

# Senate Finance and Public Administration Standing Committee

## SUPPLEMENTARY BUDGET ESTIMATES – 20 October 2009 ANSWER TO QUESTION ON NOTICE

### Human Services Portfolio

**Topic:** Impact of compliance action on Centrelink payments.

**Question reference number:** HS48

**Senator:** Seiwert

**Type of question:** *Written*

**Date set by the committee for the return of answer:** 4 December 2009

**Number of pages:** 2

#### **Question:**

Have problems associated with the “locking” of payments with the new compliance system, which mean that some job seekers find they have not been paid, been brought to your attention? What is being done about this situation? Is this how the system was meant to work?

#### **Answer:**

Job seeker payments are not “locked” as a result of compliance action.

Where a job seeker has become disconnected from their provider due to a failure to meet their activity test or participation requirements, it is essential that contact with the job seeker occurs as soon as possible for the following reasons:

- to minimise the potential for loss of payment due to the accrual of further failures and/or penalties;
- where there is potential for a failure to be applied, to ensure the job seeker is given opportunity to explain the reasons for their non compliance; and
- to confirm the person’s continuing entitlement to payment.

Following receipt of a compliance report from a provider, Centrelink makes every effort to contact the job seeker as soon as possible through a variety of means including telephone, mail and, in some cases, SMS. Where contact cannot be established before the end of the job seeker’s current instalment period, a contact trigger on the record helps to ensure that contact occurs when they lodge their next ‘Application for Payment’ form. A job seeker’s payments are not affected by this contact trigger.

Where Centrelink has been unable to make contact with the job seeker via outbound contact attempts and the job seeker is on a variable lodgement cycle (i.e. lodging Application for Payment forms less regularly - between four and 12 weeks), the job seeker's payment cycle will be reverted to fortnightly. This is standard practice where Centrelink has been unable to make contact with a job seeker whose ongoing entitlement to payment is in doubt. Rapid re-engagement with the job seeker is critical to prevent a loss of payment due to further failures or penalties accruing.

In a small number of cases there is some potential for a delay in payment following job seeker non-compliance. This would generally only occur if a job seeker's variable lodgement cycle has been changed late in the payment cycle. In this situation, there is opportunity for the job seeker to request an urgent payment.