

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

Increasing productivity and workforce participation is essential for maintaining Australia's economic growth and lifting our long-term prosperity. The long-term challenges of an ageing population combined with the need for a more highly skilled workforce, and ongoing structural changes across many industries mean it is increasingly important that people of working age are participating in the labour market and that their skills are regularly updated and where necessary, upgraded. This will ensure skills shortages are not a capacity constraint, and workers take advantage of opportunities in new industries and markets.

While the unemployment rate in Australia remains low by international standards there remain areas of ongoing relative disadvantage in Australia. The Government's employment services and related programs provide disadvantaged Australians – those who have difficulty finding and maintaining work – with opportunities and support to develop their skills and capabilities so they can be financially self-sufficient and have positive levels of wellbeing throughout their life. The Outcome leads the department's contribution to population, participation and productivity policy development through strategies that build workforce capability, flexibility and participation incentives through:

- place-based and sectoral solutions to labour supply
- policies and programs that boost social, economic and workforce participation, particularly for disadvantaged job seekers
- policies that promote the wellbeing of working age Australians
- policies and programs that increase Aboriginal and Torres Strait Islander people's 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.

Underpinning these strategies is a rich evidence base supported by collaborative relationships with key international research organisations including the OECD, as well as the department's own research and statistics.

Contributions to Outcome 3

Employment Services Arrangements in Non-Remote Areas

Job Services Australia

The Employment Services Deeds for Job Services Australia (JSA), which expire on 30 June 2012, provided extension clauses. The procurement methodology for JSA 2012-2015 chosen by Government was a mix of contract extensions, business reallocation for underperforming contracts, and an open tender process. The outcomes of the Request for Tender for JSA which was released in November 2011 were published in March 2012. New deeds will commence on 1 July 2012.

Disability Employment Services—Employment Support Service

On 20 February 2012, the Disability Employment Services—Employment Support Service (DES-ESS) Exposure Draft of proposed purchasing arrangements was released. Consultation sessions were held in capital cities and selected regional centres to support the release of the Exposure Draft and allow the community to provide comments and feedback. This feedback was considered in finalising the Request for Tender (RFT), which will be released in May 2012. The outcomes of the RFT are due for release in late October 2012. The new deeds will commence on 4 March 2013.

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.

During 2012–13 the Government will continue to consult 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 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.

Indigenous Economic Development Strategy

In October 2011 the Indigenous Economic Development Strategy was released following extensive consultation with Aboriginal and Torres Strait Islander peoples across Australia. The strategy focuses on increasing the personal and economic wellbeing of Aboriginal and Torres Strait Islander peoples through greater participation in the economy.

The strategy sets out a long-term agenda for Indigenous economic participation that will guide government decision-making and program development through to 2018. It identifies five priority areas, each with specific actions, which are key to improving the

prosperity of Aboriginal and Torres Strait Islander peoples: strengthening foundations; education; skills development and jobs; business and entrepreneurship; and financial security and independence.

Mature age strategy

The department is working with employers to encourage the employment of mature-age people, including through the Investing in Experience Employment Charter and Tool Kit. A number of large employers (Corporate Champions) have been appointed 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, including access to the new Jobs Bonus of \$1000 (from 1 July 2012) for employers who recruit and retain a mature age job seeker for 13 weeks. From 1 January 2013, additional assistance will also be provided for peer-based support, intensive job preparation and training (including IT training) to eligible mature-age job seekers in targeted areas and industries, to help them find and keep a job.

The Charter, Tool Kit and Corporate Champions form part of the work of the Consultative Forum on Mature Age Participation. The forum has presented an interim report to Government identifying the barriers to employment faced by mature-age people and will present a final report by 30 June 2012, following Australia's first national survey on those barriers. Consultation with members and other key stakeholders will continue, with a view to increasing the recruitment and retention of mature-age people.

Job seeker compliance

The job seeker compliance measures announced in the 2011-12 Budget under Building Australia's Future Workforce (BAFW), to be introduced from 1 July 2012, will strengthen job seeker participation arrangements by improving the interaction between employment services providers and Centrelink. There will be better communication of job seekers' circumstances which will contribute to individualised servicing strategies and improved job seeker engagement. Wherever possible, Comprehensive Compliance Assessments for vulnerable job seekers will be conducted face-to-face and providers will be given the opportunity to provide input into Comprehensive Compliance Assessments in certain circumstances. Job seekers who are having difficulty in meeting their participation requirements will also benefit from targeted interviews jointly held with their employment services provider and Department of Human Services staff. Simplification of the IT user interface will assist provider staff to correctly report on job seeker participation and to understand the reasons for Centrelink compliance decisions. Alignment of penalty rate calculations is also being introduced to simplify the framework and streamline compliance arrangements for job seekers and providers.

Job seekers and skill development

In order to address the need for adequately skilled job seekers to fill current vacancies, and to enable employers to recruit the workers they will require in the future, it is important to increase awareness and access to the employment and training programs and services in place for job seekers to obtain the necessary skills to meet the needs of employers. The department is working with state and territory agencies to develop strategies to strengthen the interaction and information sharing between the employment services and training sectors, including at the local level.

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 contains 39 measures across the department and the Departments of Human Services; Families, Housing, Community Services and Indigenous Affairs; and Industry, Innovation, Science, Research and Tertiary Education. Around half of the BAFW measures are now in place, with 15 commencing on 1 July 2012 and one remaining measure starting on 1 January 2013.

BAFW measures implemented by the department in 2011–12 include:

- the Helping Young Parents program (Teenage Parents Trial) to support around 4000 young parents over 3.5 years across ten identified locations of disadvantage, at a cost of \$47 million, to obtain Year 12 or equivalent qualifications and support the development of their children.
- the extension of the Priority Employment Area strategy, including Local Employment Coordinators and Jobs and Skills Expos, through to June 2013 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.
- 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 new wage subsidy to encourage employers to take on very long-term unemployed people.

- the Compulsory Participation Requirements for Jobless Families—Targeted Locations measure is being implemented on 1 July 2012 at a cost of \$71.1 million over three financial years and will support around 22 000 parents per year across ten identified locations of disadvantage, with a focus on child health, development and wellbeing and on helping the parents to take steps to participate in work.

In consultation with other participating departments, the department is undertaking an overarching evaluation of the BAFW package. The interim report is due in December 2013 and the final report in October 2014.

Migration and seasonal workers

The department provides labour market and related advice on temporary and permanent migration programs to ensure the programs contribute to the supply of skilled labour necessary to improve productivity in the labour market and the economy. The department is the lead agency for the Seasonal Worker Program which commences on 1 July 2012 and will supersede the Pacific Seasonal Worker Pilot Scheme. Under the Seasonal Worker Program, workers from the Pacific and East Timor will be able to work in the horticulture industry for between 14 weeks and seven months. The program also includes a small scale trial for the tourism industry, cotton and cane industries and the aquaculture industry.

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Table 2.3A Budgeted expenses and resources for Outcome 3

	2011-12 Estimated actual expenses \$'000	2012-13 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)	1,563,229	1,562,519
Total for Program 3.1	1,563,229	1,562,519
Program 3.2: Indigenous Employment		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	157,713	172,576
Total for Program 3.2	157,713	172,576
Program 3.3: Disability Employment Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	861,708	855,356
Total for Program 3.3	861,708	855,356
Program 3.4: Remote Jobs and Communities Program		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	-	168
Total for Program 3.4	-	168
Program 3.5: Working Age Payments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	198	198
Special appropriations	14,050,967	14,761,161
Total for Program 3.5	14,051,165	14,761,359
Outcome 3 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,582,848	2,590,817
Special appropriations	14,050,967	14,761,161
Departmental expenses		
Departmental appropriation ¹	322,387	332,507
Expenses not requiring appropriation in the Budget year ²	49,179	48,757
Total expenses for Outcome 3	17,005,381	17,733,242
	2011-12	2012-13
Average Staffing Level (number)	2,016	1,924

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 streamlined and personalised service for job seekers enabling providers to more effectively respond to changing economic conditions. JSA provides job seekers with tailored services to equip them with the skills and attributes to meet employers' needs.

The 2012–13 Budget will invest more than \$6 billion over the next four years in JSA. A number of additional strategies will build on the current JSA service model and procurement arrangements to continue to lift performance when current contracts cease on 30 June 2012.

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 include:

- 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
- Removal of Stream Services Reviews (SSR)—from 1 July 2012, job seekers will automatically enter the Work Experience Phase after 52 weeks of service or where appropriate, 78 weeks for Stream 4 job seekers
- Wage Connect—a wage subsidy to encourage employers to take on, and retain, eligible people who have been unemployed for at least two years, was successfully implemented on 1 January 2012. Wage Connect helps employers to offset the costs of wages and training of new employees for the first six months they are in a job. Wage Connect provides job seekers with the opportunity to gain paid work and to transition to greater financial independence. At the same time, employers will get help to offset the costs of wages and training for the first six months a person is employed. Wage Connect is also available to participants in Program 3.3 Disability Employment Services
- 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

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- 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.

There are three elements designed to improve the employment outcomes for Aboriginal and Torres Strait Islander job seekers to commence from 1 July 2012:

- a pilot program to trial intensive mentoring support for Aboriginal and Torres Strait Islander job seekers
- 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.

From 1 July 2012, JSA providers will be paid a single outcome payment for placing a job seeker in employment for 13 and 26 weeks. This replaces the former system where a provider could claim a higher payment for making direct contact with an employer to identify a vacancy before the job seeker secures the position and a lower payment for when the provider has upskilled and supported a job seeker to undertake a job search activity and secure an ongoing job themselves.

The Government in this Budget has maintained the focus on the most disadvantaged by reducing the length of the Intensive Activity a job seeker in Stream 1 (that is the most job ready) must undertake from a minimum of 40 hours to a minimum of 25 hours. The Intensive Activity will also be delivered after 26 weeks, rather than 13 weeks. Reducing the Service Fee associated with Intensive Activities and moving the requirement for the activity to be delivered at 26 weeks minimises the costs associated with servicing job seekers who have the lowest level of disadvantage, the greatest level of job-readiness and are more likely to find a job on their own.

From 1 September 2012, this Budget will also enable JSA providers to respond to the needs of employers by providing a financial reward to providers for the placement of Stream 1 job seekers into employment where the provider has sourced the position from an employer. Previously a job seeker had to have completed 3 months of servicing before the provider was eligible for a Job Placement Fee.

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.

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

Administered items

- Job Services Australia (\$6 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.
- Disability Employment Services (more than \$3.2 billion) – see Program 3.3.
- The Productive Ageing Package (\$43.3 million from 2010–11 to 2014–15) – designed to assist mature-age Australians, who want to work, to remain engaged in the labour market by providing vital training and support and to encourage job retention and the transfer of their skills to younger generations.

Table 2.3.1 Administered expenses for Program 3.1

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Job Services Australia	1,490,135	1,544,929	1,480,393	1,463,215	1,409,465
Jobs Fund	38,800	-	-	-	-
National Green Jobs Corps	18,750	-	-	-	-
Pacific Seasonal Workers Program	-	1,148	935	1,265	1,693
Productivity Education and Training Fund	10,000	10,000	-	-	-
Regional Education, Skills and Jobs Plans	442	442	442	-	-
Mature Age Participation - job seeker assistance	-	1,545	5,117	7,409	10,407
Productive Ageing Package	5,102	4,455	3,045	-	-
Total program expenses	1,563,229	1,562,519	1,489,932	1,471,889	1,421,565

Program 3.1 deliverables

	2011-12 Revised budget	2012-13 Budget	2013-14	2014-15	2015-16
Job Services Australia					
Total job placements achieved	450 000	450 000	450 000	450 000	450 000

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Program 3.1 key performance indicators

	2011–12 Revised budget	2012–13 Budget	2013–14	2014–15	2015–16
Cost per employment outcome for Employment Services delivered by Job Services Australia:					
• Stream 1-3	\$4000	\$3000	\$3000	\$3000	\$3000
• 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	45%	50%	50%	50%	50%
• Stream 3	30%	30%	30%	30%	30%
• Stream 4	18%	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%
Proportion of job seekers off benefit three months following participation in Employment Services:					
• Stream 1	55%	55%	55%	55%	55%
• Stream 2	45%	50%	50%	50%	50%
• Stream 3	35%	35%	35%	35%	35%
• Stream 4	25%	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	55%	60%	60%	60%	60%
• Stream 3	40%	40%	40%	40%	40%
• Stream 4	30%	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 about 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 IEP offers funding for a range of activities focused on employment, training, aspiration building, and business support. The IEP complements employment services available under JSA and DES, 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 and cross-cultural training.

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

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. \$50.7 million has been allocated over four years to 2014–15.

Table 2.3.2 Administered expenses Program 3.2

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Indigenous Employment Program	157,713	172,576	159,610	161,951	164,503
Total program expenses	157,713	172,576	159,610	161,951	164,503

Program 3.2 deliverables

	2011–12 Revised budget	2012–13 Budget	2013–14	2014–15	2015–16
Indigenous Employment					
Number of total commencements (includes commencements in employment, training and other assistance)	28 350	25 800	23 500	23 800	24 200
Number of employment commencements	15 600	14 200	12 900	13 100	13 300

Program 3.2 key performance indicators

	2011–12 Revised budget	2012–13 Budget	2013–14	2014–15	2015–16
Proportion of job seekers in employment and/or education/training (positive outcomes) three 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 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 outcomes. Where required, DES offers ongoing support in the workplace to help participants retain their employment. The DES comprises:

- Disability Management Service (DES-DMS) – for job seekers with disability, injury or health condition who require the assistance of a disability employment service, but are not expected to need long-term support in the workplace
- Employment Support Service (DES-ESS) – for job seekers with permanent disability and with an assessed need for more long-term, regular support in the workplace.

The Senate Inquiry Report into the administration and purchasing of DES in Australia, tabled on 25 November 2011, made a number of recommendations about the purchasing arrangements for DES-ESS. The Government responded to these recommendations on 17 February 2012.

The 2012–13 Budget, over the next four years, will invest more than \$3.2 billion in DES. This includes the following measures to support participation for people with disability:

- Contracts for DES providers were extended from 1 July 2012, as announced in the 2011–12 Budget. This includes extension of DES-DMS for three years in non-remote areas and extension of DES-ESS for eight months in non-remote areas. DES-DMS and DES-ESS contracts in remote areas were extended for 12 months.
- The Government announced that DES-ESS would be the subject of a competitive tender in 2012.
- Four and five star DES-ESS providers will be offered a contract extension from 4 March 2013. The remaining business will be put to open tender in late May 2012. The competitive tender process for DES-ESS business provides certainty that the best providers are delivering services to people with disability. New contracts will begin on 4 March 2013.

Linked to: Department of Families, Housing, Community Services and Indigenous Affairs - Services and Support for People with Disability.

Administered items

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

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- Disability Management Service 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 is 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.

Table 2.3.3 Administered expenses for Program 3.3

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Disability Employment Services	824,310	817,393	838,683	799,795	765,807
Employment Assistance and Other Services	37,398	37,963	35,642	40,254	38,057
Total program expenses	861,708	855,356	874,325	840,049	803,864

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Program 3.3 deliverables

	2011–12 Revised budget	2012–13 Budget	2013–14	2014–15	2015–16
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	50 000	45 000	45 000	45 000	45 000
Total job placements achieved					
• Disability Management Service	23 000	31 000	31 000	31 000	31 000
• Employment Support Service	24 000	34 000	34 000	34 000	34 000
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	15 000	16 500	16 500	16 500	16 500
• National Disability Recruitment Coordinator	1000	1000	1000	1000	Program ceases 2015

Program 3.3 key performance indicators

	2011–12 Revised budget	2012–13 Budget	2013–14	2014–15	2015–16
Proportion of job seekers in employment three months following participation in Employment Services:					
• Disability Management Service	22%	45%	45%	45%	45%
• Employment Support Service	17%	40%	40%	40%	40%

Program 3.4 Remote Jobs and Communities Program

Program objective

The new Remote Jobs and Communities Program (RJCP) objective is to build jobs and create sustainable communities in Remote Australia. The RJCP will be jointly administered by the department and FaHCSIA. RJCP providers will work in partnership with communities to develop Action Plans, which set out the framework to meet employment, economic and community development goals.

The RJCP will provide people living in remote communities with access to improved services that will help drive structural improvements in communities to develop the opportunities and social norms that encourage and support employment, particularly for the young. Central to the new integrated RJCP will be demand-driven 'jobs first' employment and participation services. A key component of this will be a Participation Account which will provide funding to assist participants overcome vocational and non-vocational barriers in the context of community participation activities that are 'work like' and of benefit to the community. In addition the new Remote Youth Leadership and Development Corps will see young job seekers undertake a structured program of up to 12 months to get them job ready, with a specific focus on providing work experience in jobs that are available in or near their community.

Funding will also be provided to support employer engagement and economic development in communities, including through the appointment of remote employment and economic development coordinators. Providers will work in close partnership with communities to determine collective and individual goals. A Community Development Fund managed by FaHCSIA is also part of the RJCP package. Projects under the fund will support larger community development projects, which lead to sustained economic growth and positive change in the community. These will be developed by the community and will provide employment and participation opportunities for local people.

The key features of the RJCP will be:

- a single provider servicing one of 65 remote servicing regions with a permanent presence in that region
- the provider delivering services in partnership with the community underpinned by a mutually developed Community Action Plan
- all communities and job seekers engaged in meaningful activities in line with their participation requirements and work capacity.

Further development of the Performance Management Framework will be undertaken in the 2012-13 financial year. The framework will feature a set of three key performance indicators (KPIs) set out in the table below.

Key Performance Indicator	Possible points of measurement
KPI 1: Community engagement and participation	Sign-on to community activities, referrals and commencements, participation and engagement outcomes identified in community plans
KPI 2: Employment and education	Employment and education outcomes
KPI 3: Quality	Provider capability, service delivery outcomes, stakeholder engagement, governance

Table 2.3.4 Administered expenses for Program 3.4

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Remote Participation and Employment Services	-	168	201,016	187,200	233,629
Remote Youth Leadership and Development Corp	-	-	7,000	14,000	21,000
Total program expenses	-	168	208,016	201,200	254,629

Program 3.5 Working Age Payments

Program objective

Working age payments support people 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: unemployed; looking for work; undertaking employment preparation programs; have parenting responsibilities; have a partial capacity to work due to disability or young people studying towards a Year 12 or equivalent education attainment. The 2012-13 Budget includes measures that will provide additional support for payment recipients to help them manage unanticipated financial pressures:

- Job seekers, Parenting Payment and ABSTUDY (Living Allowance) recipients will receive a new income support supplement from 20 March 2013 of \$210 per year for singles and \$175 per year for each member of a couple. The supplement will be indexed and paid in two instalments in March and September each year.
- From 1 July 2013, new claimants for Newstart Allowance, Sickness Allowance and Youth Allowance will be able to keep more of their savings. The Liquid Assets Waiting Period thresholds will be doubled from \$2500 to \$5000 for a single person and from \$5000 to \$10 000 for a person who is partnered or has dependent children.

Workforce participation will be encouraged and there will be greater equity in income support eligibility for parents with the cessation of grandfathering arrangements introduced in 2006. From 1 January 2013 grandfathered parents will be subject to the same income support eligibility rules as other parents and will cease to be eligible for Parenting Payment when their youngest child is 6 (for partnered parents) and 8 (for single parents). Parenting Payment recipients may then transfer to Newstart Allowance, if eligible. This measure brings forward the gradual withdrawal of grandfathering announced in the 2011-12 Budget.

Measures announced as part of the Building Australia's Future Workforce package in the 2011-12 Budget to support participation by young people and jobless families will be implemented in 2012-13 (subject to the passage of legislation) and include:

- improving work incentives for unemployed young people through increasing the income test free area of Youth Allowance (other) from \$62 a fortnight to \$143 a fortnight, complemented by an increase in the Working Credit from \$1000 to \$3500 from 1 July 2012
- improving study incentives and strengthening participation requirements from 1 July 2012 for 21-year-old job seekers by closing Newstart Allowance to all new applicants aged 21 (they will instead be eligible for Youth Allowance (other)) and extending the Learn or Earn requirements to 21-year-old Youth Allowance (other) recipients who do not have a Year 12 or equivalent qualification
- improving incentives to work from 1 January 2013 by relaxing the income test taper rate for single principal carers on Newstart Allowance

Linked to: Department of Human Services is responsible for the delivery of income support payments.

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 21 years (22 years from 1 July 2012, subject to the passage of legislation) 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.

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- 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 21 years and over (22 years and over from 1 July 2012, subject to the passage of legislation) 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 20 years (16 to 21 years from 1 July 2012, subject to the passage of legislation) 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

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 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	139,686	143,501	147,255	151,241	156,820
New start Allow ance	6,590,474	7,766,968	8,585,907	7,875,716	8,529,865
Parenting Payment Single	4,737,198	4,247,628	4,046,953	4,176,937	4,040,668
Parenting Payment Partnered	1,062,116	1,017,422	1,001,902	1,017,453	1,008,604
Partner Allow ance Benefit	17,704	10,995	4,682	503	412
Partner Allow ance Pension	157,831	99,661	55,720	4,443	-
Pensioner Education Supplement	81,095	73,112	68,307	64,693	74,189
Sickness Allow ance	91,288	92,485	95,708	96,132	103,395
Utilities Allow ance	20,400	19,176	18,459	15,662	15,197
Widow Allow ance	401,691	367,536	361,127	330,279	308,218
Youth Allow ance (Other)	751,484	922,677	1,118,558	1,026,967	1,098,008
Total program expenses	14,051,165	14,761,359	15,504,776	14,760,224	15,335,574

Program 3.5 key performance indicators*

	2011-12 Revised budget	2012-13 Budget	2013-14	2014-15	2015-16
Average (mean) duration on income support by current income support payment (weeks):					
Newstart Allowance	178	187	197	205	213
• Youth Allowance (Other)	86	89	90	89	88
• Parenting Payment Single	361	351	345	340	340
Percentage of income support recipients who exit income support within three months of grant:					
• Newstart Allowance	32	32	31	31	31
• Youth Allowance (Other)	33	36	38	41	41
Percentage of income support recipients who exit income support within 12 months of grant:					
• Newstart Allowance	72	75	77	79	79
• Youth Allowance (Other)	71	71	71	71	71

*Indicators to be reviewed to take into account legislative changes

Outcome 3 Departmental outputs

Table 2.4B Performance information for Outcome 3 departmental outputs

Performance indicator	2012–13 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 (to be measured four weeks after software release)
Employment IT applications services— construction and redevelopment of internally developed software	Cost benchmark is \$1250 per function point. Target is \$1250 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.	DHS met majority of DEEWR requirements and departments worked collaboratively to address performance issues where targets were 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

