

|  |
| --- |
| Benefit Sanctions – March 2017 Quarter |

A sanction is a penalty imposed on a client’s benefit for failure to fulfill their work obligations.

Sanctions can affect clients in a number of ways depending on their circumstances and the number of times they have had a sanction imposed over the last 12 months. There are three types of sanctions: graduated (ie percentage reduction in benefit amount), suspended and cancelled. Not everyone who fails their obligations gets sanctioned; if clients recomply or provide additional information, their failure to fulfill their obligations can be withdrawn.

Sole parents and couples with dependent children face a maximum 50 percent reduction of their main benefit when sanctioned within a 12-month period. For single clients with no dependent children, the first sanction is a maximum 50 percent reduction of their main benefit; for a second failure, they face a 100 percent suspension of their main benefit; a third sanction will result in the main benefit being cancelled.

Sanctions data is reported in two different ways to show different aspects of the data: *point-in-time* data and *flow* data. Point-in-time data (Table 1) is the number of sanctions imposed at a point in time due to the failure to fulfill work obligations (eg for March, it is the number of sanctions as at 31 March). Only graduated sanctions can be reported using point-in-time data.

Flow data (Table 2) is the sum of all sanction events that occur in the quarter (eg for the March quarter, it is the sum of all sanction events in January, February and March). This data contains graduated, suspended and cancelled sanctions imposed due to the failure to fulfill work obligations.

## Key facts for graduated sanctions as at 31 March 2017

As at 31 March 2017, there were 2,627 work-tested clients with graduated sanctions comprising 1.3 percent of clients with work obligations. Work-tested clients include those with part-time and full-time work obligations, and those with work preparation obligations.

Table 1: Graduated sanction numbers as at 31 March 2015, 2016 and 2017Note 1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **As at 31 Mar-15**  | **As at 31 Mar-16**  | **As at 31 Mar-17**  | **Annual change** |
| Total number of work-tested clients with graduated sanctions | 2,400 | 1,235 | 2,627 | 1,392 | 112.7% |
| Total number of clients with work obligations | 202,837 | 199,239 | 198,972 | -267 | -0.1% |
| Percentage of work-tested clients with graduated sanctions | 1.2% | 0.6% | 1.3% | … | … |

Note 1: A small number of non-work tested clients may be included in point-in-time data because they had a sanction on a previous benefit but have since transferred to a benefit which is not work-tested.

## Key facts for all sanctions for March 2017 quarter

The numbers reported below are the number of all sanctions imposed due to the failure to fulfill work obligations in the March 2017 quarter (ie January to March 2017). Clients may have had more than one sanction imposed in the quarter.

In the March 2017 quarter:

* 15,465 sanctions were imposed: 11,789 on Jobseeker Support recipients and 3,558 on Sole Parent Support recipients
* Just over half of sanctions were imposed on females (50.2 percent), which is less than the proportion of female benefit recipients (57.5 percent)
* The majority of sanctions were imposed on clients aged between 18 and 39 years (between 18 and 24 years – 42.8 percent; between 25 and 39 years – 38.8 percent)
* Almost two-thirds (65.9 percent) of sanctions were imposed on clients with no dependent children.

Comparing the March 2017 quarter with the March 2016 quarter:

* The number of sanctions increased by 38.5 percent (4,301)
* Sanctions on Jobseeker Support recipients increased by 33.9 percent, while sanctions on Sole Parent Support recipients increased by 53.6 percent
* The number of graduated sanctions increased by 50.4 percent, while the number of suspended or cancelled sanctions decreased by 4.8 percent.
* Sanctions on clients with dependent children increased by 55.8 percent (1,887).

Table 2: Benefit sanctions imposed due to failure to fulfill work obligations for March 2015, 2016 and 2017 quarters

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Mar-15 quarter** | **Mar-16 quarter** | **Mar-17 quarter** | **Annual change** |
| **Benefit type** |
| Jobseeker Support | 12,197 | 8,807 | 11,789 | 2,982 | 33.9% |
| Sole Parent Support | 3,229 | 2,317 | 3,558 | 1,241 | 53.6% |
| **Sanction type** |
| Graduated |  11,678  |  8,758  |  13,174  | 4,416 | 50.4% |
| Suspended/cancelled |  3,821  |  2,406  |  2,291  | -115 | -4.8% |
| **Clients with dependent child(ren)** |
| With dependent children | 4,804 | 3,379 | 5,266 | 1,887 | 55.8% |
| With no dependent children | 10,695 | 7,785 | 10,199 | 2,414 | 31.0% |
| **Total** | **15,499** | **11,164** | **15,465** | **4,301** | **38.5%** |

## Trends over time for all sanctions

The number of benefit sanctions imposed due to the failure to fulfill work obligations was lower in the March 2017 quarter when compared to the March 2015 quarter.

Figure 1: Quarterly benefit sanctions numbers, March 2015 to March 2017


Between March 2015 and March 2017, the main reason for sanctions due to the failure to fulfill work obligations being imposed was the failure of clients to attend arranged appointments (10,522 or 68.0 percent of reasons in March 2017 quarter).

Not everyone who fails their obligations gets sanctioned; if clients recomply or provide additional information, their failure to fulfill their obligations can be withdrawn.

Figure 2: Quarterly benefit sanctions reasons, March 2015 to March 2017

