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| Benefit Sanctions – June 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sanctioned; if clients recomply or provide additional information, their failure to fulfill their obligations can be withdrawn.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: *flow data* and *point-in-time* data.

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

Point-in-time data is the number of sanctions imposed at a point in time due to the failure to fulfill work obligations (eg for June, it is the number of sanctions as at 30 June). Only graduated sanctions can be reported using point-in-time data.

##  Two-year trend for all sanctions (flow data)

The number of benefit sanctions imposed due to the failure to fulfill work obligations was lower in the June 2017 quarter when compared to the June 2015 quarter, but higher than in the June 2016 quarter (Figure 1).

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


Between June 2015 and June 2017, the main reason for sanctions due to the failure to fulfill work obligations being imposed was the failure of clients to attend arranged appointment(s) (9,942 or 63.7 percent of reasons in June 2017 quarter) (Figure 2).

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sanctioned; if clients recomply or provide additional information, their failure to fulfill their obligations can be withdrawn.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, June 2015 to June 2017



##  Annual comparison – all sanctions (flow data)

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|  | **Jun-16 quarter** | **Jun-17 quarter** | **Annual change**  |
| Total number of sanctions | 14,438 | 15,619 | 8.2 percent increase |
| Number of sanctions imposed on Jobseeker Support recipients | 10,772 | 12,076 | 12.1 percent increase |
| Number of sanctions imposed on Sole Parent Support recipients | 3,579 | 3,414 | 4.6 percent decrease |
| Number of graduated sanctions | 11,728 | 12,865 | 9.7 percent increase |
| Number of suspended/cancelled sanctions | 2,710 | 2,754 | 1.6 percent increase |

##  Annual comparison – graduated sanctions (point-in-time  data)

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|  | **As at 30 Jun-16** | **As at 30 Jun-17**  | **Annual change**  |
| Number of work-tested clients with graduated sanctions | 2,212 | 2,160 | 2.4 percent decrease |
| Number of clients with work obligations | 201,220 | 196,942 | 2.1 percent decrease |
| Percentage of work-tested clients with graduated sanctions | 1.1% | 1.1% | no percentage point change |

## 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.