



*Review of the Social Services  
and Other Legislation  
Amendment (Simplifying  
Income Reporting and Other  
Measures) Act 2020*

Independent review by KPMG

24 June 2022

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# Glossary of Terms

Table 1: Glossary of terms used in this report

Term	Definition
ATO	Australian Taxation Office
The Act	The <i>Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020</i> was introduced into Parliament in February 2020 and implemented on 7 December 2020. This Act is the subject of this review and report.
CALD	Culturally and Linguistically Diverse
CAM	Change of income assessment model
CSAG	Community Services Advisory Group
DHS	Department of Human Services
DSP	Disability Support Pension
DSS	Department of Social Services
DSS Engage	The DSS Engage platform is an online website accessible to any individual with access to the Internet. The website hosts a range of topics open for any member of the public to provide their feedback to help shape policy decisions
Earned income model	Reporting employment income based on payment amount earned in each fortnightly reporting period. This amount was reported to Centrelink by social security income recipients, their partners and / or nominees prior to the change of income assessment model.
FHA	Farm Household Allowance
IRSB	Indigenous and Remote Servicing Branch
MTE	An internal Services Australia code used from the implementation of the change of income assessment model. It identifies a cohort of social security payment recipients that are not required to report their employment income fortnightly.
NMAG	National Multicultural Advisory Group
NACCHO	National Aboriginal Community Controlled Health Organisation
Paid income model	Reporting employment income based on payment received from one's employer in each fortnightly reporting period. This amount is reported to Centrelink by social security income recipients, their partners and / or nominees.
REI	Reporting Employment Income
STP	Single Touch Payroll

# Executive Summary

## Overall findings

On 7 December 2020, the *Social Services and other Legislation Amendment (Simplifying Income Report and other Measures) Act 2020* amended the *Social Security Act 1991* to require employment income to be assessed when paid rather than when earned. To comply with the Act, the Department of Social Services (DSS) engaged KPMG Australia (KPMG) to independently review the impact of the change of income assessment model.

To fulfil the legislative requirement, KPMG designed a review approach and consulted with:

- income support recipients impacted by the amendments made by the Act;
- persons who have expertise in social security law; and
- persons who have relevant expertise in other areas of public policy.

From consultation it was observed that, since the implementation of the change of income assessment model, there have been mixed views about the experiences of social security payment recipients who are required to report their income. It has been observed that the change of income assessment model has reduced complexity of the income reporting process compared with the earned model and is perceived to have increased the accuracy of payments received. This perception was stronger among organisations and individuals that appeared to understand the purpose and specific scope of the change of income assessment model.

Individuals that viewed the change of income assessment model as having a negative impact on them consistently conflated the change of income assessment model with other changes or aspects of reporting employment income that were out of scope for this review. There was some negative sentiment expressed about the process and experience of income reporting more generally, but which was beyond the scope of this review.

The Australian welfare system has been designed to provide individuals with a 'minimum adequate standard of living'<sup>1</sup>. To support this, the system is highly targeted, with strong mechanisms for assessing eligibility based on people's need and means<sup>2</sup>. These mechanisms include reporting of employment income for the purposes of determining whether a person is and remains eligible for income support.

It is acknowledged that reporting improvements and any other impacts have been observed at a unique point in time during the global COVID-19 pandemic. At this point, there was a significant increase in the number of people receiving income support payments, including those who were interacting with the income support system for the first time. There was also a pause placed on all debt activity<sup>3</sup>, and significant service delivery pressures resulting from increased volumes.

Due to the 'opt-in' nature of the consultation methodology, a statistically representative sample of the total potentially impacted population was not achieved. When reviewing the findings, it is important to consider the relatively small sample size and that findings are not statistically representative, instead reflecting the opinions and views of a subset of impacted individuals and organisations.

Findings from the consultation have been synthesised across four key topics, as described below.

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<sup>1</sup> The Treasury, *Australia's Future Tax System: Final Report (2010)*, p. 485

<sup>2</sup> Australian Law Reform Commission, *Grey Areas – Age Barriers to Work in Commonwealth Laws (DP 78)*, paragraph 5.3

<sup>3</sup> "Media release: Update on Services Australia temporary debt pause", <https://minister.servicessaustralia.gov.au/media-releases/2021-12-07-update-services-australia-temporary-debt-pause>, accessed 2/6/22

## Experience with the transition from the earned income model to the paid income model

Services Australia and DSS designed and deployed a communications and transition plan during the implementation of the change of income assessment model. Although stakeholders raised a range of issues with reporting employment income, few of these were directly attributable to the transition from the earned to paid model. It is acknowledged that this review of the change of income assessment model was undertaken approximately 15 months following implementation, and that individuals may not accurately recall the transition period in light of the elapsed time. As the consultation methodology was designed to maximise participation, it was not a requirement that respondents had been through the transition from the earned to paid model; respondents had the opportunity to select 'not applicable' where relevant, and these results have been excluded from reporting.

Services Australia's communications plan included raising awareness of the change across a range of channels including via established Government reference groups, factsheets, social media, messaging via online accounts and web and video updates. Feedback suggests that there was a relatively low level of awareness of the change of income assessment model prior to it being implemented. Organisations were more likely than individuals to recall having heard about the change. Four of nine organisations surveyed recalled hearing about the change before it was implemented, three do not recall hearing about the change and two are unsure.

Slightly more than half of individuals surveyed did not recall hearing about or being notified about the change prior to implementation.

Slightly less than half of individuals surveyed claimed to have had issues during the transition period. Of these individuals, only four individuals raised issues during transition directly attributable to the change of income assessment model. Two of these related to receiving payslips that did not align to a recipient's reporting date and two individuals were unsure of what to report during the transition period, one observing the instructions on how to report differently were somewhat obtuse.

## Experiences since the change of income assessment model

Since the implementation of the change of income assessment model, there have been mixed views about the experiences of social security payment recipients who are required to report their income.

Organisations who provided submissions or responded to the organisational survey observed that this change was a positive step to reduce the complexity of income reporting processes for payment recipients. There was consistent feedback from organisations that the previous 'earned income' model was challenging, particularly for individuals with fluctuating incomes.

However, there is limited understanding of the specific change of income assessment model in the context of reporting employment income more broadly. Customers often conflated other specific issues or income reporting processes more broadly with the change of income assessment model.

For stakeholders who appeared to understand the purpose and specific scope of the change of income assessment model, and its impact on reporting employment income, there was a general perception that it has made the process simpler and more accurate. Positive experiences noted by organisations included:

- reporting was less complicated for individuals, as it relies on copying income from a payslip, rather than calculation of earned income;
- there was direct support to meet an individuals' immediate financial resource needs; and
- more streamlined and predictable reporting for individuals.

Aspects of the change of income assessment model raised by organisations as potentially challenging included:

- difficulties for individuals who are unable to secure payslips from their employer to support reporting;

- some anxiety for individuals regarding whether the change would result in a payment debt, as the implications of the change were unfamiliar to individuals. This was indicated as being more common for some individuals, for example, those receiving the Farm Household Allowance as this group of social security payment recipients may be hypersensitive to debt<sup>4</sup>; and
- lump sum payments were perceived to disrupt income support, for some recipients.

Approximately half of individuals surveyed indicated the change was significantly different from reporting employment income before December 2020. This contrasts with some organisations who indicated it had 'minimal impact' on the reporting income process. Feedback received indicated that where the change of income assessment model was perceived to have made things more complex for individuals, this largely related to other policy and service delivery considerations (e.g. the removal of continuous earnings provisions for those not covered by Clause 1073b), rather than this change specifically.

Some individuals' feedback indicated that they believed they needed to report income paid monthly in a single period, leading to fluctuation in social security payments received. Upon examination, this reflects challenges with navigating the reporting process and interface, rather than policy consequences. There is an option for income support recipients to apportion this over the relevant number of days (e.g. a month, rather than a fortnight).

## Unintended consequences

This review did not identify any unintended consequences arising from the introduction of, or the transition to, the paid income model.

## Pension payments

Clause 1073B of the legislation sets out a special employment income attribution rule for a small group of social security pension recipients who are paid the same amount of employment income on the same day of each month. Those affected do not need to report their employment income each fortnight or month to Centrelink. Therefore, the change on how to report earned income is not observed by these pension recipients.

As expected, based on this clause and the proportion of pensioners affected, very limited commentary on the impact of the change on pension payments was provided during the review. However, feedback received indicated there was minimal impact from the change of income assessment model for individuals receiving pension-based payments.

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<sup>4</sup> It is noted that those on the Farm Household Allowance represent less than one per cent of income support recipients in scope for this review.

# 1 Introduction

## 1.1 Overview of the change of income assessment model

### 1.1.1 The change to reporting employment income

The *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020* was introduced into Parliament in February 2020 and commenced on 7 December 2020. The intent of the change of income assessment model was to make it easier for social security payment recipients to report their income correctly, reducing the likelihood of overpayment and delivering estimated savings of \$2.1 billion over four years through improved accuracy of payments.

Specifically, for the purposes of determining a person's rate of payment under social security law, employment income is assessed once paid to a recipient. This replaced requirements for recipients to estimate and report the amount of employment income they had earned in a given social security entitlement period. This is the period over which a recipient's entitlement will accrue and normally ends 1-2 working days before the day on which they receive their payment. The change enabled Services Australia to use data collected by the Australian Taxation Office (ATO), primarily through the Single Touch Payroll (STP) system, in connection with the new assessment model to improve the accuracy of payments.

In this report, the *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020* is referred to as 'the Act'. The change resulting from the legislation is referred to as the 'change of income assessment model'.

### 1.1.2 Affected payments

The change of income assessment model impacted individuals (and / or their nominees and partners) receiving the following social security payments: ABSTUDY, Age Pension, Austudy, Carer Payment, Disability Support Pension, Farm Household Allowance, JobSeeker Payment, Partner Allowance, Parenting Payment (single and partnered), Special Benefit, Status Resolution Support Services, Widow Allowance and Youth Allowance.

The change of income assessment model did not apply to other payments not listed above, including the Family Tax Benefit, Carer Allowance or one-off payments such as the COVID-19 Disaster Payment.

#### **Payments for people receiving a social security pension**

A social security pension relates to the Disability Support Pension, Age Pension or the Carer Payment. Clause 1073B of the Act sets out a special employment income attribution rule for a small group of social security pension recipients who are paid the same amount of employment income on the same day of each month. Those affected do not need to report their income each fortnight or month to Centrelink. Pensioners assessed this way will only be required to report to Centrelink if there is a change to their income.

#### **Number of people affected by the change of income assessment model**

In March 2020, data analysed to finalise the 'Change of Income Assessment Model (CAM) Communication Plan' showed that "more than 800,000 customers are required to declare their and/or



their non-customer partner's gross employment income to Services Australia before they're paid their income support payment. Prior to the change being implemented, this was considered to be the number of individuals likely to be impacted by the legislative change. However, due to the impact of the Coronavirus Pandemic, a significant number of people commenced receiving an income support payment, with the majority required to report fortnightly. This new cohort of people were also more likely to need to report employment income, for example as a result of employment income received through JobKeeper Payment.

In order to understand the impact of the legislative change, a baseline was identified as at 31 December 2021, which reflects a more stable reporting population over a December period. There were approximately 2 million statement reporters<sup>5</sup>, of which 622,771 reported paid income at least once during the month of December. This would suggest over 600,000 statement reporters were required to report their, or their partner's, paid income according to the new model upon implementation, and thus impacted by the legislative change.

It is acknowledged that the number of statement reporters required to report their, or their partner's, paid income fortnightly fluctuates depending on the frequency with which people are paid and therefore quantifying the exact number of individuals impacted by the change is challenging.

## 1.2 Legislative review requirement

### 1.2.1 Review requirement

The legislation included the requirement for an independent review of the impact of the legislation. To comply with the Act, the Department of Social Services (DSS) was required to engage an independent reviewer to review the impact of the change of income assessment model. The review must have commenced as soon as practicable after the end of 12 months after the Act came into force, which was 7 December 2020, and for the Minister to be provided with a written report within six months of the commencement of the review. The excerpt of legislative requirements is as follows:

Review of the operation of the amendments:

- 1 The Minister must cause an independent review to be conducted of the operation of the amendments made by this Act.
- 2 The review must start as soon as practicable after the end of 12 months after this Act commences.
- 3 The persons who conduct the review must give the Minister a written report of the review within 6 months of the commencement of the review.
- 4 The persons who conduct the review must consult: (a) income support recipients impacted by the amendments made by this Act; and (b) persons who have expertise in social security law; and (c) persons who have expertise in any other area of public policy considered relevant by the persons who conduct the review.
- 5 The review must provide for public submissions as part of the review.
- 6 The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the report is given to the Minister.
- 7 In this section, Minister means the Minister administering the *Social Security Act 1991*.

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<sup>5</sup> A 'statement reporter' is a recipient who is required to give a statement about a specified matter that might affect the income support payment they are receiving. All recipients who have income from employment, or whose partner has income from employment (where relevant), are required to be statement reporters (with some exceptions).

## 1.2.2 KPMG's role

KPMG Australia (KPMG) was engaged by DSS to conduct the independent review of the impact of the legislation and produce a report to be tabled in Parliament. KPMG's review commenced in early February 2022.

To inform the review, KPMG undertook public consultation providing the opportunity for public submissions from social security payment recipients, experts in social security law, including non-government organisations, and consultation with Services Australia and other agencies. This public consultation was primarily managed through the DSS Engage platform to support wider reach with the Australian public. The DSS Engage platform is an online website accessible to any individual with access to the Internet. The website hosts a range of topics open for any member of the public to provide their feedback to help shape policy decisions.

# 1.3 Scope of the review

## 1.3.1 Specific factors considered as part of the review

There were four key topics in scope for the review, which were explored with stakeholders to understand and assess the impact of the change of income assessment model. The key questions explored with stakeholders have been outlined in Table 2: Key consultation topics explored with stakeholders.

Table 2: Key consultation topics explored with stakeholders

Topics consulted on	Questions explored
<b>Experience with the transition from the earned income model to the paid income model</b>	<p>How effectively people were supported through the transition from the former earned income model to the paid income model and how easy it was to navigate this change:</p> <ul style="list-style-type: none"><li>• Do social security payment recipients recall hearing about or being notified about the change of income assessment model before implementation? How do they recall hearing about the change?</li><li>• To what extent did recipients feel adequately informed about the change of income assessment model?</li><li>• Do recipients recall having any issues with reporting employment income during the transition period (December 2020)? If so, what issues did they have?</li><li>• What could have been done to improve communication about the transition to the paid income model of reporting employment income?</li></ul>
<b>Experiences since the change of income assessment model and effectiveness of paid income model</b>	<p>Whether the change of income assessment model has made income reporting simpler or more complex for recipients. Under the current paid income model, KPMG sought to assess how easy it was for payment recipients to understand communication and information about how to report employment income.</p> <ul style="list-style-type: none"><li>• How did recipients typically report employment income to Centrelink?</li><li>• How satisfied are recipients with the paid income model? Is the process easy, well-understood, meeting individual needs and time efficient?</li><li>• Do recipients agree that the change has made reporting; easier, more accurate, suitable to meeting their individual needs and less</li></ul>

time consuming? Is it materially different from how recipients used to report?

- To what extent did the change of income assessment model impact the complexity of the income reporting process?

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**Unintended consequences**

Whether the change of income assessment model had any unintended consequences for those affected resulting in complexity rather than simplification.

- For those that described the change having made income reporting more complex – in what ways? Was this consistent across all cohorts or unique to some individuals?

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**Impact on payments for people on a social security pension**

The impact of the change of income assessment model on the reporting process for affected recipients. Given those affected under clause 1073B do not need to report their income each fortnight or month to Centrelink, the change to how to report earned income was not observed by the pension recipient.

- To what extent has the pensioner payment reporting clause impacted the complexity of the reporting process for affected recipients?
- 

## 1.3.2 Managing out of scope feedback

Social security is a complex policy environment with a range of factors that influence social security payment recipients' experiences. During the first six months of 2020, there were numerous changes related to social security and the income reporting process and the circumstances in which it is delivered. This included the significant increase in income support recipients resulting from the COVID-19 pandemic.

### Topics out of scope for the review

Reviewing policy (by DSS) and service delivery (by Services Australia) which is not directly related to the Act was not in scope for this Review. This includes the impacts of other changes occurring at a similar time.

It was expected feedback on these or other topics related to social security payments more broadly may be received. Feedback which has been deemed out of scope but relevant to providing a contextual understanding of stakeholder feedback has been included in this report. Feedback deemed out of scope and not relevant to the change of income assessment model is not presented in this report and has been made available to DSS for further consideration as part of its continuous improvement processes. As stated previously, out of scope feedback has not informed KPMG's assessment of the impact of the change of income assessment model on social security payment recipients and relevant stakeholders.

Economic Justice Australia, an expert body in social security law, suggested there is a need to conduct a similar review or measurement of the impact of the change of income assessment model after more time has elapsed to account for anomalies associated with the timing of the review and to review the impacts of the change on social security debt.

## 1.3.3 The Australian welfare system in context

The Australian welfare system has been designed to provide individuals with a 'minimum adequate standard of living'<sup>6</sup>. To support this, the system is highly targeted, with strong mechanisms for assessing eligibility based on people's need and means. These mechanisms include reporting of employment income for the purposes of determining whether a person is and remains eligible for

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<sup>6</sup> The Treasury, *Australia's Future Tax System: Final Report (2010)*, p. 485

income support. It is acknowledged that not all stakeholders will be supportive of these reporting requirements.

It is also acknowledged that improvements to reporting income and any other impacts have been observed at a unique point in time during the global COVID-19 pandemic. At the time of the change of income assessment model, there was a significant increase in the number of people receiving income support payments due to COVID-19, and a pause placed on all debt activity.

Consultation findings from this Review need to be considered in the context of other changes and factors that potentially influence recipient experiences.

## 1.4 Purpose of this document

The purpose of this report is to outline the findings from public consultation to assess the impact of the change of income assessment model. This report outlines KPMG's approach to the review and consultation, an overview of stakeholders that participated in consultation and review findings, all informing an assessment of the impact of the Act. The Report will be tabled in Australian Parliament in line with the legislative requirement for the review.

The Report is structured as follows:

- **Section 1 – Introduction:** Describes the change of income assessment model and the legislative requirement for a review of the impact of the change.
- **Section 2 – Approach to the Review:** Summarises KPMG's consultation approach and methodology.
- **Section 3 – Review Findings:** Provides an overview of the stakeholder response received and consultation findings across four key topics: transition from the earned to paid model, experience since the change of income assessment model, unintended consequences and pensioner payments.
- **Appendices:** Details all consultation and communication materials and a profile of who participated in consultation.

# 2 Approach to the Review

## 2.1 Consultation approach

### 2.1.1 Consultation aim

Public consultation was the key method used to undertake the review. Consultation sought to understand the experiences of people reporting employment income under the paid income model, in comparison to the previous earned income model. Consultation also sought to understand any unintended consequences from the change of income assessment model, for example, to a unique cohort of individuals that had not been previously considered.

### 2.1.2 Stakeholders identified for broad consultation

To fulfil the legislative requirement, consultation was conducted with:

- income support recipients impacted by the amendments made by the Act;
- persons who have expertise in social security law; and
- persons who have relevant expertise in any other area of public policy.

Three broad groups of stakeholders were identified in line with this requirement, and engagement methods were tailored to engage with each group. These three groups included: individuals and impacted community, external organisations and Government stakeholders.

#### Individuals and impacted community

Individuals who contributed to the consultation included those people who receive regular in-scope social security payments. Impacted community members included, but were not limited to, social security payment recipients, carers, parents and guardians, nominees, or partners of those who receive regular social security payments.

#### External organisations

External stakeholders who contributed to the consultation included organisations and groups who represent or advocate on behalf of people receiving social security payments, have expertise in social security law and persons who have relevant expertise in any other area of public policy.

Over the course of the review, 154 organisations were identified and categorised by organisation type. Stakeholders were identified by reviewing DSS and Service Australia Advisory Group members as well as an external Internet search. The definitions of each external organisation type are shown in Table 3: Definitions of external organisations. These organisations also typically represent significant numbers of individuals or members, and views from these stakeholders have informed the views and feedback from organisations.

Table 3: Definitions of external organisations

External organisation type	Definition
<b>Advocacy body / organisation</b>	An organisation that provides support to a cohort of individuals through activities such as promoting or defending their rights or assisting individuals to access support services.
<b>Peak / leadership / expert body with relevant expertise in public policy</b>	An organisation representing a sector of industry or community, typically representing multiple

	organisations, with collective expertise in any area of public policy.
<b>Employment services provider</b>	An individual, business or organisation delivering resources and funded initiatives to upskill and secure individuals' employment.
<b>Social security legal counsel provider</b>	An individual, business or organisation delivering legal counsel and support and / or social security law counsel to individuals.
<b>Charitable organisation / not for profit / community group</b>	Organisations providing services, materials and resources to the community and which does not operate for profit and which is not categorised into one of the other stakeholder types.
<b>Individual experts</b>	Individual experts defined as an individual who is operating in an independent capacity and who holds expertise or experience in social security law or other areas of public policy. Does not include people who are recipients of income support payments. People in this category are not acting as representatives or on behalf of specific customer cohorts.

## Government stakeholders

A range of Government stakeholders were also identified as part of the review. The following Government stakeholders were consulted as shown in Table 4: Government stakeholders consulted as part of the review. Government stakeholders were consulted to understand how the change was implemented, and other matters of policy and service delivery related to the change of income assessment model, rather than for views as to the success of the change.

Table 4: Government stakeholders consulted as part of the review

<b>Government stakeholders</b>	<b>Overview</b>
<b>Department of Social Services</b>	Key individuals in DSS Income Reporting project team.
<b>Services Australia</b>	Various individuals with service delivery accountability for change of income assessment model.
<b>Department of Education Skills and Employment</b>	Key individuals as identified by DSS Income Reporting project team.
<b>Department of Veterans' Affairs</b>	Key individuals as identified by DSS Income Reporting project team.

### 2.1.3 Stakeholder engagement and communication

A Stakeholder Engagement and Communication Strategy was developed in consultation with DSS to provide an actionable schedule of activities to deliver communications prior to and during the consultation period. The Strategy articulated communication methods, scheduling of communication activities, key messages and copies of materials to be shared including social media posts, emails and DSS Engage content. More detail on the Strategy can be found in Table 9: Communication activities prior to and during consultation.

### 2.1.4 Consultation methods

There were three primary consultation methods used to meet the public consultation requirements of the review. These included: surveys for impacted individuals and external organisations; the

opportunity to provide written submissions; and one-on-one discussions with identified organisations. Surveys and written submissions were facilitated through the DSS Engage platform. Consultation was open to public stakeholders from 15 March 2022 to 22 April 2022.

To support each consultation method, a Discussion Paper was developed and provided on the DSS Engage platform. The Paper provided targeted information regarding the review, and the specific questions in scope for consideration. A copy of the content from this Discussion Paper can be found in Table 10: Discussion Paper published to DSS Engage.

## Surveys

Two short surveys (less than 10 minutes in length) were designed to seek targeted quantitative and qualitative feedback on the impact of the change of income assessment model. The short surveys invited responses from both individuals and organisations and were tailored accordingly. The survey asked questions related to:

- Demographics of respondents;
- Overall experience with the income reporting process;
- Awareness of the change of income assessment model prior to implementation;
- Challenges during the transition process;
- Changes in their experience of reporting income since the change of income assessment model was implemented; and
- Impacts of the change of income assessment model (including for those receiving pensioner payments).

A total of 54 individuals responded to the individual survey and nine organisations responded to the organisational survey.

## Written submissions

Organisations or individuals were invited to lodge a written submission through the DSS Engage platform. This allowed stakeholders to provide unstructured feedback in a format and dialogue that best represented their views. Four written submissions were lodged via DSS Engage, two of these were by individuals and two of these were from UnitingCare Australia and Carers NSW. Both organisations provided permission for their submissions to be published publicly after the consultation period had closed.

## Interviews with external organisations

In addition to the surveys and written submissions facilitated through the DSS Engage platform, 15 peak body organisations were contacted via email and invited to a one-on-one discussion with KPMG to discuss the impact of the change of income assessment model. These organisations were identified in consultation with DSS, most of them from relevant Advisory Groups; Disability Peak Bodies, SA Civil Society Advisory Group, DSS Community Services Advisory Group (CSAG) and The National Multicultural Advisory Group (NMAG) Members. The remainder were selected based on representation gaps from the consultation surveys; for example, no individual receiving the Farm Household Allowance had completed the consultation survey<sup>7</sup>, so an organisation was selected for a targeted discussion to consider feedback from this affected cohort. A further two organisations were referred to KPMG for interview by other stakeholders.

Five interviews were scheduled and completed with organisational representatives. A list of these organisations that consented to be identified publicly as having participated in the one-on-one consultation is shown in Table 13: Peak body organisations interviewed in one-on-one consultation. Three organisations responded and reported they did not have any feedback on the change of income assessment model at this time, one noting they had not observed any impact on their clients and thus viewed the change as having a neutral impact. Three organisations contacted expressed an interest in

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<sup>7</sup> It is noted that those on the Farm Household Allowance represent less than one per cent of income support recipients in scope for this review.

participating however no further response was received when attempting to schedule the discussion. No response was received from six organisations invited to interview.

## 2.1.5 Overview of stakeholder response

As outlined in Section 2 Approach to the Review above, there were three main consultation methods used to engage with identified stakeholders. The number of responses received through each method is outlined in Table 5: Overview of stakeholder response by consultation channel, below.

Table 5: Overview of stakeholder response by consultation channel

Consultation method	Number of responses
<b>DSS Engage – individual survey</b>	54
<b>DSS Engage – organisation survey</b>	9
<b>Written submissions</b>	4
<b>Peak body organisations interview</b>	5
<b>Total responses</b>	72

A list of organisational stakeholders that consented to being identified publicly can be found in Table 13: Peak body organisations interviewed in one-on-one consultation. A profile of individual and organisational participants in the DSS Survey can be found in Table 11: Individual survey outline - via DSS Engage and Table 12: Organisation survey outline - via DSS Engage.

In the presentation of survey findings, all questions were optional, and some questions were 'not applicable' to some respondents. Therefore, the full sample of respondents have not answered all questions, reflected in the fluctuating base sizes across questions.

## 2.1.6 Anonymity of stakeholders

The anonymity and privacy of all stakeholders was assured throughout the consultation process. Quotes and verbatim extracts of submissions have been used in reporting, except where they had the potential to identify a specific individual or organisation. Submissions were not used for the purposes of managing individuals' compliance with income reporting or other policy.

Stakeholders who made a written submission had the option to choose whether their response was published to DSS Engage after the consultation period closed. Organisations were also free to publish a copy of their submission via their own channels.

# 3 Review Findings

## 3.1.1 Statistically representative findings

The KPMG consultation approach was designed to allow and encourage all interested stakeholders to provide their feedback. Due to the 'opt-in' nature of the consultation methodology, a statistically representative sample of the total potentially impacted population was not achieved. Given the very specific scope of the review as it related to the change of income assessment model, this was considered an appropriate approach.

When reviewing the findings, it is important to consider the relatively small sample size and that statistics are not statistically representative, and instead reflect the opinions and views of a subset of impacted individuals and organisations.

However, the robustness of the review was dependent on input from a representative cross-section of the impacted community, individuals, organisations and relevant experts. To assess the



representation in consultation feedback, the percentage of surveyed payment recipients by payment type and various demographic profilers was compared to the total number of payment recipients.

Representation was consistently tracked against these targets throughout consultation and underrepresented cohorts were targeted to ensure coverage of potentially impacted stakeholders.

Table 6: Representation of surveyed social security payment recipients by payment types and Table 7: Representation of surveyed social security payment recipients by demographic profile, show the representation of the survey sample compared to payment recipient information obtained from DSS and Services Australia data (as of 31 December 2021).<sup>8</sup> December 2021 data has been used as a proxy to assess representation because it reflects data that is aligned to pre-pandemic levels and accounts for the fluctuation in casual employers during the month of December.

Table 6: Representation of surveyed social security payment recipients by payment types<sup>9</sup>

<b>In-scope payment type</b>	<b>Per cent of total payment recipients (Dec'21 n= 5,183,520)</b>	<b>Per cent of individuals surveyed (n=54)</b>
<b>Age Pension</b>	49%	6%
<b>JobSeeker Payment</b>	18%	38%
<b>Disability Support Pension</b>	15%	13%
<b>Carer Payment</b>	6%	19%
<b>Parenting Payment Single/partnered</b>	6%	6%
<b>Youth Allowance (student, apprentice &amp; other)</b>	5%	3%
<b>Austudy</b>	1%	0%
<b>ABSTUDY (Non-living allowance)</b>	<1%	0%
<b>Special Benefit</b>	<1%	0%
<b>ABSTUDY (Living allowance)</b>	<1%	0%
<b>Widow Allowance</b>	<1%	0%
<b>Partner Allowance</b>	<1%	0%
<b>Status Resolution Support Services</b>	<1%	0%
<b>Farm Household Allowance</b>	<1%	0%

Note: the number of payment recipients who receive employment income, and are required to report their income, is different to the total number of payment recipients in this table. The majority of recipients required to report their income receive payments other than the Age Pension.

Table 7: Representation of surveyed social security payment recipients by demographic profile<sup>10</sup>

<b>Cohort (by proxy)</b>	<b>Cohort subgroup</b>	<b>Per cent of total payment recipients (Dec'21 n= 5,183,520)</b>	<b>Per cent of individuals surveyed (n=54)</b>
<b>Aboriginal &amp; Torres Strait Islander People</b>	Aboriginal and Torres Strait Islander People	5%	6%

<sup>8</sup> Data refers to payment recipients, not the total number of payments made. Data excludes some in-scope payments so is approximate only and designed to give an indication of the representation achieved in the survey sample across key cohorts.

<sup>9</sup> External Services Australia and DSS data sources used can be found in Table 17: External data sources referenced

<sup>10</sup> External Services Australia and DSS data sources used can be found in Table 17: External data sources referenced

<b>Cohort (by proxy)</b>	<b>Cohort subgroup</b>	<b>Per cent of total payment recipients (Dec'21 n= 5,183,520)</b>	<b>Per cent of individuals surveyed (n=54)</b>
	Non-Aboriginal and Torres Strait Islander People	94%	93%
<b>Country of birth</b>	Australia	68%	80%
	Outside of Australia	32%	20%
<b>Gender</b>	Male	44%	20%
	Female	56%	70%
	Other	-	10%
<b>Geographic Location</b>	Australian Capital Territory	1%	2%
	New South Wales	31%	24%
	Northern Territory	1%	6%
	Queensland	21%	22%
	South Australia	8%	13%
	Tasmania	3%	0%
	Victoria	24%	22%
	Western Australia	9%	11%
<b>Duration on payment</b>	Under 5 years	53%	58%
	6-10 years	17%	28%
	10 years +	30%	15%
<b>Age</b>	Under 20	4%	2%
	21-44	24%	41%
	Over 45	72%	56%
<b>Rural / Remote</b>	Metro	63%	63%
	Regional/ rural	33%	26%
	Remote	2%	7%
	Other	2%	4%
<b>MTE criteria</b>	Meet MTE criteria	<1%	Unable to determine
	Do not meet MTE criteria	99.96%	Unable to determine
<b>Nominated contact / support person</b>	Total correspondence nominees	27%	Unable to determine
	Recipients do not have correspondence nominee	73%	Unable to determine

## 3.2 Consultation findings

### 3.2.1 Transition from earned to paid model

Services Australia and DSS designed and deployed a communications and transition plan during the implementation of the change of income assessment model. Although stakeholders raised a range of issues with the broader process of reporting employment income, few of these were directly attributable to the transition from the earned to paid model.

#### **Overview of how the change was implemented**

Making amendments to the change of income assessment model was subject to the passage of legislation. The transition to the new model of assessment required recipients with ongoing employment to undertake a one-time calculation to ensure their income was not double counted. In line with its role to deliver advice and high quality, accessible social, health and child support services and payments, Services Australia undertook to identify the needs and challenges for recipients and sought to use these insights to develop a range of supporting resources to simplify the transition period. Services Australia conducted user testing prior to implementation and developed a communication plan to support social security payment recipients to navigate the implementation of the change.

While service delivery systems design and implementation are out of scope for this review, the work undertaken prior to the change provides important context for how social security payment recipients were supported to navigate their overall experiences of the change.

#### **User testing prior to implementation**

Services Australia advised that the introduction of the change of income assessment model was a “critical point” where the end-to-end Reporting Employment Income (REI) experience needed to adopt a human-centred design approach. Several testing activities were completed to support the change of income assessment project team evaluate proposed communications to prepare customers for upcoming changes on how to report their income. Relevant Government forums or Advisory Groups were consulted as part of testing processes. A co-creation session was run with both customers and other stakeholders to develop and iterate customer-facing messaging. A calculator was also made available online to assist recipients to determine what they should report over the transition period.

#### **Communication of the change**

A communication plan was also developed for the implementation of the change of income assessment model. There were three phases in this strategic communication approach: the delivery of pre-implementation communication; the transition period; and implementation. Success indicators were identified to monitor the effectiveness of communication surrounding the change. Communication materials were delivered in several formats and tailored to diverse cohorts, including radio for culturally and linguistically diverse (CALD) and Aboriginal and Torres Strait Islander cohorts, developed alongside the Indigenous and Remote Servicing Branch (IRSB) and the National Aboriginal Community Controlled Health Organisation (NACCHO). Additional channels of communication included: the Services Australia website; video; translated factsheets for Culturally and Linguistically Diverse cohorts; self-service terminal screen savers; social media; updates to telephony interactive voice response messages; messaging via Centrelink online account and InApp messaging distributed to approximately 600 000 people required to report. Similar considerations were given to communication to Services Australia staff.

## There was a relatively low level of awareness among those surveyed of the change of income assessment model before it was implemented

Although Services Australia and DSS designed and deployed a communications and transition plan during the implementation of the change of income assessment model, it is acknowledged that this review of the change of income assessment model was undertaken approximately 15 months following implementation. It is expected that individuals may not accurately recall the transition period in light of the elapsed time.

Feedback received from individuals surveyed suggests there was a relatively low level of awareness of the change of income assessment model prior to implementation. Slightly more than half of individuals did not feel they were adequately informed about the requirement to report income differently after the commencement of the change of income assessment model.<sup>11</sup>

Slightly more than half of the small number of individuals who responded to the survey did not recall hearing about or being notified about the change prior to implementation.<sup>12</sup> Of those who were aware of the change, the majority recalled hearing about the change of income assessment model directly from the Government, either by email, online message, webpage, letter or from social media. Three individuals recalled hearing about the change through an external peak leadership or organisational body.<sup>13</sup>

Figure 1: Individuals that recalled hearing about change of income assessment model before implementation (n=50)<sup>14,15</sup>

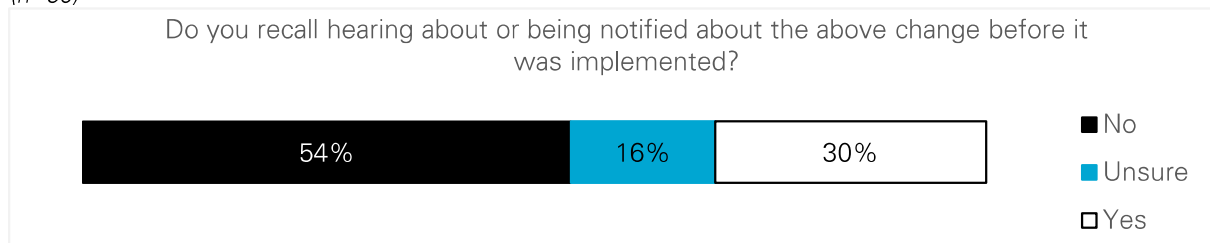
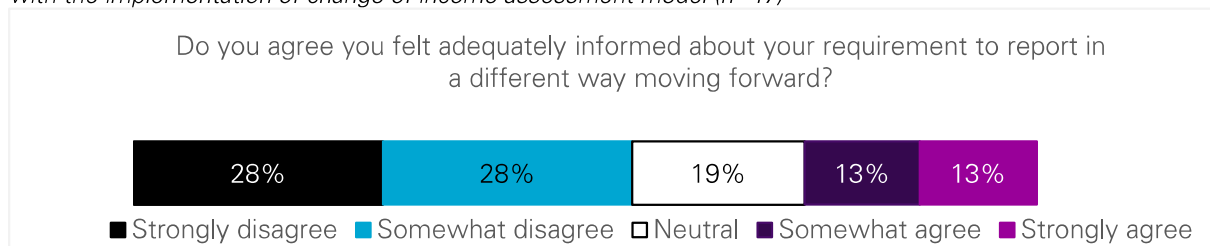


Figure 2: Individuals that felt adequately informed about requirement to report in a different way moving forward with the implementation of change of income assessment model (n=47)<sup>16</sup>



Organisations were more likely than individuals to recall having heard about the change. Four of nine organisations surveyed recalled hearing about the change of income assessment model before it was implemented, three do not recall hearing about the change and two were unsure.<sup>17</sup> Organisations recalled hearing about the change through a Government forum or Advisory Group or external peak, leadership or service provider organisations.<sup>18</sup> Organisations which did recall hearing about the

11 Q: Do you agree you felt adequately informed about your requirement to report in a different way moving forward? Base n = 47

12 Q: Do you recall hearing about or being notified about the above change before it was implemented? Base n = 50

13 Q: How do you recall hearing about the change? Base n=15

14 Throughout this report, "n=" is used to refer to the number of respondents to the particular survey question represented. The number of respondents excludes any responses of "not applicable".

15 Q: Do you recall hearing about or being notified about the above change before it was implemented? Base n = 50

16 Q: Do you agree you felt adequately informed about your requirement to report in a different way moving forward? Base n = 47

17 Q: Do you recall hearing about the change? Base n=9

18 Q: How do you recall hearing about or being notified about the above change before it was implemented? Base n = 4

change via an Advisory Group appreciated the opportunity to provide input into the transition process including the design of some communications materials.

One organisation somewhat disagreed and two strongly disagreed their organisation felt adequately informed of the change.<sup>19</sup> These three organisations included an employment service provider, not-for-profit charitable organisation and a peak representative body.

**Verbatim:** “We received an email...normally a Farm Household Allowance Policy Director contacts us to walk through any significant changes [on income reporting] however they did not with this change...” – *Charitable / not for profit organisation*

**Verbatim:** “We would prefer to have information such as this provided in a simplified format such as Easy Read, along with fact sheets and relevant examples to help employees relate to the information being provided. Also provide contact details within Services Australia for people who need help to understand the changes.” – *Charitable / not for profit organisation*

**Verbatim:** “Because we are a member of the Community Services Advisory Group so Services Australia let us know what they were doing, and via socials...” – *Social security legal counsel provider*

## **Some opportunities for improving transition communications and information were identified**

Organisations surveyed suggested the following opportunities for improvement in the approach to transition communications:

- accessibility of communications and the lead times from communication to when the change was implemented, particularly for organisations that work with people with disability;<sup>20</sup>
- sharing information across more communication channels would have been beneficial, including through direct meetings between Centrelink and organisations and by sending fact sheets direct to providers; and
- bringing culturally and linguistically diverse stakeholders into the process of communication and ensuring proactive engagement across diverse communities.

It is noted that Services Australia’s communications plan included communication efforts across channels designed to reach diverse audiences, such as radio for Culturally and Linguistically Diverse and Aboriginal and Torres Strait Islander cohorts (developed with the IRSB and NACCHO) and translated factsheets for Culturally and Linguistically Diverse cohorts. It is also acknowledged that Services Australia experienced additional resource pressures due to the COVID-19 pandemic.

## **Although stakeholders raised a range of issues with reporting employment income, few of these were directly attributable to the transition from the earned to paid model**

Less than half of the small number of individuals who responded to the survey claimed to have had issues during the transition period.<sup>21</sup> Of those, only four individuals raised issues during transition directly attributable to the change of income assessment model. Two of these related to receiving payslips that did not align to a recipient’s reporting date and two individuals were unsure of what to

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19 Q: To what extent do you agree that your organisation felt adequately informed about the change to the employment income reporting process? Base n = 9

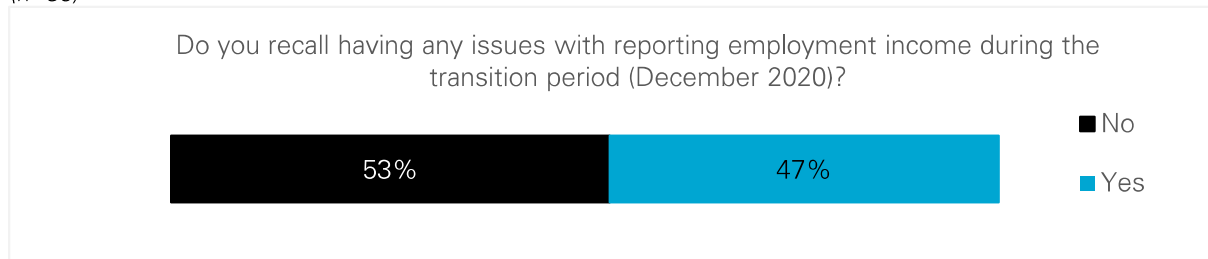
20 Q: Open response: If anything, what could have been improved about how the change was communicated to your organisation? Base n=5

21 Q: Do you recall having any issues with reporting employment income during the transition period (December 2020)? Base n=36

report during the transition period, one observing the instructions on how to report differently were somewhat obtuse.<sup>22</sup>

Of individuals who responded to the survey, those less likely to have heard of the change of income assessment model prior to implementation were more likely to have issues during transition. Similarly, people with disability were more likely to recall having issues during the transition period compared to those without disability. There were no significant differences in those recalling having had issues during the transition period across different payment types.

Figure 3: Individuals that recall having issues with reporting employment income during the transition period (n=36)<sup>23</sup>



An out-of-scope change implemented over a similar time period, the removal of continuous earnings, was sometimes attributed to the change of income assessment model. This illustrates the common misunderstanding of the change and lack of distinction from other reporting income issues. Customers have always had to report fortnightly even if paid monthly. The removal of continuous earnings was designed to ensure that the customer's income support payment is impacted at the time they have access to their employment income.

**Verbatim:** "I recall significant confusion during the transition period, for example which employment income amounts I should report and which ones I shouldn't." - DSP recipient

**Verbatim:** "It took a while to have Centrelink change the actual reporting date to coincide with when my pay slip was available." - Age Pension recipient

Individuals reported some confusion with the change, with some frustration that it was not perceived to be straightforward. There may also have been some confusion among Services Australia call agents, with reports that several call agents indicated that technology system issues were the reason customer's self-managed reporting failed on the launch date. This aligns with similar pain points which have been raised with Services Australia through other customer feedback channels.

**Verbatim:** "I am confused. It's asking me what I got paid, between 24 Nov and 7 Dec, Do I put my payment amount down? Because I already put that in my last report... Am I reporting this twice?" - payment recipient quote supplied by Services Australia

**Verbatim:** "I just don't understand this sorry...My employer has not been giving my payslips on the same days." - payment recipient quote supplied by Services Australia

**Verbatim:** "Ok, that makes a lot more sense, even though it confused me initially." - payment recipient quote supplied by Services Australia

<sup>22</sup> Q: Open response: What issues do you recall having during the transition period (December 2020)? Base n=12

<sup>23</sup> Q: Open response: Do you recall having any issues with reporting employment income during the transition period (December 2020)? Base n=36

## 3.2.2 Experiences since the change of income assessment model

Since the implementation of the change of income assessment model, there have been mixed views about the experiences of social security payment recipients who are required to report their income.

### **There was consistent feedback from organisations that the previous 'earned income' model was challenging, particularly for individuals with fluctuating incomes**

Some organisations who provided submissions or responded to the organisational survey noted that this change was a positive step to reduce the complexity of income reporting processes for payment recipients. These organisations had received feedback from their members and people they support that the earned income model made reporting their income challenging. This particularly related to individuals with fluctuating and unpredictable incomes, and individuals fearful of incurring payment debts because of incorrectly reported income.

For these organisations, the change of income assessment model was a positive change to address challenges associated with the previous earned income model.

**Verbatim:** "Carers NSW has heard from a number of carers that the previous Earned Income Model caused carers high levels of distress in relation to estimating income and potentially incurring debts through estimation errors." – *Peak / leadership body*

**Verbatim:** "Reporting under the earned model required the recipient undertake more evaluation before reporting." – *Peak / leadership body*

### **Current sentiment with the process of reporting employment income was somewhat negative, however this is not inconsistent with feedback on reporting income generally**

Among individuals, current sentiment with the process of reporting employment income was somewhat negative. However, it is not possible to conclude that this perceived difficulty relates to the change in income assessment model. This perception is consistent with the need to report employment income prior to the change of income assessment model. It was noted in a Second Reading Speech for the Act<sup>24</sup> that former reporting "arrangements can appear complex and confusing to recipients when reporting employment income".

Through consultation, it was observed that recipients had concern about the process of reporting employment income and incurring debt. More than half of individuals surveyed were somewhat or strongly dissatisfied with the current employment income reporting process, and more than half disagree that the process is easy.<sup>25</sup> Five of nine organisations surveyed disagreed that social security payment recipients are satisfied with the experience of reporting their income, and seven of nine disagreed the process is straightforward.<sup>26</sup> Organisations representing people with disability shared that the administrative burden of reporting is particularly onerous for those living with a disability, their carers and families. Economic Justice Australia also reported that for people with disability, keeping up with reporting is difficult. Similarly, it is not possible to conclude that these challenges related to the change in income assessment model.

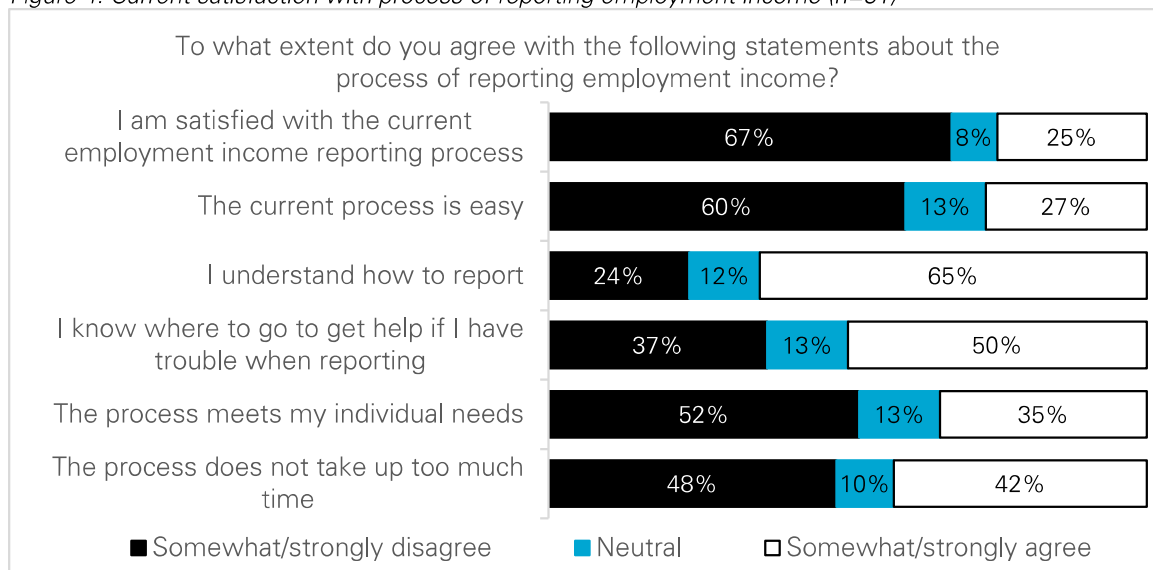
<sup>24</sup> House of Representatives, Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020, Second Reading Speech, Thursday 6 February 2020

<sup>25</sup> Q: To what extent do you agree with the following statements? Base n=51

<sup>26</sup> Q: To what extent do you agree with the following statements about the current employment income reporting process? Base n=9

More than half of individuals surveyed agreed they understand how to report employment income<sup>27</sup>. Despite this, there remains feedback from organisations and individuals that there is some confusion about reporting requirements, for example whether to report gross or net income.

Figure 4: Current satisfaction with process of reporting employment income (n=51)<sup>28</sup>



**Verbatim:** “We are dealing with people on financial hardship, right on the edge...there is hypersensitivity and a fear of farmers getting paid a government allowance, which is great, but at reconciliation getting a debt.” – Charitable / not for profit organisation

**Verbatim:** “People muddle through changes...there are compounding barriers to understanding the system and inevitably broad communication from Government.” - Peak / leadership body

### There is limited understanding among social security support recipients of the specific change of income assessment model in the context of reporting employment income more broadly

A substantial portion of the feedback received through this review conflated the change of income assessment model with feedback on other changes, indicating that individuals find it difficult to separate discrete policy change from other concurrent policy changes and service delivery experience.

Organisations are better able to differentiate between the scope of this review and broader service delivery changes, bringing a more comprehensive view of the way in which policy is created and informs service delivery. However, organisations noted that opportunity to comment on both policy and service delivery aspects is considered important.

Among individuals, there was a relatively low degree of understanding regarding the specifics of the change of income assessment model, including which aspects of income reporting the change impacted. There was also limited understanding of what this change involved, as compared to other concurrent changes occurring with respect to social security payments and reporting practices. Customers often conflated other specific issues or income reporting processes more broadly with the

<sup>27</sup> Q: To what extent do you agree with the following statements? Base n=51

<sup>28</sup> Q: To what extent do you agree with the following statements? Base n=51



change of income assessment model.<sup>29</sup> Specific examples of this misunderstanding and uncertainty include:

- Conflation of the change of income assessment model with uncertainty regarding whether to report gross or net income;
- Uncertainty regarding how to report income where the pay period on a payslip did not match the Centrelink reporting period; and
- Conflation of practical reporting processes with the change of income assessment model (for example, use of online reporting versus telephone reporting, which was not directly relate to the change of income assessment model).

This was supported by feedback received by Services Australia during user testing and implementation. Services Australia advised this review that the letter testing phases of the change of income assessment model found that “the true intent and meaning of CAM was very difficult for customers to understand”.

Feedback received from organisations suggests good understanding of the specifics of the change of income assessment model.

**Verbatim:** “When it works, it is really very handy. Much faster than reporting over the phone. But when there are glitches, it can make the already vulnerable person involved, suffer a great deal of difficulty and indignity.” – *JobSeeker Payment recipient*

**Verbatim:** “I still don't fully understand how the pay time periods and my pay slip line up and I just hope it all works out at tax time. I also am unsure if when I'm paid means the date my pay is processed by work or the day it goes into my account.” – *Youth Allowance Payment recipient*

Approximately half of the small number of individuals who responded to the survey indicated the change of income assessment model was significantly different from reporting employment income before December 2020.<sup>30</sup> This contrasts with some organisations who indicated it had ‘minimal impact’ on the reporting income process for individuals. Feedback received indicated that where the change of income assessment model was perceived to have made things more complex for individuals, this complexity largely related to other policy and service delivery considerations, particularly for vulnerable individuals, rather than the income assessment model specifically, as seen in the quotes above.<sup>31</sup>

## **For stakeholders who understood the purpose and specific scope of the change of income assessment model, and its impact on reporting employment income, there was a general perception that the change has made the process simpler and more accurate**

### **Experience of organisations**

Organisations consistently demonstrated an understanding of the change of income assessment model, and its discrete impact on reporting employment income. Organisations were also more likely to perceive that the change had had a neutral or positive impact on reporting income, compared to individuals sharing their own experiences. Most organisations (5 out of 9 surveyed) indicated the change of income assessment model has made the process simpler for social security payment recipients they work with and represent, one organisation indicated there was no impact and two organisations indicated the process was *slightly* more complex.<sup>32</sup> This feedback aligned to more

<sup>29</sup> Q: Open-response: In what ways has the employment income reporting change made the process more complex? Base n=15

<sup>30</sup> Q: To what extent do you agree with the following statements? Base n=51

<sup>31</sup> Q: Open response: How has your experience change compared to this time 2 years ago? Base n=27

<sup>32</sup> On a scale of 0-10, to what extent do you believe the change has impacted social security payment recipients? Base n=9

detailed feedback heard in one-on-one discussions with organisations, where there were key benefits noted for their members or stakeholders, and some challenges from the change of income assessment model. Positive experiences noted by organisations included:

- reporting was less complicated for individuals, as it relies on copying income from a payslip, rather than calculation of earned income;
- there was direct support to meet an individuals' immediate financial resource needs;
- more streamlined and predictable reporting for individuals.

One social security legal counsel organisation indicated the change of income assessment model was sensible, logical and preferable, based on the advice of its members. Despite less favourable feedback from individuals themselves, discussed further below, organisations typically provided feedback that represented the voice of their members.

**Verbatim:** "Seems more streamlined, sensible and predictable" – *Social security legal counsel provider*

**Verbatim:** "Members advise that although the Paid Income Model is preferable to the previous assessment of employment income when earned rather than when received, there are teething issues which are still emerging." – *Social security legal counsel provider*

**Verbatim:** "The objective of [transfer payments] is a function of the immediate financial resources available to the individual. Paid reporting is directly supportive of this objective where earned reporting is not." – *Peak / leadership body*

Aspects of the change of income assessment model raised by organisations as potentially challenging included:

- difficulties for individuals who are unable to secure payslips from their employer to support reporting;
- some anxiety for individuals regarding whether the change of income assessment model would result in a payment debt, as the implications were unfamiliar to individuals. This was indicated as being more common for some individuals, for example, those receiving the Farm Household Allowance as this group of social security payment recipients may be hypersensitive to debt<sup>33</sup>.

**Verbatim:** "It is definitely not simpler but not drastically more complex either." – *Employment services provider*

**Verbatim:** "All of the counsellors I spoke to said even though there is some clear communication and people know what they had to do, they all had a fear of reconciliation process at the end of the year there'd be a debt." – *Charitable / not for profit organisation*

There was also recognition from a social security expert organisation that the surrounding circumstances of the last two years, including impacts of COVID-19 and other changes to social security payment processes may impact perceptions of the change of income assessment model.

**Verbatim:** "The changes in the circumstances that people have faced in last few years are unprecedented. It might be worthwhile bearing that in mind if people have a negative reaction to the change – so many other things that have happened that could interact with the change..." – *Expert body with relevant expertise in public policy*

<sup>33</sup> It is noted that those on the Farm Household Allowance represent less than one per cent of income support recipients in scope for this review.

While these qualitative insights were important examples of experiences since the change of income assessment model, Economic Justice Australia highlighted the need for ongoing monitoring of the number of debts incurred by social security payment recipients, and the characteristics of social security payment recipients incurring debt to better understand any reduction in the number of debts, and broader economic benefits from the change of income assessment model.

**Experience of individuals**

The sentiment from the small number of individual social security payment recipients who responded to the survey regarding the change of income assessment model was more mixed than from organisations. Less than half of individuals who responded indicated that, compared to this time two years ago, their experience with reporting income had worsened, while some others indicated their experience had improved.<sup>34</sup> Similarly, there were mixed views among individuals on whether the change of income assessment model had made the process simpler; approximately half indicated it had made the process simpler or had no impact, with the remainder indicating it had made the process more complex.<sup>35</sup>

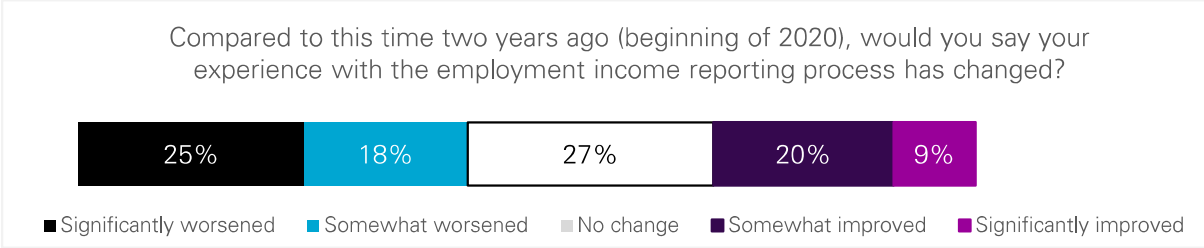
As acknowledged above, Services Australia had a communications plan targeting different cohorts via paid and unpaid channels to promote awareness of the change of income assessment model. Services Australia advised this review that they were aware of existing ‘change weariness’ among customers due to the first six months of 2020 being change-heavy. Validating this potential change weariness, less than half of individuals who claimed that their experience with reporting income had worsened identified a reason directly related to the change of income assessment model.<sup>36</sup>

Individuals who indicated the process had improved stated that the process is now easier and simpler to calculate paid income compared to earned income. This included recognition that information can be taken directly from payslips paid in the reporting period and there is no calculation required.

Individuals who indicated the process had worsened in the last two years typically attributed the difference to how their pay date did or did not align with the individual’s Centrelink reporting date, and in their view, this created additional effort to calculate their income and report it. Two individuals indicated it was much easier to calculate their earned income (by multiplying hours worked in the fortnight with pay rate) compared to reporting paid income, as they are unsure how to report when their pay period is different to the reporting period.

Two other individuals also noted that if they are paid earnings after having reported their income, there is a need to correct the report after submission, which required additional effort.<sup>37</sup>

Figure 5: Perception that employment income reporting process has changed in last two years (n=44)<sup>38</sup>



**Verbatim:** “Now we don't have to guess how much we will be paid; we can just input the information straight off payslips” – *JobSeeker Payment recipient*

<sup>34</sup> Q: Compared to this time two years ago (beginning of 2020), would you say your experience with the employment income reporting process has changed? Base n=44  
<sup>35</sup> Q: On a scale of 0 to 10, to what extent did the employment income reporting change impact you? Base n=44  
<sup>36</sup> Open response: How has your experience changed compared to this time 2 years ago? Base n=27  
<sup>37</sup> Open response: How has your experience changed compared to this time 2 years ago? Base n=27  
<sup>38</sup> Q: Compared to this time two years ago (beginning of 2020), would you say your experience with the employment income reporting process has changed? Base n=44

**Verbatim:** "I know what money I have been paid rather than hoping it is what I will be paid, but if something happens...it is very confusing, and I want it to be so that I don't need to report anything anymore as it is always a hassle" – *Carer Payment recipient*

**Verbatim:** "As I don't know exactly when I will get paid at what time of day it's hard to know if on reporting day I might get paid at night after I have lodged" – *Age Pension recipient*

**Verbatim:** "It was much easier to multiply hours worked in the fortnight, much harder now when my pay is different to my reporting date" – *JobSeeker Payment recipient*

**Verbatim:** "The other issue is that if I earn income on Friday, which is the usual day of the week when I must report, I have to wait until after 5pm to report it via the Centrelink website. In other words, if I submit my report at 9am on Friday but then receive my pay at 5pm that day, I have to go back and correct my report..." – *Disability Support Pension recipient*

Individuals who indicated that reporting employment income had improved in the last 2 years were more likely to perceive the change of income assessment model as positive. Individuals that had heard of the change of income assessment model prior to implementation were more likely to indicate that it had made reporting employment income easier, suitable to meet their individual needs and less time consuming compared to those that were not aware of the change. Perceptions of the change of income assessment model making reporting more accurate were equal among those that had heard of the change and those who had not.<sup>39</sup>

## **Lump sum payments were perceived by individual social security payment recipients to disrupt income support**

A number of individual social security payment recipients indicated in survey responses that they had received some form of retrospective lump sum payment from an employer since the change of income assessment model took place, such as back pay for incorrect wage payments, or redundancy pay. In these circumstances, these individuals had their social security payments reduced for a period of time, which, where this was an extended period of time, resulted in some recipients becoming ineligible for income support.

However, while this was perceived as a negative by some individual social security recipients, the change of income assessment model was designed to ensure that "all employment income [is] treated consistently whether a person is paid a regular fortnight ...or a one-off lump sum such as back pay"<sup>40</sup>. Prior to the change of income assessment model, people who received lump sum payments that related to a previous period of time, or an extensive period of time such as back pay, would have had to report this income for those previous periods. If these recipients were receiving income support at the time the additional income was earned, this additional income likely meant they had been overpaid income support, and would accrue a debt to Services Australia for the periods impacted. As described in the Multi-agency Government Submission: Senate Community Affairs Legislation Committee inquiry in relation to the change, under the earned income model, "for example...a lump sum back payment of wages is applied retrospectively for the period over which it was earned and may result in a debt"<sup>41</sup>. For recipients in this circumstance, the change of income

39 Q: To what extent do you agree with the following statements? Base n=30

<sup>40</sup> Multi-agency Government Submission: Senate Community Affairs Legislation Committee inquiry; Social Services and Other legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020, page 8

<sup>41</sup> Multi-agency Government Submission: Senate Community Affairs Legislation Committee inquiry; Social Services and Other legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020, page 8

assessment model removes the risk of retrospectively receiving a debt for this reason, as it apportions the lump sum payment over the relevant forward period.

However, this policy feature operates differently for those individual recipients who were not in receipt of income support at the time the lump sum was 'earned'. Under the previous model, recipients who received a lump sum payment which was 'earned' during a period where they were not receiving income support would not have had to report this employment income. This would have resulted in them receiving both the lump sum payment and continuing to receive income support payments, without accrual of a debt to Services Australia. The change of income assessment model means these individuals have their future payments impacted by lump sum payments.

It is not clear whether these individuals who perceived this aspect of the change to be negative had ever experienced receiving a lump sum payment under the previous earned model for reporting employment income.

**Verbatim:** Between February 2021 and April 2022 I was paid back pay of unpaid wages for the period May 2013 to April 2018 following a wages audit...amounts eventually negotiated and received were reported as required under the changed legislation enacted December 2020. Centrelink attributed each payment forward. Due to the amount of underpaid wages involved, we were placed on nil income status." – *Age Pension recipient*

**Verbatim:** "If you accidentally make an error, it takes a LOT of work/time to rectify. And in the case of an employer paying out a lump sum (due to error or paying out leave) can mess up a person's entire budget. Be good to have a section for "unusual or exceptional" earnings in order to be able to get a call back to discuss what that will mean for the individual affected" – *JobSeeker recipient*

**Verbatim:** "The huge mess I am experiencing regarding reporting my redundancy pay that was received in Oct 2021 - even although the redundancy pay pertains to 2013, when I wasn't receiving any Centrelink benefits at all." – *Disability Support Pension recipient*

## Monthly employment income

A very small number of individuals within survey responses indicated that the change of income assessment model had impacted the value of their social security payments as a result of receiving monthly pay. These individuals indicated that reporting a larger monthly employment income figure in one fortnight, and then having no paid income to report in the next fortnight impacted the consistency of the social security payments received. There were also perceptions this had reduced the value of payments received following the change of income assessment model, compared to previous years.

This reflects challenges of navigating the reporting process, rather than policy consequences. The Centrelink reporting processes include a question that asks whether the income being reported is for a time period other than a fortnight (e.g. a month or other time period). Where an individual indicates the income received is for a month, rather than a fortnight, there are provisions in the system to smooth this income over multiple fortnights, meaning social security payments are more consistent.

Feedback suggests that there may be opportunity for improving clarity for individuals on how to report their income accurately.

**Verbatim:** "I must report all his [husband's] wage in on fortnight and then nothing the next fortnight...then it's worked out over a fortnight not the month, so DSP has been dramatically cut from previous years even though we are carrying the same earnings threshold." – *Disability Support Pension recipient*

**Verbatim:** "I now find that my payments are less than most of the previous years. Now I get one normal payment and then one really low payment so weeks no rent allowance at all. How can this be so when his income does not change? It's the same monthly pay, as it's salary." – *Disability Support Pension recipient*

### 3.2.3 Unintended consequences

This review did not identify any significant unintended consequences arising from the introduction of, or the transition to, the paid income model.

### 3.2.4 Pension payments

As described in Section 1.1 above, clause 1073B of the legislation sets out a special employment income attribution rule for a small group of social security pension recipients who are paid the same amount of employment income on the same day of each month. Those affected do not need to report their employment income each fortnight or month to Centrelink. Therefore, the change to how to report earned income is not observed by these pension recipients. Pension recipients assessed this way will only be required to report to Centrelink if there is a change to their income.

As expected, based on this clause, very limited commentary on the impact of the change of income assessment model on pension payments was provided during the review. However, feedback received indicated there was minimal impact from the change on reporting employment income for individuals receiving pension-based payments, except for the experience identified relating to lump sum payments. As lump sum payments alter an individual's usual income, this must be reported to Centrelink, and has had the impact as described in Section 3.2.2.

Of individuals surveyed, 22 reported receiving pension payments. A small majority of these individuals indicated that the change of income assessment model has had no impact for them or has made the process simpler. The remaining individuals indicated the change had made the process more complex.<sup>42</sup>

Of the nine organisations surveyed, only three perceived the change of incomes assessment model from the pension payment reporting clause had made the process of reporting employment income slightly more complex.<sup>43</sup> However, no further context was provided by respondents in open ended questions as to why this was their view.

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<sup>42</sup> Q: On a scale of 0 to 10, to what extent has the change to pensioner payment reporting frequency impacted you? Base n=22

<sup>43</sup> Q: On a scale of 0 to 10, to what extent do you believe the change to pensioner payment reporting frequency has impacted social security payment recipients? Base n=8

# Appendix A: Consultation materials

Table 8: Communication artefacts hosted on DSS Engage during consultation

Communication artefacts	Purpose
<b>Discussion Paper</b>	A document to aid stakeholders in making submissions by describing the purpose of the consultation and the key topics under consultation. This was published on DSS Engage.
<b>Info sheet: privacy and how submissions are managed</b>	A simple explanation of how participants' information will be used, including how their submission will be represented in reporting. This was published on DSS Engage.
<b>Third party media kit</b>	Materials for stakeholders to share with their own customers and stakeholders, including: <ul style="list-style-type: none"> <li>• Paragraph about the review – for inclusion into emails or newsletters;</li> <li>• Approved graphics; and</li> <li>• Instructions for sharing to social media including holding statement – for inclusion into social media posts.</li> </ul>

Table 9: Communication activities prior to and during consultation

The following communication activities were designed to raise awareness of the consultation and encourage submissions throughout the consultation period.

Communication activities	Description & date actioned
<b>Consultation launch email</b>	For all organisations that had a corresponding email address, they were sent an email that announced consultation was open on 15 March 2022. Organisations without a publicly available email address or whereby a 'bounce-back' email was received, were attempted to be contacted via phone.
<b>Social media posts</b>	DSS posted to Facebook promoting the consultation to the 'Australian Families' page on 22 March and 8 April 2022.
<b>Reminder emails</b>	Three reminder emails informing stakeholders the consultation was due to close was sent on 28 March, 13 April and 21 April 2022.
<b>Emails from secretariat</b>	Emails from DSS and SA CSAG Secretariats were sent to their members to promote awareness of consultation and encourage feedback via DSS Engage.
<b>Third-party media kit &amp; PDF download</b>	A third-party media kit and one-pager were created to enable organisations to share information about the consultation with their customers and stakeholders, through existing

Communication activities	Description & date actioned
<b>Email inviting peak organisations to 1:1 consultation</b>	<p>channels – such as emails, social media or newsletters. Development of these materials aligned to consultation needing to be accessible and inclusive. Three organisations requested to be sent the third-party media kit and PDF one-pager.</p> <p>In consultation with DSS, KPMG identified 15 peak organisations to contact via email to invite them to have a one-on-one interview with KPMG. The interview would provide an opportunity for the organisations to provide their feedback on the legislatively change. In addition, two organisations independently raised an interest in having a one-on-one discussion with KPMG. Interviews were scheduled on a ‘best efforts’ basis prior to close of business (COB) 3 May 2022. 11 organisations responded and 5 interviews were completed.</p>



# Appendix B: Discussion Paper

The Discussion Paper was published online on DSS Engage and was available for stakeholders to download.

Table 10: Discussion Paper published to DSS Engage

Section	Discussion Paper content
<b>Purpose of the paper</b>	<p>The purpose of this Discussion Paper is to explain how individuals and organisations can share their views about the change from reporting employment income when it is earned to reporting paid income. This applies to people who receive a social security payment from the Australian Government – that is, anyone who receives pension or allowance from Services Australia. Services Australia is the agency responsible for Centrelink.</p> <p>This Discussion Paper is for:</p> <ul style="list-style-type: none"><li>• people receiving a social security payment, Farm Household Allowance or Status Resolution Support Services.<sup>44</sup></li><li>• organisations who represent or advocate on behalf of people receiving a social security payment, including those with expertise in social security law and other areas of public policy.</li></ul> <p>This Discussion Paper provides an overview of the consultation topic, process, and guidance for stakeholders about how to share their views.</p>
<b>Aims of the consultation</b>	<p>The consultation seeks to understand the experiences of people reporting income from employment under the Paid Income Model, in comparison to the previous Earned Income Model.</p> <p>This consultation forms the basis of an independent review of the <i>Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020</i>. This Act changed the way that people receiving social security payment report how much money they receive from an employer.</p> <p>The review is being undertaken by KPMG, a professional services firm with expertise in public engagement, government advisory and the human services sector.</p> <p>Views expressed through the review will be summarised into a report, which will be provided to the Minister for Families and Social Services and tabled in Parliament.</p>
<b>How to have your say</b>	<p>Consultation is open from 15 March 2022 to 22 April 2022. During this time, individuals and organisations submit their views via the DSS Engage platform (<a href="https://engage.dss.gov.au/">https://engage.dss.gov.au/</a>), by either:</p> <ul style="list-style-type: none"><li>• taking part in a short survey; or</li><li>• lodging a written submission.</li></ul> <p>All views will be considered. Responses will not be visible to anyone else and will not be directly attributed back to any individual or organisation. More information about how feedback will be used is available on DSS Engage.</p> <p>Please email <a href="mailto:incomereporting@kpmg.com.au">incomereporting@kpmg.com.au</a> with any questions or requests for information.</p>

<sup>44</sup> Throughout the Discussion Paper where KPMG refer to 'social security payment,' this also includes the Farm Allowance and Status Resolution Support Services.

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**Section****Discussion Paper content**

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**Who we want to hear from**

We want to hear from anyone who receives a social security payment listed under section 2.2 below and reports employment income. This can also include a person's nominee or partner.

We particularly want to hear from people who received social security payment prior to 7 December 2020, and who have continued to receive payment since that date. This is because you will have experienced the change from the Earned Income Model to the Paid Income Model. We want to hear from all types of people, including:

- people of all ages
- people of all genders
- people all over Australia
- Aboriginal and Torres Strait Islander People
- people from culturally and linguistically diverse backgrounds
- people who are at risk of or are currently experiencing homelessness
- people with a disability
- people with health problems and mental illness
- people who work and receive a social security payment, including job seekers, students, carers, pensioners, parents and veterans
- partners and caregivers of people receiving social security support.

We also want to hear from organisations and groups who represent or advocate on behalf of people receiving social security support, including those with expertise in social security law and other areas of public policy.

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**Background and context**

**About the change:** In December 2020, there was a change to the way that people who receive a social security payment from government report the income they receive from an employer.

This change is the result of the *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020*.

Before December 2020, people had to estimate and report how much money they had earned before tax within a particular reporting period. This might be different to what they were actually paid in that period of time. This was known as the Earned Income Model.

Since the change in December 2020, people have to report how much money they have been paid before tax within a particular reporting period.

This means that people can refer to their (or their partner's) payslip in order to report their gross employment income to Centrelink. This change was intended to:

- make it easier for people to report the correct amount of income they receive from an employer
- reduce the risk of Centrelink paying people more social security support than they are eligible for, resulting in people needing to pay money back to Centrelink
- reduce the risk of Centrelink paying people less social security support than they are eligible for, resulting in people being underpaid by Centrelink.

**Who the change applies to:** This change affects anyone who reports their employment income for social security purposes,

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## Section

## Discussion Paper content

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including partners of payment recipients. All of the following payment types are included:

- ABSTUDY
- Age Pension
- Austudy
- Carer Payment
- Disability Support Pension
- Farm Household Allowance
- JobSeeker Payment
- Partner Allowance
- Parenting Payment (single and partnered)
- Special Benefit
- Status Resolution Support Services
- Widow Allowance
- Youth Allowance.

The change does not apply to one-off payments such as the COVID-19 Disaster Payment, Family Tax Benefit, Carer Allowance or any other payments not listed above.

**Legislative requirement for this review:** The legislation includes the requirement for an independent review of the impact of the legislation.

To comply with the Act, the department is required to engage an independent reviewer to review the transition to a paid model. The review must commence as soon as practicable after the end of 12 months after the Act took effect, which was 7 December 2020. The Minister must be provided with a written report within 6 months of the commencement of the review and a copy of the report will be tabled in each Houses of Parliament.

The Department of Social Services has engaged KPMG to conduct this review. The public consultation forms the basis of the review.

**Not in scope:** Reviewing policy and service delivery by the Department of Social Services, Services Australia, or other government agencies which is not directly related to changes arising from the *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020* is not in scope.

For example, the following topics are not in scope of this review:

- Using data from the Australian Tax Office's Single Touch Payroll system to pre-fill people's income amount based on what their employer reports their pay to be
- Requirements to report employment income each fortnight
- The amount of income support provided.

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## Consultation topics

There are four topics we want to understand individuals and organisations' views about:

- Changing from the old earned model to the current paid model – what the transition was like
  - Experiences since the change of income assessment model – how effective the new model is
  - Unintended consequences – whether there were any unexpected outcomes
-

- Payments for people on a social security pension – the impact for pensioners who receive a consistent monthly income from an employer.

Each of these topics is discussed in more detail below.

**Changing from the old model to the current model:** The change from reporting earned income to reporting paid income happened on 7 December 2020. Services Australia advised everyone who was receiving a social security payment and reporting employment income at that time by sending letters, adding messages to reporting channels, and publicising the change via their website, radio and social media (Facebook, Twitter).

At the time, some people were required to do a one-off calculation to ensure they did not report the same income twice. They could do this through their myGov account or the Express Plus Centrelink mobile app or with staff assistance on the phone or in a Service Centre. An online calculator was also made available to help people understand what it meant for them.

We want to understand how effectively people were supported through this change and how easy it was to navigate.

- How effective was the transition from the earned income model to the paid income model?
- How effectively was the change communicated, including to people with different circumstances?

**Experiences since the change:** This review aims to understand what impact the change to income reporting has had on people who receive a social security payment. We want to know whether the change has made income reporting easier, more difficult, or remained about the same.

We appreciate this might be different for different cohorts of people, depending on what support they receive, how they are paid by their employer, and their personal circumstances. If individuals or organisations share their views with us via DSS Engage, we may have some questions about their personal circumstances so we can understand who the change has had the most impact on.

We are also interested in how easy it is to understand communication and information about how to report income.

- Has the change to reporting paid income made reporting income easier, more difficult, or about the same?
- What factors have made this easier or more difficult?
- How easy it is to understand communication from Centrelink / Services Australia about the way to report income?

**Unintended consequences:** The change from reporting earned income to reporting paid income was expected to have made it easier for people to report the right amount of income to Centrelink.

Sometimes changes to policy or legislation can have unintended consequences – this means that something has happened as a result of the change that wasn't expected and may have made things more difficult. For example, the change might simplify one form, but make another form more complex.

If something has changed, we'd like to know how you've coped – what strategies you've had to put in place to address this.

- What impact has the change had?
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- If there have been any unexpected outcomes from reporting paid income, what are they?
- What have people done differently as a result of the change?

**Payments for pension payments:** This section relates to pensioners receiving a social security pension (a Disability Support Pension, Age Pension and the Carer Payment) who receive a consistent payment from an employer on a monthly basis.

The legislation contains a specific clause to make sure this cohort of people do not experience fluctuations in their rate of pension as a result of the fact that they receive employment income monthly. It means that they do not need to report their income each fortnight or month to Centrelink, so the change to how to report earned income is not observed by the pension recipient.

Pensioners assessed this way will only be required to report to Centrelink if there is a change to their income.

- These questions relate specifically to people on a social security pension who receive regular consistent payment from an employer on a monthly basis.
- For people receiving a pension, has the change to reporting paid income made reporting income easier, more difficult or about the same?
- What factors have made this easier or more difficult?
- Have people experienced unexpected fluctuations in their rate of pension as a result of reporting employment income?

### How to have your say

We want to hear from anyone who receives a social security payment or is the nominee or partner of a person receiving a social security payment as outlined in section 2.2.

We particularly want to hear from people who received social security payment prior to 7 December 2020, and who have continued to receive a social security payment since that date. This is because you will have experienced the change from the Earned Income Model to the Paid Income Model.

We also want to hear from organisations and groups who represent or advocate on behalf of people receiving a social security payment.

Consultation is open from 15 March 2022 to 22 April 2022. During this time, individuals and organisations can submit their views via the DSS Engage platform, by either:

- Taking part in a short survey; or
- Lodging a written submission.

The short survey invites responses from both individuals and organisations. The survey asks questions related to:

- Demographics to ensure we're consulting with a range of different stakeholders
- Overall experience with the income reporting process
- Changes in the experience of reporting income since the legislative change was implemented
- Awareness of the legislative change at the time of transition
- Challenges during the transition process
- Impacts of the legislative change (including for those receiving Pension Payments).

**Section****Discussion Paper content**

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Written submissions are less prescriptive in nature and can be submitted in the preferred structure and style of an organisation or individual.

All views will be considered. Responses will not be visible to anyone else and will not be directly attributed back to any individual or organisation. More information about how feedback will be used is available on DSS Engage.

Please email [incomereporting@kpmg.com.au](mailto:incomereporting@kpmg.com.au) with any questions.

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# Appendix C: Survey Outlines

Table 11: Individual survey outline - via DSS Engage

Note all questions were optional and did not need to be completed prior to an individual submitting the survey.

Section	Survey questions
<b>Section A – Demographics</b>	<ul style="list-style-type: none"> <li>• How do you identify?</li> <li>• Do you identify as a member of the LGBTIQ+SB community?</li> <li>• What is your age?</li> <li>• Which of the following best describes you? (Social security payment recipient profile)</li> <li>• Did you report employment income to Centrelink for yourself, or a partner before 7 December 2020?</li> <li>• Have you reported employment income to Centrelink for yourself, or a partner on or after 7 December 2020?</li> <li>• Do you currently report your, or your partner’s employment income to Centrelink?</li> <li>• Which of the following payments do you currently receive?</li> <li>• How long have you been receiving the following payment(s)?</li> <li>• Do you identify as having a disability?</li> <li>• Do you identify as Aboriginal and Torres Strait Islander?</li> <li>• Which state or territory do you live in?</li> <li>• In which type of location do you live?</li> <li>• Which of the following best describes your current employment status?</li> <li>• How frequently do you get paid by your employer?</li> <li>• What country were you born in?</li> <li>• Do you speak a language other than English at home?</li> </ul>
<b>Section B – Overall Experience</b>	<ul style="list-style-type: none"> <li>• How do you typically report employment income to Centrelink?</li> <li>• To what extent do you agree with the following statements [about the current employment income process]?</li> <li>• Compared to this time two years ago (beginning of 2020), would you say your experience with the employment income reporting process has changed? How?</li> </ul>
<b>Section C – The Transition from Earned to Paid</b>	<ul style="list-style-type: none"> <li>• Do you recall hearing about or being notified about the above change before it was implemented?</li> <li>• How do you recall hearing about the change?</li> <li>• Do you agree you felt adequately informed about your requirement to report in a different way moving forward?</li> <li>• Do you recall having any issues with reporting employment income during the transition period (December 2020)?</li> <li>• What issues do you recall having with reporting employment income during the transition period (December 2020)?</li> </ul>
<b>Section D – Unintended Consequences</b>	<ul style="list-style-type: none"> <li>• To what extent do you agree with the following statements [about the employment income reporting process since change was introduced]?</li> <li>• On a scale of 0 to 10, to what extent did the employment income reporting change impact you?</li> </ul>

Section	Survey questions
	<ul style="list-style-type: none"> <li>In what ways has the employment income reporting change made the process more complex?</li> </ul>
<b>Section E – Pension Payments</b>	<ul style="list-style-type: none"> <li>On a scale of 0 to 10, to what extent has the change to pension payment reporting frequency impacted you?</li> <li>Do you have any further comments about the employment income reporting change or this survey?</li> </ul>

Table 12: Organisation survey outline - via DSS Engage

Note all questions were optional and did not need to be completed prior to an organisation submitting the survey.

Section	Survey questions
<b>Section A – Demographics</b>	<ul style="list-style-type: none"> <li>Which organisation are you representing?</li> <li>Which of the following describes the organisation you are representing?</li> <li>Which of the below services does your organisation provide?</li> <li>In which states or territories are your organisations' services available?</li> <li>Does your organisation target services to any of the following customers or groups?</li> <li>Which of the following social security payments* are most relevant to the services your organisation offers?</li> </ul>
<b>Section B – Overall Experience</b>	<ul style="list-style-type: none"> <li>To what extent do you agree with the following statements about the current employment income reporting process?</li> </ul>
<b>Section C – The Transition from Earned to Paid</b>	<ul style="list-style-type: none"> <li>Do you recall hearing about or being notified about the above change before it was implemented?</li> <li>How do you recall hearing about the change?</li> <li>To what extent do you agree that your organisation felt adequately informed about the change to the employment income reporting process?</li> <li>If anything, what could have been improved about how the change was communicated to your organisation?</li> </ul>
<b>Section D – Unintended Consequences</b>	<ul style="list-style-type: none"> <li>On a scale of 0 to 10, to what extent do you believe the employment income reporting change has impacted social security payment recipients?</li> <li>In what ways has the change made the process more complex?</li> <li>Since the change came into effect, have you implemented any initiatives to help your organisation or social security payment recipients manage the change?</li> </ul>
<b>Section E – Pension Payments</b>	<ul style="list-style-type: none"> <li>On a scale of 0 to 10, to what extent do you believe the change to pension payment reporting frequency has impacted social security payment recipients?</li> <li>Do you have any further comments about the employment income reporting change or this survey?</li> </ul>



# Appendix D: Stakeholders who participated in consultation

## Organisations consulted in one-on-one interview

The following four organisations gave consent to be identified as having participated in consultation as part of the review. The fifth organisation did not wish to be publicly identified.

Table 13: Peak body organisations interviewed in one-on-one consultation

Organisation	Date of consultation with KPMG
Economic Justice Australia	27 April 2022
ANU Crawford School of Public Policy	22 April 2022
Rural Financial Counselling Service NSW	27 April 2022
Federation of Ethnic Communities Councils of Australia	29 April 2022

Table 14: Demographic profile of individuals surveyed

Demographic profiler	Subgroup	Per cent of individuals surveyed (n=54)	Number of individuals surveyed (n=)
<b>Aboriginal &amp; Torres Strait Islander People</b>	Aboriginal & Torres Strait Islander People	6%	3
	Non-Aboriginal & Torres Strait Islander People	93%	50
	Prefer not to say	2%	1
<b>Country of birth</b>	Australia	80%	43
	Outside of Australia	20%	11
<b>Gender</b>	Male	20 %	11
	Female	70%	38
	Other	10%	5
<b>Geographic Location</b>	Australian Capital Territory	2%	1
	New South Wales	24%	13
	Northern Territory	6%	3
	Queensland	22%	12
	South Australia	13%	7
	Tasmania	0%	0
	Victoria	22%	12
	Western Australia	11 %	6
<b>Age</b>	Under 20	2%	1
	21-44	41%	22

Demographic profiler	Subgroup	Per cent of individuals surveyed (n=54)	Number of individuals surveyed (n=)
	Over 45	56%	30
	Prefer not to say	2%	1
<b>Rural / Remote</b>	Metro	63%	34
	Regional/ rural	26%	14
	Remote	7%	4
	Unsure / prefer not to say	4%	2
<b>People with disability</b>	Yes	50%	27
	No	46%	25
	Prefer not to say	4%	2
<b>Identify as a member of the LGBTQI+ community</b>	Yes	15%	8
	No	80%	43
	Prefer not to say	6%	3

Table 15: Social security profile of individuals surveyed

Social security related-profile	Subgroup	Per cent of individuals surveyed (n=54)	Number of individuals surveyed (n=)
<b>Social security profile</b>	I am a carer / parent or guardian of a social security payment(s) recipient, but do not receive payment myself	11%	6
	I am a partner or nominee of someone who is a social security payment(s) recipient, but do not receive a payment myself	7%	4
	I currently receive a social security payment from Centrelink	74%	40
	I have expertise in social security law, social security payment, public policy or another relevant field	4%	2
	Other	4%	2
<b>Reported employment income to Centrelink BEFORE 7 December 2020</b>	Yes	81%	44
	No	19%	10
<b>Reported employment income to Centrelink ON OR AFTER 7 December 2020</b>	Yes	76%	41
	No	20%	11
	Not applicable	2%	1
	Prefer not to say	2%	1
	Yes	70%	38

<b>Social security related-profile</b>	<b>Subgroup</b>	<b>Per cent of individuals surveyed (n=54)</b>	<b>Number of individuals surveyed (n=)</b>
<b>Currently report employment income to Centrelink</b>	No	22%	12
	Not applicable	6%	3
	Prefer not to say	2%	1
<b>Payment(s) currently received</b>	Age Pension	6%	4
	Jobseeker	38%	24
	Disability Support Pension	13%	8
	Carer Payment	19%	12
	Parenting Payment single or partnered	6%	4
	Youth Allowance	3%	2
<b>Duration of payment (s) currently received</b>	Under 5 years	58%	23
	5-10 years	28%	11
	Over 10 years	15%	6
<b>Frequency of payment from employer (if employed)</b>	Weekly	18%	6
	Fortnightly	68%	23
	Irregular / per contract	9%	3
	Other	6%	2

Table 16: Profile of external organisations consulted

Note: counts equal more than the total completes as questions allowed multiple responses.

<b>Organisation profiler</b>	<b>Subgroup</b>	<b>Number of organisations surveyed (n=)</b>
<b>Organisation type</b>	Charitable organisation / not for profit / community group	6
	Advocacy body / organisation	4
	Peak / leadership / expert body	2
	Social security employment provider	2
	Social security legal counsel provider	1
<b>Payment relevant to services offered by organisation</b>	Disability Support Pension	8
	Jobseeker	5
	Youth Allowance	6
	Special Benefit	5
	ABSTUDY	5
	Carer Payment	4
	Parenting Payment (single or partnered)	4
	Age Pension	3
	Austudy	4

<b>Organisation profiler</b>	<b>Subgroup</b>	<b>Number of organisations surveyed (n=)</b>
	Partner Allowance	2
	Widow Allowance	2
	Status Resolution Support Services	1
<b>State in which organisation has a presence</b>	Nationally	1
	NSW	5
	VIC	2
	WA	2
	QLD	1
	SA	1
<b>Represented cohorts through leadership of services offered</b>	People with disability	8
	People facing or at risk of social or economic disadvantage	6
	Aboriginal and Torres Strait Islander People	5
	Members of the LGBTIQ+SB Community	4
	CALD	4
	Migrants and refugees	4
	People experiencing homelessness	4
	Children or young people	4
	Students	5
	Older people	3



## Contact us

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