

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2011-2012**

Outcome 4 - Employment & Participation Policy

DEEWR Question No.EW0378_12

Senator Fifield asked on 31/05/2011, Hansard page 88.

Question

Newstart - Suspended Payments By Reason And Financial Years

For Newstart recipients who have had their payments suspended, are you able to provide a breakdown for the financial years that you have taken on notice, also the reasons for the failure?

Answer

Suspension is not part of the Newstart compliance framework.

However, the table below shows, by financial penalty type, the numbers of Newstart Allowance recipients who incurred financial penalties as a result of participation failures.

Financial Penalty	2008-09	2009-10	1 July 2010 – 31 March 2011
No Show No Pay Failure*	N/A	8497	12 613
Reconnection Failure	2341	3265	9203
Serious Failure**	1149	336	609
Serious Failure*** (persistent non-compliance)	6071	323	2710
Unemployment Non Payment Penalty	7783	5694	7130

Data Source: DEEWR administrative data

Notes

- The data above is a job seeker count based on the job seeker being in receipt of Newstart Allowance at the time of the failure

- If a job seeker incurred two or more financial penalties within a financial year for a specific failure type, then they are counted only once (e.g. if a job seeker incurred four No Show No Pay failures in the 2009-10 financial year, then they are counted once within that failure type during the financial year)

- * No Show No Pay failures were introduced on 1 July 2009. Previously, job seekers would incur participation failures if they did not attend, or engaged in misconduct at an appointment or activity. Three applied participation failures

led to an eight week non-payment penalty (Serious Failure).

- ** Prior to 1 July 2009, job seekers could also incur Serious Failures if they did not participate in full-time Work for the Dole. Under the new compliance framework, if a job seeker does not participate in full-time Work for the Dole then they will incur a No Show No Pay failure.
- *** Prior to 1 July 2009, Serious Failures for persistent non-compliance would be applied if a job seeker incurred three participation failures within a twelve month period. Under the new framework, job seekers can only incur a Serious Failure if, during a Comprehensive Compliance Assessment, Centrelink deem the job seeker to be persistently non-compliant^{and} if they have incurred three Connection, Reconnection or No Show No Pay failures in the last six months.

Description of Failures operating under the current compliance framework (1 July 2009 – current)

Failure Type	Occurs When	Financial Penalty
No Show No Pay Failure	Job seeker fails to attend or engages in misconduct at an appointment or activity	Job seeker loses one tenth of their fortnightly participation payment for each No Show No Pay failure applied
Reconnection Failure	Job seeker fails to attend a reconnection appointment or fails to return a Job Seeker Diary	Job seeker loses one fourteenth of their fortnightly participation payment from when they fail to meet their initial reconnection requirement until they meet a further reconnection requirement
Serious Failure	Job seeker fails to commence or accept a suitable job	Job seeker loses their participation payment for eight weeks
Serious Failure (persistent non-compliance)	Job seeker is found to be persistently non-compliant following a Comprehensive Compliance Assessment	Job seeker loses their participation payment for eight weeks
Unemployment Non Payment Penalty	Job seeker leaves job voluntarily or is dismissed due to misconduct	Job seeker loses their participation payment for eight weeks