

The points experiment has failed¹

The points system is not fit for purpose and needs to be suspended until it is replaced with a better model.

The points system in the Workforce Australia employment services model was supposed to make meeting mutual obligation requirements easier, but 41% of people are unable to meet or report the points target each month.

The points system, known as the Points Based Activation System (PBAS), was introduced when Workforce Australia commenced in July 2022, replacing the previous job search target of 20 job applications per month.

The default target is 100 points, although these targets are automatically reduced for parents, people with disability, older workers and people who reside in areas where there are fewer jobs.

People can choose a range of activities as part of their points target, and a minimum target of four job applications. The tasks and activities that contribute to points targets can include updating a resume, attending a job expo, paid work, participation in activities like employability skills training or Work for the Dole (as shown in Figure 1).

Figure 1: Sample of tasks/activities and their points values

Tasks and Activities	Points
Completing a quality job application	5 points
Attending a job interview	10 points
Education and Training, including JobTrainer funded courses	15 points per week while studying part-time
Paid work	10 points per 10 hours worked
Work for the Dole	15 points per week while participating full-time or 10 points per week while participating part-time
Employability Skills Training	15 points per week while participating full-time or 10 points per week while participating part-time
Career Transition Assistance	15 points per week while participating full-time or 10 points per week while participating part-time
Creating or updating their career profile	5 points (once per month only)

¹ This briefing is based on EJA analysis of DEWR data for April-June 2024 (see references for links)

Many of the processes on which points reports rely involve automation and automated decisions. Recording of tasks and activities involves selecting fields and entering data online through the jobseeker dashboard via the Workforce Australia App or myGov².

Points reporting catches out vulnerable people the most

The points system was supposed to make meeting monthly reporting requirements easier, but data recently published by the Department of Employment and Workplace Relations (DEWR) indicates that the points-system has been causing grief for a significant portion of all those required to use it. The data for April-June 2024 shows that 41% of people in Workforce Australia Online and Provider Services are unable to complete the points target every month.

Those most likely to face challenges with the points system include First Nations People (58%), people who have not completed Year 12 (49%), and people with disability (45%). Young people (47%) are also disproportionately represented in the data, suggesting there is a mismatch between the points concept and the real behaviour of 'digital natives'.

A comparison between the overall number of participants by cohort and the rate of incompleteness also shows these groups are disproportionately represented. For example, Indigenous participants comprise 16% of the overall Workforce Australia caseload, yet 22% are represented in the overall rate of incompleteness.

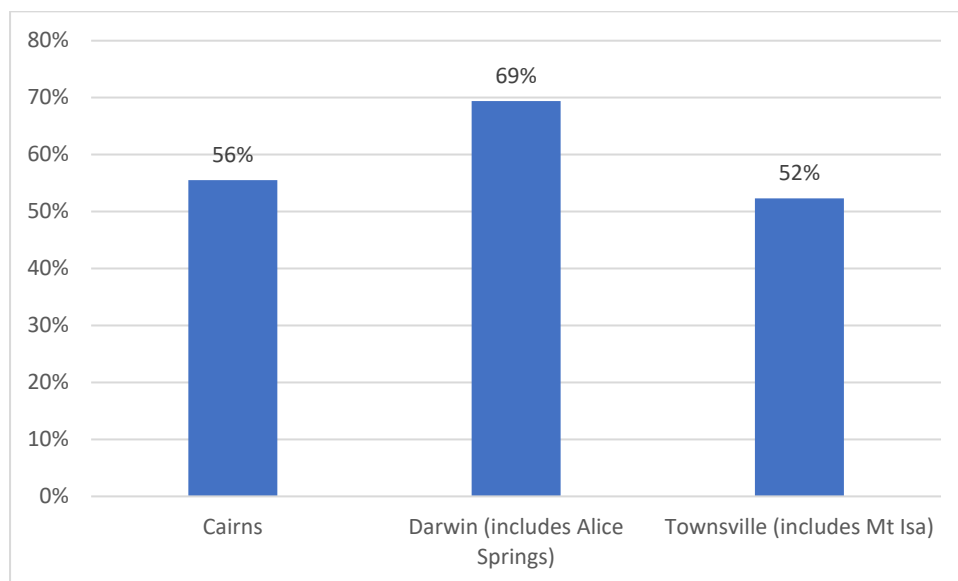
Figure 2- Quarterly data on incomplete points by select cohorts (April-June 2024)

Cohort	Did not meet target	% who did not meet target	% of overall participants in Workforce Australia	Share of overall Workforce Australia participants who did not meet target
Indigenous	88 955	58%	16%	22%
Education: Less than Year 12	152 320	49%	32%	37%
Male: Age 35-44 Years	56 670	48%	12%	14%
Allowance Group: Youth Allowance	36 305	47%	8%	9%
People With Disability	93 045	45%	22%	23%
Male: Age Under 25 Years	42 820	44%	10%	10%
Male: Age 45-54 Years	39 635	44%	9%	10%
Male: Age 25-34 Years	75 580	44%	17%	18%
Male	236 015	43%	54%	57%

Figure 3 also shows that First Nations people are likely disproportionately affected in regional locations that are known to have higher populations of First Nations people such as Carins (55.5%), Darwin and Alice Springs (69.4%), and Townsville (52.3%).

² Attending appointments with providers will become an activity from March 2025

Figure 3 – Incomplete points by First Nations hotspots



Payment suspensions and incomplete points

There are many reasons why a person may have difficulty meeting or reporting requirements, not all of which are in their control. Practical factors such as homelessness, lack of access to a mobile phone or the internet, or personal issues such as mental illness are not always considered a ‘reasonable excuse’ under current arrangements, with decision makers allowed limited discretion.

Not being able to complete reports causes people significant stress because JobSeeker or Youth Allowance payments are suspended when reports are incomplete. Currently these suspensions occur automatically for 65 per cent of those who are unable to complete their points each month. The reconnection requirement for incomplete PBAS is generally four job applications, which is time consuming but must be completed before the payment can be switched back on.

Payment suspensions for incomplete points is a common occurrence. In the period April-June 2024, of the 433,935 participants who received a payment suspension in both Workforce Australia Online and Provider, 157,079 (36%) received a payment suspension for incomplete points.

Figure 4 – Breakdown of points by main causes of payment suspensions

Appointments/Activities	Participants who received	Percentage
Provider appointment	209 370	48%
Points based period	157 070	36%
Total participants	433 935	100%

Data comparison suggests the points system has not made it easier for people to complete their monthly targets. Comparison of data on the rate of suspensions under jobactive (May 2021) and Workforce Australia (April to June 2024), shows similar percentages of participants received payment suspensions for not attending appointments and for not completing monthly

targets. As Figure 5 shows, the percentages overall remain roughly the same under both sets of targets.

Figure 5: Main reasons for payment suspensions Workforce Australia vs jobactive

Reason for suspension (events)	Workforce Australia %³	Jobactive %
Not attendance at provider appointment	48%	51%
Incomplete Points-based /job search target	48%	43%

Tinkering at the edges

Since points reporting became mandatory in January 2023, the Department has attempted to address the problem of non-completion with a range of measures including automated points reductions and improved factsheets.

These initiatives have resulted in completions rates increasing by 8 percentage points (i.e. from 49 to 50%) across the board since then. However, the fact that 41 percent of people are unable to complete their points each month suggests the problems with the system are more complex than people lacking understanding of how to report their points.

Automation limits access to human intervention

The high rates at which incomplete points automatically convert into demerit points suggest online processes limit opportunities for individuals to challenge or negotiate automated decisions. The data on demerit points illustrates this inconsistency. For Online Services, 92% of suspensions convert to demerits compared to 78% for Provider Services. The rate of demerit conversions is higher in Online Services because suspensions are applied automatically despite participants not having access to a worker to review the reasons why they did not complete the points.

A similar concern about the automation of compliance is reflected in data on incomplete job plans for people using online services. In this instance, for those people who were unable to complete the job plan, 70% resulted in automated payment suspension, of which 94% converted to demerit points.

What can be done?

The government's response to the House of Representatives Inquiry⁴ into Workforce Australia noted the government held concerns, and some changes to the compliance framework are set to come into effect in October 2024. Among these will be a change to the resolution period - the period between a person being notified of their failure to meet their points and when they receive a payment suspension. This period will increase from 2 days to 5 days.

This increase will give people more time to resolve a problem before payments are suspended but will not fix the fundamental problem of PBAS overall, which is that it involves an

³ Online and Provider Service Totals as % of all suspension vs jobactive May 2021 data from QoN SQ21-000982

⁴

www.aph.gov.au/Parliamentary_Business/Committees/House/Former_Committees/Workforce_Australia_Employment_Services/WorkforceAustralia/Government_Response

unnecessary burden of self-administration of job search requirements that adds little to helping people get jobs.

Providers have called for changes to the points model, citing contractual inflexibilities that prevent them from being able to adjust points. A Nous Group evaluation of Workforce Australia noted there are barriers in providers' contracts, suggesting there needs to be a reversal of current points automation to a model where a points goal is negotiated by the participant and the employment consultant.

Recommendations

The points system is not working and should be replaced with something far simpler.

1. Development of a system to replace points reporting should be subject to an inclusive design process involving people directly affected by the system and policy advocates.
2. Until such time as a new system is implemented, the current system should be suspended to relieve stress experienced by the substantial percentage of people engaging with the points-based system who rely on low-income support payments.

References

www.dewr.gov.au/employment-services-data/points-based-activation-system-data

www.dewr.gov.au/employment-services-data/job-seeker-compliance-data#toc-targeted-compliance-framework-tcf-

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