

2.8 OUTCOME 8: WORKFORCE PARTICIPATION – POLICIES AND STRATEGIES ARE DEVELOPED TO ASSIST DISADVANTAGED AUSTRALIANS TO INCREASE THEIR SKILLS AND WORKFORCE PARTICIPATION THROUGH ENHANCED EMPLOYMENT SERVICES AND EMPLOYER ENGAGEMENT

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of the department in achieving government outcomes.

Outcome 8 Strategy

The Australian Government's long term economic priorities are focused on enhancing productivity growth and lifting workforce participation. An increase in the number of people participating in the workforce, adds to the economy's potential output and raises living standards. The Commonwealth Treasury's Intergenerational Report in 2007 estimated that over the next 40 years the proportion of Australia's population over the age of 65 will double to around 25 per cent. Over the same period, the proportion of the population participating in the workforce will decline from 65 per cent to an estimated 57 per cent in 2046. With an ageing population, the Government's policy priority is to increase the proportion of working age people in the workforce.

The Government is committed to increasing workforce participation by bringing into the labour force people who are not working but who have the capacity to work, and maximising the participation of those who are already working. The Government's strategy to increase workforce participation includes investment in training and skills for both job seekers and those who are already working and making employment services more responsive to individual needs.

The Government's key objectives are to:

- halve the gap in Indigenous employment over the next decade
- review and improve employment services to increase workforce participation levels
- increase skill levels of disadvantaged Australians
- maintain a significant skilled migration program.

In addition, the Government has a key objective in relation to broader participation through Social Inclusion and other policies encouraging increased participation. This objective includes:

- giving every Australian the opportunity to secure a job, access services, connect with family, friends, work and local community, deal with crises and have their voices heard
- following a place-based approach which takes into account factors such as any rural, remote and metropolitan disparities characterised by differences in access to resources, services, information and employment opportunities.

A key Government initiative in driving broader participation is the National Mental Health and Disability Employment Strategy. Under this Strategy the Government will work together with the States and Territories to help people with disability and mental illness gain and retain work.

Effectiveness in achieving the Government's objectives is reflected in the indicators in Table 2.8A. To the extent that the Government's employment, training, social inclusion and related policies are successful, this should boost the labour force participation and employment rates and reduce the proportion of the workforce-age population receiving income support payments.

Outcome 8 Resource statement

Table 2.8 provides additional detail of Budget appropriations and the total resourcing for Outcome 8.

Table 2.8 Total resources available for Outcome 8

Outcome 8: Workforce Participation – Policies and strategies are developed to assist disadvantaged Australians to increase their skills and workforce participation through enhanced employment services and employer engagement	2007-08 Estimated actual (\$'000)	2008-09 Total estimate of available resources (\$'000)
Administered Items:		
Ordinary Annual Services		
Community Development Employment Projects ¹	147,537	-
Advertising	400	417
Evaluation	-	1,060
	-	-
Special Appropriations		
	-	-
Total Administered	147,937	1,477
Departmental Outputs:		
Output 8.1 - Policy Services	29,654	19,257
Output 8.2 - Program Management	72,392	70,711
Output 8.3 - Service Delivery	1,688	1,337
Revenue from other sources	622	700
Special Account	-	-
Total Departmental	104,356	92,005
Total resources for Outcome 8	252,293	93,482
	2007-08	2008-09
Average staffing level (number)	544	433

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

1. Program transferred to the Department of Families, Housing, Community Services and Indigenous Affairs due to Machinery of Government changes.

Contributions to Outcome 8

Through Outcome 8 the department contributes to increasing workforce participation of disadvantaged Australians by providing policy advice, conducting labour market research, analysis and evaluation and developing employer engagement strategies.

The department has a key role in assisting the Government to meet its commitment to review and improve employment services, with a view to helping the most disadvantaged job seekers. Collaboration also exists between this Outcome and Outcome 4, with Outcome 4 also contributing to the implementation of the Government's Skilling Australia policy.

Key priorities for 2008-09 are:

- the Government's Social Inclusion Agenda, including increasing social inclusion of Indigenous Australians
- developing new policy settings for employment services arrangements, including improving the integration of employment, education and training to assist the most disadvantaged Australians
- emerging policy issues affecting workforce participation including, the income support system, participation requirements, and employment services for parents, youth, people who are culturally and linguistically diverse, mature age people, people with disability and Indigenous Australians.

Departmental Outputs

Working age policy and labour market strategies are important for addressing workforce participation and social exclusion via the implementation of programs and services delivered by other outcomes.

Working age policy

The outputs are information based and contribute to sustaining an efficient and equitable labour market through the provision of policy advice, research and evaluation.

The outputs from working age policy include:

- Identifying emerging issues and developing strategies to engage and increase participation of disadvantaged job seekers, principal carer parents, mature age people, youth, people who are culturally and linguistically diverse and people with disability in the workforce.
- Providing policy advice to Ministers, national committees and other key stakeholders on workforce participation matters for the above groups, including income support eligibility and participation requirements for working age people.

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- Managing the portfolio's Social Security legislation interests, to ensure the legislation reflects the policy intention, including working with key stakeholders across the department to implement a seamless transition from policy formulation to program implementation.
- Contributing to policy development across the whole of government to increase employment opportunities and link parents' payments to improved enrolment and attendance outcomes for children through the Improving School Enrolment and Attendance through Welfare Reform Initiative.
- Co-ordinating departmental and the whole-of-government contribution to the OECD Thematic Review of Sickness, Disability and Work (2005-09) and the School to Work Transitions and Youth Employment (2008-2009) to gain insight from OECD analysis and from international experience.
- Conducting research into mental health and employment under the Council of Australian Governments' National Action Plan on Mental Health. This research will provide insights into best practice employment assistance to people with mental illness to inform policy and employment assistance services decisions, including those related to DEEWR-funded employment services and supports.
- Informing policy for the Social Inclusion Agenda to reduce disadvantage by increasing workforce participation by co-ordination of the National Mental Health and Disability Employment Strategy. The Strategy aims to provide national co-ordination of support to people with disability, including employment assistance and income support.
- Developing and implementing strategies to increase social inclusion and participation of Indigenous Australians which will inform future policy and program decisions for mainstream and Indigenous specific employment programs and policies.
- Developing and implementing strategies, in conjunction with key stakeholders across the department, the Australian and State and Territory Governments, the private sector and Indigenous Australians, to halve the gap in Indigenous employment over the next decade.
- Developing, in partnership with government and non-government stakeholders, the Government's Indigenous Economic Development Strategy.
- Strengthening the capability to access relevant data sources and cross-reference those data sources to provide a stronger evidence-base for policy development through more effective investment of departmental resources, particularly to identify groups and areas suffering social disadvantage.

The department also contributes to achieving the outcome through the following:

- outputs from in-depth research and analysis of the trends and dynamics of income support recipients, and their experiences of employment and education. In 2008-09, specific research projects to contribute to on-going and future policy planning and formulation will be undertaken in the following key Government priority areas:
 - social inclusion
 - income support reliance
 - employment, including sustainability of employment
 - barriers to employment
 - education and training.
- outputs from larger scale and longer term monitoring, evaluation and research into the department's major employment assistance programs which will feed into the identification of areas for improvement and the development of future employment assistance options. This includes:
 - conducting the Post Program Monitoring survey which measures employment outcomes from clients 3 months after participation in labour market programs
 - developing and producing results from the provider performance assessment model, one of the key elements of department's performance management framework.

Labour market strategies

The outputs from labour market strategies include:

- developing and implementing strategies, in conjunction with other key stakeholders which will inform future policy and program decisions for mainstream and Indigenous specific employment programs and policies
- providing policy advice to Ministers, and other key stakeholders to inform debate and future decisions on policy and program activities relating to increasing the workforce participation of disadvantaged groups:
 - including through the Review of Employment Services
- conducting labour market research, analysis and evaluation activities, resulting in reports, detailed briefing, publications or measurable responses:
 - identifying and analysing regions and cohorts at particular risk of social exclusion to support the Government's social inclusion agenda.
- reviewing the Job Seeker Classification Instrument to improve identification of at risk job seekers to support the Government's objective of assisting disadvantaged job seekers

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- identifying labour supply and skill shortages at the national, regional and industry level, and co-ordinating the dissemination of related information to inform policy debate
- providing input to the management of, and coordinating the department's role in ensuring that, temporary and permanent migration arrangements meet labour force needs, including through research for the Migration Occupations in Demand List and contributions to Government reviews that respond to future and current skills needs
- developing employer engagement strategies (with other stakeholders) to increase the workforce participation of disadvantaged Australians and this work directly contributes to the Government's social inclusion agenda
- developing, advising and implementing labour adjustment packages for workers affected by structural change, where determined by Government, including; establishment of the packages, communication with stakeholders, developing operational policy and arrangements and, depending on the package, arranging for evaluations.

Performance information for Outcome 8

Programs and initiatives delivered by the department which contribute to Outcome 8 form part of a wider set of factors that affect that Outcome. The indicators in table 2.8A provide an indication of the overall trends under Outcome 8.

Table 2.8A: Effectiveness Indicators for Outcome 8

<ul style="list-style-type: none">• Labour force participation rate for civilians aged 15-64 years• Employment to population ratio for civilians aged 15-64 years• Proportion of population of workforce age on working age income support payment; (a) full-rate; and (b) part-rate.

Table 2.8B: Performance information for Administered Outputs

There are no administered items under Outcome 8. For this reason Table 2.8B is not presented.

Table 2.8C: Performance information for Departmental Outputs

Performance Indicator	2008-09 Estimate
Program Management	
<i>Quality</i>	
Provision of employment outcome results through the Post-Program Monitoring survey	Results available within a satisfactory timeframe
Provider performance assessment	Results available twice annually in January and July
Research activities undertaken as part of COAG National Action Plan on Mental Health	<ul style="list-style-type: none"> • High quality reports are delivered according to timelines and standards described in the individual contract schedules • Procurement for all research activities are compliant with <i>Financial Management and Accountability Act 1997</i> and Commonwealth Procurement Guidelines
Policy Services	
<i>Quality</i>	
High quality policy advice to Ministers, senior officers of the department and other key stakeholders	Qualitative evaluation of satisfaction and timeliness using feedback from the Ministers and Parliamentary Secretary to the Secretary
High quality Ministerial replies as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the replies.	<ul style="list-style-type: none"> • Qualitative evaluation of satisfaction using feedback from the Ministers and Parliamentary Secretary to the Secretary. • Analysis of trends over time to monitor percentage delivered within agreed timeframes
Level of satisfaction of Ministers with the provision of research and evaluation	Satisfactory or above