

# Welfare that Works Factsheet

12 August 2024

New Initiative	Purpose	How it works
Traffic Light System	Clearly communicate to benefit recipients what their obligations are, their level of compliance, and what steps they need to take if they fail.	<ul style="list-style-type: none"> <li>Benefit recipients are categorised (green, orange or red) based on their level of compliance</li> <li>An obligation failure will move them from 'green' to 'orange', giving them five working days to either re-comply or provide a good reason before moving to 'red' and a sanction is issued.</li> <li>Will apply to all benefit recipients who have work or social obligations, including their partners</li> <li>Non-financial sanctions, mandatory Jobseeker Profiles, and a two-year obligation failure recording period will be added to the system in 2025</li> </ul>
Money management	Non-financial sanction targeted at benefit recipients with dependent children or those being case managed	<ul style="list-style-type: none"> <li>Only an option when someone in the target cohort fails an obligation for the first time</li> <li>Half of a person's benefit for a specified duration goes onto an electronic payment card that can only be used in approved shops to buy essential items, such as food and clothes</li> <li>The benefit recipient must complete an activity to re-comply and spend at least four weeks on money management to lift the sanction</li> <li>They will not be able to access hardship assistance during this time</li> </ul>
Community work experience	Non-financial sanction targeted at benefit recipients with dependent children or those being case managed	<ul style="list-style-type: none"> <li>Only an option when someone in the target cohort fails an obligation for the first time</li> <li>The benefit recipient must find and complete appropriate work experience with a community organisation for a specified duration and number of hours per week before the sanction is lifted</li> <li>They will not be able to access hardship assistance during this time</li> <li>The experience will build skills and confidence needed to help them into future employment</li> </ul>
Obligation failures recorded for two years	Increase accountability for those who repeatedly fail to comply with their benefit obligations	<ul style="list-style-type: none"> <li>The period over which an obligation failure is recorded against a benefit recipient will extend from one year to two years</li> <li>Those who repeatedly fail their obligations will be more likely to have their benefit cancelled if they remain on it for more than a year, as failures will count for a longer period</li> </ul>
Mandatory Jobseeker Profiles	Enable MSD to have early work conversations with people coming onto benefit and match them with job vacancies	<ul style="list-style-type: none"> <li>People and their partners applying for certain benefits must first complete a profile that includes their work experience, job choices, qualifications and driver licence status</li> <li>The profile must be completed before they are granted a benefit, if they do not then their application will lapse</li> <li>This will apply to anyone applying for Jobseeker Support, Sole Parent Support and Emergency Benefit (where the benefit recipient has work obligations)</li> </ul>

<p>Reapply for Jobseeker Support every 26-weeks</p>	<p>Increase the amount of engagement long-term job seekers have with MSD to ensure they are being supported off welfare</p>	<ul style="list-style-type: none"> <li>• A person’s Jobseeker Support will expire 26 weeks from the date on which their benefit commenced or last commenced and they must complete a reapplication process (involving an eligibility check, an appropriate employment engagement, confirming and agreeing to their obligations) for the benefit to be regranted (a rolling 26-week requirement where the client remains on benefit).</li> <li>• There is an anticipated reduction in the number of people receiving Jobseeker Support due to recipients whose circumstances have changed not reapplying if they know they are no longer eligible, recipients not complying with the requirements for reapplication and having their benefit cancelled, and recipients accessing employment supports that move them into work.</li> <li>• It is anticipated that the drop-off due to non-compliance could result in savings of approximately \$38 million over five years.</li> </ul>
New Support	Purpose	How it works
<p>Expanded community job coaching</p>	<p>Power up community organisations that support young people off welfare</p>	<ul style="list-style-type: none"> <li>• 2100 extra places for job seekers aged 18-24 in community-led programmes that provide job coaching and other support to access education, training and employment opportunities at a cost of \$9.45 million</li> <li>• Expands the total number of places for young job seekers in these programmes to 7500 in 2024/25</li> </ul>
<p>Phone-based case management</p>	<p>Increase the number of young job seekers receiving case management</p>	<ul style="list-style-type: none"> <li>• Over-the-phone employment case management service for 4000 people aged 18-24 who are work-ready and new to the Jobseeker Support benefit</li> <li>• Takes the total number of job seekers receiving employment case management at any one time from about 53,000 to 57,000</li> </ul>
<p>Employment-focused seminars</p>	<p>Increase the amount of engagement job seekers have with MSD to ensure they are being supported off welfare</p>	<ul style="list-style-type: none"> <li>• New work seminars that job seekers must attend within two weeks of their benefit starting to learn what help is available, what is expected of them, and decide their next steps to find work</li> <li>• New work check-ins that job seekers must attend after six months to confirm they are taking sufficient steps to be work-ready, are applying for jobs, and assess if they need more support</li> </ul>