new requirement for participation in Work for the Dole by people under 30 years on unemployment payments will be implemented: (a) What penalties will apply for non-participation? (b) What proportion of participants in Work for the Dole arising from this budget measure (affecting unemployed people under 30) are estimated to be in full and part time employment three months after program participation? (c) What proportion of participants in Work for the Dole arising from this budget measure (affecting unemployed people under 30) are estimated to be in full and part time employment three months after program participation? (d) How many people affected by this measure (and what proportion of those referred) in each of the forward estimates years is estimated to leave income support as a result of a referral to Work for the Dole? (e) How many of these people are estimated to exit to paid employment? (f) Please provide estimates of the cost of expansion of Work for the Dole places to implement the new measures affecting unemployed people under 30 years on income support, in each of the forward estimates years. (g) Please provide estimates of the cost of expansion of Work for the Dole places to implement the new measures affecting unemployed people under 30 years on income support, in each of the forward estimates years.

Answer

- a) Job seekers affected by the Work for the Dole changes that the Department will implement on 1 July 2014 will be subject to the current compliance framework. Job seekers who, without good reason, fail to attend or participate appropriately in their Work for the Dole activity will incur a no show no pay failure. A job seeker loses ten per cent of their fortnightly income support payment for each no show no pay failure they commit. A job seeker who commits three no show no pay failures within a six month period must undergo a Comprehensive Compliance Assessment, which can result in the application of an eight week non-payment penalty.

These rules will also apply to any job seeker participating in Work for the Dole under the Stronger Participation Incentives for Job Seekers under 30 measure.

In relation to arrangements from 1 July 2015, these will form part of the 2015 Employment Services model, which the Government has not announced.

- b) The department does not have estimates on the number of job seekers for the under 30 measure expected to be in full or part-time employment, three months after participation in Work for the Dole.
- c) Refer to (b).
- d) The department does not have estimates on the number who will leave income support as a result of referral to Work for the Dole in each of the forward estimates years.
- e) Refer to (d).
- f) Cost of the expansion of Work for the Dole for job seekers under 30 years of age in each of the forward estimates years:

Phase-in of Work for the Dole from 1 July 2014:

Elements	2013-14	2014-15
Cost	\$0.5m	\$14.3m

Expansion of Work for the Dole from 1 July 2015 under the Stronger Participation Incentives for Job Seekers under 30 measure in each of the forward estimates years:

	2014-15	2015-16	2016-17	2017-18
Cost	\$3.5m	\$105.9m	\$123.5m	\$148.4m

- g) Refer to (f).