

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programmes are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Employment in achieving government outcomes.

Outcome 1: Foster a productive and competitive labour market through employment policies and programmes that assist job seekers into work, meet employer needs and increase Australia's workforce participation.

Outcome 1 Strategy

Through this outcome, the department assists the Australian Government to create an environment of opportunity for more Australians to gain paid employment, delivering benefits for individuals and the community. Strategies for achieving this outcome during 2014–15 include:

- delivering job services that support job seekers and employers so that every Australian capable of working has access to services that help them find employment or attain the skills and experience needed to move from welfare to work as quickly as possible
- providing advice and preparing for the implementation of job services beyond 30 June 2015 when current contracts expire
- continuing to reduce red tape for employment services including simplifying and streamlining processes, making more efficient use of technology and increasing collaboration and use of data across government agencies
- monitoring labour market conditions in Australia and providing policy advice to the government to enable employment services to reflect the needs of the community
- working collaboratively with other agencies and a range of external stakeholders to bolster Australia's productive capacity and ensure a consistent approach to government delivery of employment services

- maintaining collaborative relationships with relevant international organisations including the OECD, APEC and the G20
- providing secretariat services and co-chairing meetings of the G20 Task Force on Employment. The Task Force is coordinating the development of country-specific employment plans which will be submitted to G20 Leaders at the Brisbane Summit in November 2014.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Foster a productive and competitive labour market through employment policies and programmes that assist job seekers into work, meet employer needs and increase Australia's workforce participation.	2013-14 Estimated actual expenses ¹ \$'000	2014-15 Estimated expenses \$'000
Programme 1.1: Employment Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,027,922	1,453,525
Total for Programme 1.1	1,027,922	1,453,525
Programme 1.2: Indigenous Employment		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	16,946	-
Total for Programme 1.2	16,946	-
Programme 1.3: Disability Employment Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	341,047	-
Total for Programme 1.3	341,047	-
Programme 1.4: Remote Jobs and Communities Programme		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	15,534	-
Total for Programme 1.4	15,534	-
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,401,449	1,453,525
Departmental expenses		
Departmental appropriation ²	185,286	194,603
Special appropriations	-	-
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year ³	21,094	27,393
Total expenses for Outcome 1	1,607,829	1,675,521
	2013-14	2014-15
Average Staffing Level (number)	1,169	1,227

¹ The 2013–14 estimated actual expenses reflect the part year of operations since the department was established by the Administrative Arrangements Order of 18 September 2013.

² Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

³ Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense and Audit Fees.

Contributions to Outcome 1

Programme 1.1: Employment Services

Programme Objective

This programme contributes to achieving the objectives of the outcome by delivering the Australian Government's employment services and election commitments. Priority areas for employment services in 2014–15 include:

- continuing the development of new arrangements for job services, the national service designed to get unemployed people off welfare and into work
- delivering wage subsidies for employers that support job seekers to retain employment and move off income support
- structural adjustment packages to support workers who are made redundant from eligible companies in the Tasmanian forestry industry, the automotive manufacturing industry, the textile, clothing and footwear industry and companies affected by restructuring at BlueScope Steel. Eligible workers receive a higher level of support through job services
- providing incentives and support through the Helping Young Parents and Supporting Jobless Families trials to encourage people to participate in study, become job ready or move into paid employment. The measures aim to break the cycle of disadvantage for families and increase workforce participation and the wellbeing of participants' children and families, particularly through better linkages to local services. The overall impacts and cost effectiveness of these, compared to similar programmes, will be evaluated.

The major election commitments overseen by the department are:

- the Work for the Dole programme, which will help job seekers gain the skills and experience they need to move from welfare to work as soon as possible while at the same time making a positive contribution to their local community. A phased introduction in 2014–15 will see Work for the Dole Coordinators working with local employers and Job Services Australia providers to source Work for the Dole places around Australia
- the Tasmanian Jobs Programme, from 1 January 2014 to 30 June 2016, is providing up to 2000 one-off payments of \$3250 to any Tasmanian business that employs an eligible job seeker on a full-time basis for at least six months. To be eligible, job seekers must have been a resident in Tasmania for the preceding six months and be in receipt of Newstart Allowance, Youth Allowance (Other) or Parenting Payment with participation requirements for the same period
- the Relocation Assistance to Take up a Job Programme aims to encourage labour mobility by assisting long-term unemployed people to relocate to find employment. From 1 July 2014, the government will provide job seekers who have been unemployed for 12 months and meet other eligibility requirements

up to \$6000 if they move to a regional area to take up a job, up to \$3000 if they relocate to a metropolitan area from a regional area to take up a job (or from a capital city with high unemployment to a capital city with lower unemployment). An additional \$3000 may also be made available for families with dependent children

- the Job Commitment Bonus will provide a financial incentive to long-term unemployed young Australians by offering a payment for remaining in work and off income support. From 1 July 2014, job seekers aged 18 to 30 who have been receiving Newstart Allowance or Youth Allowance (other) for 12 months or more will be eligible for a \$2500 payment if they get a job and remain completely off welfare for a continuous period of 12 months. A further \$4000 will be available if they remain in a job and completely off welfare for a continuous period of 24 months. First payments are expected from July 2015
- the government acknowledges that mature age people can face barriers to finding employment, including negative community and employer attitudes. The government is committed to helping mature age job seekers into employment. From 1 July 2014, the government will deliver support to employers who hire eligible job seekers 50 years of age and over who have been unemployed for six months or more. Once the mature age worker has been continuously employed for six months, employers will receive their first subsidy payment.

Table 2.1.1 Administered expenses for Programme 1.1

	2013-14 Estimated actual ¹ \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
(‘000)					
Annual administered expenses:					
Job Services Australia	1,015,611	1,448,436	1,767,184	1,863,677	1,930,771
Pacific Seasonal Worker Programme	929	1,259	1,683	1,713	1,743
Regional Education, Skills and Jobs Plans	420	-	-	-	-
Mature Age Employment	7,354	3,820	3,282	3,352	3,412
Productive Ageing Package	2,943	-	-	-	-
Ford Assistance Package	665	-	-	-	-
Jobs Commitment Bonus	-	10	29,376	54,835	54,953
Total Programme expenses	1,027,922	1,453,525	1,801,525	1,923,577	1,990,879

¹ The 2013–14 estimated actual expenses reflect the part year of operations since the department was established by the Administrative Arrangements Order of 18 September 2013.

Linked to: Department of Human Services, Programme 1.1 Services to the Community – Social Security and Welfare and the Department of the Prime Minister and Cabinet, Programme 2.1 Indigenous Advancement - Jobs, Land and Economy.

Programme 1.1 Deliverables

Job Services Australia helps unemployed job seekers find and retain employment and has recorded more than 1.8 million job placements since 1 July 2009.

Table 2.1.1A Programme 1.1 deliverables

Deliverables	2013–14 Revised budget	2014–15 Budget	2015–16	2016–17	2017–18
Job Services Australia					
Total job placements achieved	450,000	450,000	450,000	450,000	450,000

Programme 1.1 Key Performance Indicators

Fully eligible job seekers are assisted in one of four streams, based on their level of disadvantage in the labour market. The most job ready job seekers are assisted in Stream 1 while job seekers with severe barriers to employment are assisted in Stream 4. The programme effectiveness is measured by monitoring the proportion of job seekers in employment, education and training and movements off benefit (Newstart Allowance or Youth Allowance (other)) following assistance by the service. The cost efficiency of moving job seekers into work is also measured.

Softening labour market conditions and programme changes have also impacted on a number of key performance indicators. The Stream 1, 2 and 3 three month employment and Stream 2 off benefit targets have been revised to reflect these changes.

Stream 2 employment and off benefit targets were increased in previous financial years to reflect the impact of the former Compact with Retrenched Workers initiative. Following the cessation of this initiative, more redundant workers are now assisted in Stream 1. The Stream 2 results have returned to previous levels. As a result, the Stream 1 three month employment target has been increased and the Stream 2 employment and off benefit targets decreased. The Stream 3 employment target has also been increased to reflect recent trends.

The performance indicators for this programme are described in Table 2.1.1B.

Table 2.1.1B Programme 1.1 key performance indicators

Key performance indicators	2013-14 Revised budget	2014-15 Budget	2015-16	2016-17	2017-18
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%	60%	60%	60%	60%
Stream 2	50%	40%	40%	40%	40%
Stream 3	30%	35%	35%	35%	35%
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%
Proportion of job seekers off benefit three months following participation in Employment Services:					
Stream 1	55%	55%	55%	55%	55%
Stream 2	50%	40%	40%	40%	40%
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%	50%	50%	50%	50%
Stream 3	40%	40%	40%	40%	40%
Stream 4	35%	35%	35%	35%	35%

Programme 1.2 Indigenous Employment

This programme records the part-year effect of those functions that transferred to the Department of the Prime Minister and Cabinet as a result of the Administrative Arrangements Order that took effect on 18 September 2013.

Table 2.1.2 Programme Expenses

	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Indigenous Employment Program	16,946	-	-	-	-
Total Programme expenses	16,946	-	-	-	-

Linked to: Department of the Prime Minister and Cabinet, Programme 2.1 Indigenous Advancement - Jobs, Land and Economy.

Programme 1.3 Disability Employment Services

This programme records the part-year effect of those functions that transferred to the Department of Social Services as a result of the Administrative Arrangements Order that took effect on 18 September 2013.

Table 2.1.3 Programme Expenses

	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual administered expenses:					
Disability Employment Services	330,740	-	-	-	-
Employment Assistance and Other Services	10,307	-	-	-	-
Total Programme expenses	341,047	-	-	-	-

Linked to: Department of Social Services, Programme 5.1 Disability Employment Services and Programme 5.6 National Disability Insurance Scheme.

Programme 1.4 Remote Jobs and Communities Programme

This programme records the part-year effect of those functions that transferred to the Department of the Prime Minister and Cabinet as a result of the Administrative Arrangements Order that took effect on 18 September 2013.

Table 2.1.4 Programme Expenses

	2013-14 Estimated actual (\$'000)	2014-15 Budget (\$'000)	2015-16 Forward estimate (\$'000)	2016-17 Forward estimate (\$'000)	2017-18 Forward estimate (\$'000)
Annual administered expenses:					
Remote Participation and Employment Services	14,816	-	-	-	-
Remote Youth Leadership and Development Corps	718	-	-	-	-
Total Programme expenses	15,534	-	-	-	-

Linked to: Department of the Prime Minister and Cabinet, Programme 2.1 Indigenous Advancement - Jobs, Land and Economy.

Outcome 1 Departmental outputs

The department supports the objectives of this outcome through policy development, programme management and provides an administrative framework that includes quality and programme assurance, purchasing and contract management, information technology and evaluation.

The department is providing advice and preparing for the implementation of the new employment services model beyond 30 June 2015 when current contracts expire. Following decisions by government in due course, the department will begin implementation including required procurement activity.

The department undertakes a range of reporting to evaluate the performance of programmes administered under outcome 1. In 2014-15, this is expected to include evaluations of: Job Services Australia; the employment impacts of Participation Requirements for Disability Support Pension recipients under 35 years of age; reforms to the Job Capacity Assessment Programme; Helping Young Parents; and Supporting Jobless Families.

Performance information for outcome 1 departmental outputs

Table 2.1.5 Outcome 1 departmental outputs performance information

Performance indicator	2014-15 estimate
Client satisfaction	
Level of satisfaction of service providers with contracted information and support	80%