

Outcome 3

Enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment and training services

Outcome 3 strategy

A diverse and skilled workforce is integral to Australia's long-term productivity and economic prosperity. The objective of Outcome 3 is to ensure working age people of all backgrounds have access to a range of services that assist them to develop new skills and knowledge, gain sustainable employment and participate in society.

While Australia has one of the lowest unemployment rates by international standards, the challenge of an ageing population combined with ongoing structural changes in the labour market and the risk of skill shortages across many industries remain. The Government's employment services and related programs assist disadvantaged job seekers to find employment and address vocational and non-vocational barriers so individuals can participate in the workforce to their capacity and throughout their working age lives.

The Outcome works across the portfolio, with other agencies and a range of external stakeholders to bolster Australia's productive capacity through:

- leading place-based and cohort-based solutions to labour demand and supply
- maximising the linkages between further education/training and employment outcomes
- flexible policies and programs that boost social inclusion and workforce participation, particularly for disadvantaged job seekers
- policies and programs that increase Aboriginal and Torres Strait Islander peoples' employment outcomes and participation, contributing to the Government's commitment to Closing the Gap in employment outcomes between Aboriginal and Torres Strait Islander peoples and other Australians within the decade.

Supporting these evidence-based strategies are collaborative relationships with key international organisations including the OECD, APEC and the G20 as well as the department's own data research and analysis.

Disability Employment Services – Employment Support Service

The competitive tender for the Disability Employment Services – Employment Support Service was completed on 30 October 2012.

The tender secured the best possible providers to deliver the Disability Employment Services – Employment Support Service over the next five years, until March 2018. As a result of the tender, job seekers with disability have

greater access to services with a 50 per cent increase in the number of service sites across the country; bringing the total number of sites to more than 1,650. A wider range of specialist services that go beyond disability types is now available, including specialisations such as youth and homelessness. New deeds commenced on 4 March 2013.

Improved performance in the Disability Employment Services – Employment Support Service is expected as new and expanding high performing providers implement their servicing strategies and establish local connections with employers and communities.

A four month transition process, undertaken between November 2012 and March 2013, supported providers, participants, their carers and employers affected by the tender outcomes. Tailored transition arrangements were put in place for each participant.

From 1 July 2013, a loading of 88 per cent on Job Placement and Outcome Fees will be available to Disability Employment Service providers when they place a job seeker with moderate intellectual disability in open employment above their minimum assessed work capacity per week.

Employment Services Arrangements in Remote Australia – the new Remote Jobs and Communities Program

The Remote Jobs and Communities Program (RJCP) is the culmination of a comprehensive review of remote participation and employment servicing arrangements. The RJCP will operate in 59 remote regions throughout Australia.

During 2012–13 the Government consulted with remote communities on the implementation of the new integrated RJCP. The RJCP is funded at \$1.5 billion over five years and will commence on 1 July 2013. It replaces Job Services Australia (JSA), Disability Employment Services (DES), Indigenous Employment Program (IEP) and the Community Development Employment Projects program in remote Australia. The RJCP is designed to ensure remote job seekers, especially Aboriginal and Torres Strait Islander job seekers, participate in meaningful community activities and get the skills they need to find and keep a job.

The new contract arrangements will commence on 1 July 2013.

Mature Age Strategy

The integrated package of Experience+ mature-age programs acknowledges the valuable contribution that mature-age people make to the Australian economy and focuses on maximising the potential of an ageing population.

Employers are being encouraged to employ and retain mature-age people, including through the Experience+ Corporate Champions program. A number of employers have become Experience+ Corporate Champions to demonstrate leadership in recruiting and retaining mature-age staff. These employers are receiving one-on-one assistance to establish and achieve their recruitment and retention goals. They have access to the Experience+ Jobs Bonus of \$1,000 for

employers who recruit and retain an eligible mature-age job seeker for at least 13 weeks.

The department has tendered for the delivery of the Experience+ Work Ready program to provide eligible mature-age job seekers with intensive job preparation assistance, including undertaking job-specific training and participation in paid work placements to help them find and keep a job. This program adds to the support available through Experience+ Career Advice which provides free, professional career counselling and resume appraisal to Australians aged 45 years and over.

There is currently an advertising campaign, aimed at raising awareness of Experience+ programs amongst mature aged Australians to improve their participation in the labour force.

Building Australia's Future Workforce

Building Australia's Future Workforce (BAFW) was announced in the 2011–12 Budget as a whole-of-government response to address the challenges of Australia's transitioning labour market by building an educated and skilled workforce and maximising opportunities for all to experience the benefits of work. The package contained 39 measures across the department and the Departments of Human Services; Families, Housing, Community Services and Indigenous Affairs; and Industry, Innovation, Climate Change, Science, Research and Tertiary Education. All BAFW measures were implemented by 1 January 2013 and two have been completed. They include:

- the Helping Young Parents measure (Teenage Parents Trial). The measure commenced on 1 January 2012 and ceases on 30 June 2015. It will support around 4,000 young parents in 10 identified locations of disadvantage. The aim is for eligible young parents to obtain a Year 12 or equivalent qualification and support the health, wellbeing and early development of their children
- the extension of the Priority Employment Area strategy, including Local Employment Coordinators and Jobs and Skills Expos to support areas identified as vulnerable against around 70 indicators of labour market disadvantage. Local Employment Coordinators in 20 designated priority employment areas identify opportunities and connect stakeholders across governments to deliver local solutions to local labour market problems and have access to a Flexible Funding Pool to support their work. Local Employment Coordinators work with their Advisory Committee in their respective regions to implement a regional employment plan, taking account of the broader Regional Development Australia Plans and Regional Education, Skills and Jobs Plans where these align. A further 10 Jobs and Skills Expos will be held and a Flexible Funding Pool maintained to help connect people with employment and training opportunities
- initiatives to increase the workforce participation of disadvantaged people including 20 Job Services Australia demonstration pilots to test enhancements to current service delivery arrangements and Wage

Connect, a wage subsidy targeted at supporting the very long-term unemployed gain secure, sustainable employment

- the Supporting Jobless Families measure (Jobless Families Trial) commenced on 1 July 2012 and ceases on 30 June 2015. The measure will support around 34,000 parents in 10 identified locations of disadvantage by boosting the job readiness of the eligible parents and the health, development and wellbeing of their children through better family linkages to local services.

In consultation with other participating agencies, the department is undertaking an overarching evaluation of the BAFW package. This includes an interim and final report.

Migration and Seasonal Workers

The department provides labour market, workplace relations and related advice on a range of temporary and permanent migration programs. The department is the lead agency for the Seasonal Worker Program which commenced on 1 July 2012 (replacing the Pacific Seasonal Worker Pilot Scheme). Under the Seasonal Worker Program, workers from the selected Pacific island countries and Timor-Leste will be able to work in the horticulture industry for between 14 weeks and six months. The program also includes a small scale trial in selected locations in the accommodation, aquaculture, cane and cotton sectors. The department works with the Fair Work Ombudsman to ensure the terms and conditions of employment for migrant workers are lawful.

Evaluations

The department undertakes a range of reporting functions to evaluate the performance of programs including Helping Young Parents, Supporting Jobless Families, Family Centred Employment Project (FCEP) and Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM).

Development of post-June 2015 Employment Services

The Government has commenced development of new employment services arrangements to take effect when the current contracts for Job Services Australia and the Disability Management Services element of Disability Employment Services expire on 30 June 2015. The Government continues to undertake comprehensive public consultations in relation to its employment services issues paper of December 2012 entitled *Employment Services – Building on Success*. The Government will use this feedback from stakeholders, along with evidence about best-practice and system performance, to develop a new system focused on meeting the needs of jobseekers and employers.

Table 2.3A Budgeted expenses and resources for Outcome 3

	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Outcome 3: Enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment training services.		
Program 3.1: Employment Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,298,802	1,361,805
Total for Program 3.1	1,298,802	1,361,805
Program 3.2: Indigenous Employment		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	172,576	154,006
Total for Program 3.2	172,576	154,006
Program 3.3: Disability Employment Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	788,360	776,964
Total for Program 3.3	788,360	776,964
Program 3.4: Remote Jobs and Communities Program		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	168	213,642
Total for Program 3.4	168	213,642
Program 3.5: Working Age Payments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	198	198
Special appropriations	14,788,807	15,463,900
Total for Program 3.5	14,789,005	15,464,098
Outcome 3 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,260,104	2,506,615
Special appropriations	14,788,807	15,463,900
Departmental expenses		
Departmental appropriation ¹	311,611	312,584
Special appropriations		
Special Accounts		
Expenses not requiring appropriation in the Budget year ²	44,603	41,805
Total expenses for Outcome 3	17,405,125	18,324,904
	2012-13	2013-14
Average Staffing Level (number)	2,028	2,011

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

² Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

Program 3.1 Employment Services

Program objective

Job Services Australia (JSA) is a tailored employment service for job seekers enabling providers to more effectively respond to changing economic conditions. JSA has placed more than 1.5 million Australian job seekers in employment. The 2013–14 Budget will invest \$5.3 billion over the next four years in JSA.

Under Building Australia's Future Workforce (BAFW) and other government initiatives a strong focus on measures to support young people, very long-term unemployed people and highly disadvantaged job seekers includes:

- DHS–Centrelink Job Seeker Workshops for Stream 1 job seekers in their first 13 weeks of unemployment. This measure is expected to reduce Stream 1 job seekers' time in unemployment and increase the rate at which they participate in the workforce, allowing greater assistance to be focused on highly disadvantaged job seekers
- Wage Connect was announced as part of the BAFW package and became available on 1 January 2012. Wage Connect is targeted at supporting the very long-term unemployed gain secure, full-time sustainable employment and make the move to greater financial independence. It is designed to offset the lower productivity of a job seeker in the early stages of employment and encourage employers to offer job seekers who have been very long-term unemployed an opportunity to participate in the labour market. The initiative is targeted at both JSA and Disability Employment Services job seekers
- increased participation obligations for very long-term unemployed job seekers to undertake job training, Work for the Dole and other activity requirements for 11 months of the year
- transition support for early school leavers, aged 15 to 21 years, which will fund JSA providers to deliver targeted assistance in the form of a structured activity of up to 25 hours per week to help young people build life, study and employment skills
- assistance to Parenting Payment recipients by supporting eligible unemployed parents to access professional career counselling to build motivation and confidence
- place-based demonstration pilots for highly disadvantaged job seekers in JSA, through approximately 20 pilot projects of up to \$200,000 each in identified areas of high disadvantage, to model potential enhancements to Stream 4 service delivery including demonstrating partnerships with complementary service providers to improve employment and education outcomes
- immediate access to JSA services for workers who are made redundant from eligible companies in the live cattle export industry, Tasmanian forestry industry and companies affected by restructuring at BlueScope

Steel is provided at the Stream 2 and Stream 3 levels. Redundant workers from eligible companies in the automotive manufacturing and textile, clothing and footwear industries continue to receive immediate access to Stream 3 support.

The Australian Government is implementing a 12 month labour mobility and relocation assistance initiative from 1 July 2013. Eligible job seekers will be assisted to relocate their families into remote resource sector communities to take up employment or an apprenticeship.

The initiative will support job seekers who are fully eligible for JSA or participants in DES. Up to \$6,500 will be available to assist eligible job seekers with dependents if they relocate to take up an ongoing employment opportunity or an apprenticeship. Other eligible job seekers will receive up to \$4,500 in assistance.

There are three measures designed to improve the employment outcomes for Aboriginal and Torres Strait Islander job seekers that commenced on 1 July 2012:

- the Indigenous Mentoring Pilot (IMP) is being trialled in 20 Employment Service Areas over three years. The IMP is delivered by selected JSA providers to provide intensive and culturally appropriate mentoring support for Aboriginal and Torres Strait Islander job seekers, and determine whether such support contributes to improved sustainability of employment
- online training to improve the cultural capability of JSA and DES providers
- refreshed JSA and DES service guarantees to ensure culturally appropriate services are provided to Aboriginal and Torres Strait Islander job seekers.

The effectiveness of the employment services is measured by monitoring the proportion of job seekers in employment, education and training and off benefits following assistance by the service, and conversely, the proportion of job seekers found to be failing to comply with their participation obligations without good reason.

Administered items

- Job Services Australia – (\$5.3 billion over the next four years) – assists unemployed individuals to obtain the skills they need to ensure sustainable employment. Employment services providers help all eligible job seekers build linkages with employers, connect job seekers to appropriate training and skills development opportunities and build linkages with other key stakeholders.
- The Productive Ageing Package (\$43.3 million from 2010–11 to 2014–15) commenced on 1 July 2010 and includes several programs such as Experience+, including Career Advice, Experience+ Training, On The Job Support, and Job Transition Support.

- The new Experience+ Package (\$55.3 million from 2012–13 to 2015–16) is designed to encourage employers to recruit and retain mature-age job seekers and keep mature-age Australians engaged in the workforce.

Table 2.3.1 Administered expenses for Program 3.1

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
Jobs Services Australia	1,276,830	1,346,535	1,323,293	1,353,946	1,309,993
Pacific Seasonal Workers Program	1,148	931	1,260	1,685	1,715
Productivity Education and Training Fund	10,000	-	-	-	-
Regional Education, Skills and Jobs Plans	442	442	-	-	-
Mature Age Employment	6,063	10,864	13,824	16,288	6,039
Productive Ageing Package	4,319	3,033	1,858	1,908	-
Total program expenses	1,298,802	1,361,805	1,340,235	1,373,827	1,317,747

Linked to: Department of Human Services, Program 1.1 Services to the Community and the Department of Families, Housing, Community Services and Indigenous Affairs, Program 1.1 Torres Strait Regional Authority and Program 7.1 Economic Development and Participation

Table 2.3.1A Program 3.1 deliverables and key performance indicators

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Job Services Australia					
Total job placements achieved	450,000	450,000	450,000	450,000	450,000
Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Cost per employment outcome for Employment Services delivered by Job Services Australia:					
• Stream 1-3	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
• Stream 4	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Proportion of job seekers in employment three months following participation in Employment Services:					
• Stream 1	55%	55%	55%	55%	55%
• Stream 2	50%	50%	50%	50%	50%
• Stream 3	30%	30%	30%	30%	30%
• Stream 4	25%	25%	25%	25%	25%
Proportion of job seekers in education/training three months following participation in Employment Services:					
• Stream 1	15%	15%	15%	15%	15%
• Stream 2	15%	15%	15%	15%	15%
• Stream 3	15%	15%	15%	15%	15%
• Stream 4	15%	15%	15%	15%	15%

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Proportion of job seekers off benefit three months following participation in Employment Services:					
• Stream 1	55%	55%	55%	55%	55%
• Stream 2	50%	50%	50%	50%	50%
• Stream 3	35%	35%	35%	35%	35%
• Stream 4	30%	30%	30%	30%	30%
Proportion of job seekers off benefit 12 months following participation in Employment Services:					
• Stream 1	65%	65%	65%	65%	65%
• Stream 2	60%	60%	60%	60%	60%
• Stream 3	40%	40%	40%	40%	40%
• Stream 4	35%	35%	35%	35%	35%

Program 3.2 Indigenous Employment

Program objective

To increase Aboriginal and Torres Strait Islander peoples' employment outcomes and participation in economic activities, contributing to the Government's commitment to halve the gap in employment outcomes for Aboriginal and Torres Strait Islander peoples and other Australians within the decade.

Achieving the Closing the Gap target of halving the gap in employment outcomes remains a challenge. An additional 100,000 Aboriginal and Torres Strait Islander peoples will need to be employed in the coming years in order to achieve the target. This means that the number of Aboriginal and Torres Strait Islander peoples with a job will need to increase from around 168,000 in 2008 to around 267,000 in 2018.

The target will be achieved not only by building the skills of unemployed Aboriginal and Torres Strait Islander peoples and assisting them into sustainable jobs, but also by increasing participation of Aboriginal and Torres Strait Islander peoples not in the labour force. This will ensure Aboriginal and Torres Strait Islander young people achieve well at school and transition effectively to further education, training or employment and promote higher skill development and career progression.

The Indigenous Employment Program (IEP) offers funding for a range of activities focused on employment, training, and business support. The IEP complements employment services available under Job Services Australia and Disability Employment Services, which are the largest provider of employment services for Aboriginal and Torres Strait Islander peoples.

The services provide customised and flexible assistance for Aboriginal and Torres Strait Islander job seekers, including pre-employment and job-specific training; employment placement, support and mentoring to help Aboriginal and

Torres Strait Islander peoples stay in work; and support for employers such as wage subsidies.

Administered items

Assistance under the IEP includes:

- tailored assistance is delivered by directly funding employers, Aboriginal and Torres Strait Islander businesses or individuals, or purchasing services from organisations on the Employment Panel and the Economic Development and Business Support Panel
- pre-designed assistance includes streamlined access to wage subsidies and Indigenous cadetship support
- the Indigenous Youth Career Pathways Program commenced in 2012 and provides support to Aboriginal and Torres Strait Islander secondary students to stay in school and undertake school-based traineeships. The program provides funding for one-on-one support to students participating in the program, along with school based aspiration building events and activities and some support for employers.

Table 2.3.2 Administered expenses for Program 3.2

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Indigenous Employment Program	172,576	154,006	156,337	158,723	161,573
Total program expenses	172,576	154,006	156,337	158,723	161,573

Linked to: Department of Human Services, Program 1.1 Services to the Community and the Department of Families, Housing, Community Services and Indigenous Affairs, Program 1.1 Torres Strait Regional Authority

Table 2.3.2A Program 3.2 deliverables and key performance indicators

Deliverables	2012-13 Revised budget	2013-14 Budget	2014-15	2015-16	2016-17
Indigenous Employment Program					
Number of total commencements (includes commencements in employment, training and other assistance)	25,800	23,500	23,800	24,200	24,200
Number of employment commencements	14,200	12,900	13,100	13,300	13,300
Key performance indicators	2012-13 Revised budget	2013-14 Budget	2014-15	2015-16	2016-17
Proportion of job seekers in employment and/or education/training (positive outcomes) 3 months following participation in Indigenous Employment Program	65%	65%	65%	65%	65%

Program 3.3 Disability Employment Services

Program objective

Disability Employment Services (DES) has been in operation since 1 March 2010. The objective of the program is to help individuals with injury, disability or a health condition to secure and maintain sustainable open employment. The DES program operates under the terms of the *Disability Services Act 1986*.

The services focus on the needs of job seekers, with an increased emphasis on employment, skills development and education and training. Service providers consider the impact that a participant's injury, disability or health condition has on their ability to find and retain a job, and provide appropriate tailored assistance to job seekers so that they can achieve sustainable employment outcomes. Where required, DES offers ongoing support in the workplace to help participants retain their employment. As an employment service DES is also focussed on the needs of employers, providing participants with the skills and training to meet employer needs. Providers help build disability confidence in the workplace and support employers to maintain quality and sustainable outcomes for people with disability, including where appropriate, arranging workplace modifications through the Employment Assistance Fund.

DES offers two demand-driven programs to help people with injury, disability or health condition to find employment:

- Disability Management Service (DMS) – provides services to eligible job seekers with temporary or permanent injury, disability or health condition who require the assistance of a disability employment service and who may require flexible ongoing support but are not expected to need regular, long-term support in the workplace.
- Employment Support Service (ESS) – available to those eligible job seekers with permanent disability who are assessed as needing regular long-term ongoing support in the workplace.

Employment assistance and other services are targeted to support employers employ people with disability and are comprised of the: Employment Assistance Fund; Supported Wage System; Wage Subsidy Scheme and National Disability Recruitment Coordinator.

The purchasing arrangements for DES contracts in non-remote areas are as follows:

- during 2012, all DES-DMS contracts were extended until 30 June 2015
- during 2012, all four and five star DES-ESS providers were offered a contract extension from 4 March 2013 until 4 March 2018. The business of one, two and three star DES-ESS providers was put to open tender in 2012. The results of the tender were announced on 30 October 2012. The competitive tender process for DES-ESS business provides certainty that the best providers are delivering services to people with disability. The DES-ESS contracts continue until 4 March 2018

- DES-DMS and DES-ESS contracts in remote areas were extended until 30 June 2013. From 1 July 2013, the Remote Jobs and Communities Program (RJCP) replaces the DES contracts in remote areas.

Administered items

- Disability Employment Services (\$3.2 billion over the next four years).

Table 2.3.3 Administered expenses for Program 3.3

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Disability Employment Services	750,397	741,367	784,828	828,515	833,155
Employment Assistance and Other Services	37,963	35,597	40,203	37,990	37,895
Total program expenses	788,360	776,964	825,031	866,505	871,050

Linked to: Department of Families, Housing, Community Services and Indigenous Affairs, Program 5.4 Services and Support for People with Disability and Program 5.6 National Disability Insurance Scheme

Table 2.3.3A Program 3.3 deliverables and key performance indicators

Deliverables	2012-13 Revised budget	2013-14 Budget	2014-15	2015-16	2016-17
Employment assistance and other services—Disability Employment Services					
Number of commencements					
• Disability Management Service	50,000	50,000	50,000	50,000	50,000
• Employment Support Service	45,000	45,000	45,000	45,000	50,000
Total job placements achieved					
• Disability Management Service	31,000	31,000	31,000	31,000	32,000
• Employment Support Service	28,000	34,000	34,000	34,000	38,000
Employment assistance and other services—employer incentives and other services					
• Other Disability Employment including assistance and services—Employer Incentives Scheme incorporating Wage Subsidy Scheme, Supported Wage System and Employment Assistance Fund	16,500	16,500	16,500	16,500	16,500

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
<ul style="list-style-type: none"> National Disability Recruitment Coordinator 	500 job placements to 31 December 2012. 150 job vacancies from 1 January to 30 June 2013	300 job vacancies	300 job vacancies		Program ceases 2015

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Proportion of job seekers in employment three months following participation in Employment Services:					
<ul style="list-style-type: none"> Disability Management Service 	45%	45%	45%	45%	50%
<ul style="list-style-type: none"> Employment Support Service 	40%	40%	40%	40%	45%

Program 3.4 Remote Jobs and Communities Program

Program objective

The Remote Jobs and Communities Program (RJCP) will commence on 1 July 2013 and aims to achieve personal, social and economic development through active participation, jobs and stronger communities in remote Australia.

The program will build on the strengths of existing employment, participation and community programs and provide a more integrated and flexible approach to employment and participation services for people in remote areas.

RJCP has a 'jobs first' approach which supports individuals to participate to their capacity in employment and training and activities that contribute to the sustainability of their community. Under the program, job seekers will have improved access to education, training and other assistance to help them overcome barriers to employment. Local employment opportunities will be maximised through strategies to build employer demand and foster economic development.

Each of the 59 remote regions will have a single provider with a permanent presence in that region. Remote communities will have a strong say in how providers develop and deliver services. The program will promote better functioning communities through community development and participation, economic development and strengthening community capacity.

The RJCP will be jointly administered by the department and FaHCSIA.

The main elements of the RJCP are:

- Remote Employment and Participation Services providing
 - personalised support for job seekers with access to skills development and training linked to their needs and local job opportunities.
Providers will have access to the Participation Account, a flexible pool of funds to help pay for goods and services that assist job seekers to become more employable and provide participation activities of benefit to the community
 - employer engagement to identify opportunities and establish career pathways for job seekers
 - meaningful participation activities so job seekers and community volunteers have the opportunity to contribute to their community
- the Remote Youth Leadership and Development Corps to help young people transition successfully from school to work and build foundation and vocational skills
- providers and communities working together to identify the strategies and facilities needed to address barriers to employment and participation, and to develop a Community Action Plan which sets out the local priorities for participation, training, employment and long-term development in the region.

The Community Development Fund managed by FaHCSIA is also part of the RJCP. It will support projects that help communities build the strong foundations that lead to sustained economic growth and provide employment and participation opportunities for local people.

The RJCP Performance Management Framework will feature a set of three Key Performance Indicators (KPIs) for assessing provider performance in community engagement and participation, achieving employment and education outcomes and service quality. The final list of detailed performance measures will be determined following community and industry consultation.

Table 2.3.4 Administered expenses for Program 3.4

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Remote Participation and Employment Services	168	206,642	193,129	239,935	238,683
Remote Youth Leadership and Development Corps	-	7,000	14,000	21,000	21,000
Total program expenses	168	213,642	207,129	260,935	259,683

Linked to: Department of Families, Housing, Community Services and Indigenous Affairs, Program 7.1 Economic Development and Participation

Program 3.5 Working Age Payments

Program objective

Working age payments assist people in the transition to work by supporting them to improve their prospects of gaining employment, acquire labour market skills and knowledge and participate in society.

Financial assistance is provided to people who are moving towards being self-sufficient and looking for work or undertaking employment preparation programs/training, including those who have parenting responsibilities, have a partial capacity to work due to disability and young people studying towards a Year 12 or equivalent education attainment. The 2013–14 Budget announces new measures to support the participation of unemployed Australians, young people and principal carer parents:

- increasing the income free area which applies for recipients of Newstart Allowance, Widow Allowance, Partner Allowance, Parenting Payment Partnered and Sickness Allowance from the present level of \$62 per fortnight to \$100 per fortnight, to provide allowance recipients the opportunity to earn up to \$38 more income per fortnight before their payment rate is affected. Commencing 20 March 2014, this will ensure recipients are financially better off undertaking paid work and help provide a stepping stone to self-sufficiency and full employment. The income free area will be indexed by annual percentage changes in the Consumer Price Index from 1 July 2015
- extending eligibility for the Pensioner Education Supplement to all Newstart Allowance single principal carer parents undertaking approved study from 1 January 2014. This will continue the Government’s commitment to encouraging single parents into work once their children are older through the acquisition of relevant skills and education to increase their job-readiness and as such their ability to return to the workforce
- extending the entitlement for single principal carer parents to keep their Pensioner Concession Card for 12 weeks once they move off payment because the age of their child and their earnings preclude them from another income support payment. Commencing from 1 January 2014, this will provide support to single parents who are transitioning off income support and into employment.

Administered items

- Compensation and debt relief – provides access for eligible recipients to discretionary payments in special circumstances or financial relief from amounts owing to the Commonwealth.
- Mobility Allowance – a non-means tested income supplement for people with disability who are unable to use public transport without substantial assistance.

- Newstart Allowance – provides income support for eligible job seekers aged between 22 years and Age Pension age. Recipients must satisfy an activity test by seeking and accepting suitable work and participating in activities designed to improve their employment prospects.
- Parenting Payment – provides income support for the principal carer of a child aged under six years if the carer is partnered or under eight years if the carer is single.
- Partner Allowance – provides assistance to mature-age people who are partners of income support recipients and who face difficulty gaining employment due to a lack of recent workforce experience. This allowance was closed to new claimants on 20 September 2003.
- Pensioner Education Supplement – a fortnightly payment to certain income support recipients who are participating in approved full-time or part-time study.
- Sickness Allowance – an income support payment for people aged 22 years and over but under Age Pension age who are temporarily incapacitated for work or study as a result of illness or injury, are unable to work or study, and have a job or course of study to return to.
- Utilities Allowance – a supplement paid to eligible income support recipients of Widow Allowance and Partner Allowance to assist with their household bills.
- Widow Allowance – provides income support for older working age women who no longer have a partner and have no recent workforce experience. This allowance is being phased out and eligibility is limited to women born on or before 1 July 1955.
- Youth Allowance (other) – an income support payment available to eligible young people aged 16 to 21 years who may be required to seek or prepare for paid employment or, until they attain a Year 12 or an equivalent Certificate II qualification, undertake study or training in combination with other approved activities.

Table 2.3.5 Administered expenses for Program 3.5

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Compensation and Debt Relief	198	198	198	198	198
Special Appropriations:					
<i>Social Security (Administration) Act 1999</i>					
Mobility Allow ance	147,590	150,976	152,680	155,601	155,464
New start Allow ance	7,609,410	8,385,421	9,352,443	8,647,893	8,735,561
Parenting Payment Single	4,488,882	4,245,923	4,284,008	4,444,512	4,565,732
Parenting Payment Partnered	1,004,203	981,491	993,663	1,028,036	1,036,381
Partner Allow ance Benefit	12,432	5,949	799	465	459
Partner Allow ance Pension	118,428	68,675	11,774	-	-
Pensioner Education Supplement	81,735	80,537	82,393	77,988	74,659
Sickness Allow ance	97,925	99,524	101,384	104,695	107,966
Utilities Allow ance	18,274	18,785	15,412	14,855	12,429
Widow Allow ance	373,450	351,992	315,849	294,139	253,624
Youth Allow ance (Other)	836,478	1,074,627	1,117,353	1,090,229	1,027,448
Total program expenses	14,789,005	15,464,098	16,427,956	15,858,611	15,969,921

Linked to: Department of Human Services, Program 1.1 Services to the Community and the Department of Families, Housing, Community Services and Indigenous Affairs, Program 5.6 National Disability Insurance Scheme

Table 2.3.5A Program 3.5 key performance indicators

Key performance indicators	2012-13 Revised budget	2013-14 Budget	2014-15	2015-16	2016-17
Average (mean) duration on income support by current income support payment (weeks) ^{1,2}					
• Newstart Allowance	230	220	212	212	218
• Youth Allowance (Other)	89	89	90	89	88
• Parenting Payment Single	286	275	254	252	252
• Average (mean) duration on Newstart Allowance (weeks) ^{7,3}	na	93	90	97	104

¹ Forecasting methods for average durations take account of changes to eligibility for Parenting Payment from 1 January 2013, changes to Youth Allowance (Other) from 1 July 2012 and projected recipient numbers over the next four financial years.

² Average income support duration includes periods in receipt of other income support payments prior to receiving the current income support payment.

³ The average Newstart Allowance duration measure, which has been introduced for the 2013-14 PBS in light of recent policy changes, only includes time spent on Newstart Allowance and excludes time previously spent on other income support payments.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Percentage of income support recipients who exit income support within three months of grant:					
• Newstart Allowance	32%	30%	30%	30%	30%
• Youth Allowance (Other)	33%	34%	34%	35%	35%
Percentage of income support recipients who exit income support within 12 months of grant ⁴					
• Newstart Allowance	75%	74%	75%	75%	75%
• Youth Allowance (Other)	71%	70%	70%	69%	69%

Outcome 3 Departmental outputs

Table 2.3B Performance information for Outcome 3 departmental outputs

Performance indicator	2013–14 estimate
<i>Program management</i>	
Employment IT applications: defect density for important defect types is measured by the mean defect from the International Software Benchmarking Standards Group (ISBSG) repository of major defects	Benchmark: Mean defect density (major severity) = 15 defects per 1000 function points (measured four weeks after software release)
Employment IT applications services— construction and redevelopment of internally developed software	Cost benchmark is \$1,250 per function point. Target is \$1,250 or less
Employment IT applications availability	Target is 99.5%
Services provided by DHS on behalf of DEEWR programs satisfy jointly agreed performance requirements including detailed Key Performance Measures with specific targets	DEEWR continuously monitors the performance of DHS against agreed performance requirements as outlined in the Bilateral Management Agreement. The departments work collaboratively to address performance issues where targets are not met
<i>Client satisfaction</i>	
Level of satisfaction of service providers with contracted information and support	Target is 80%
High quality advice as measured by the level of satisfaction by Commonwealth public sector agencies and organisations	Qualitative evaluation of satisfaction using feedback from Commonwealth public sector agencies and organisations

⁴ Exit statistics are sensitive to the assumptions used to derive the data. The exit figures used above take into account exits from income support of at least a day. Note that the exit data quoted in the Joint Agency Submission to the Senate Inquiry into allowance payments defined a gap in payment of at least 6 weeks (or 13 weeks if they had been in receipt of income support for more than 12 months) as an exit from payment and results in a figure of 60 per cent of new Newstart recipients each year having exited income support within 12 months.