

House of Representatives Standing Committee on Indigenous Affairs

Pathways and Participation Opportunities for Indigenous Australians in Employment and Business

QUESTION ON NOTICE

Date of hearing: 13 May 2021

Outcome: Employment

Department of Education, Skills and Employment Question No. IQ21-000035

Mr Julian Leeser MP on 13 May 2021, Proof Hansard page 1

Jobactive

Question

CHAIR: Can you tell us the monetary amounts? I want to understand whether it's more financially advantageous for the jobactive provider to just have somebody on the books. I want to understand the payment.

Ms Jensen: I can't give you the particular amount. I can certainly take that on notice and come back with the schedule. But certainly it is financially much more attractive to actually get outcomes. That's the key feature of jobactive.

CHAIR: But if you're a jobactive provider and you're presented with somebody who you think you're unlikely to get an outcome for there's still an advantage for you in maintaining that person on your books, even if you can't get an outcome. Is that right?

Ms Jensen: I guess the thing to be aware of is that generally people who require a lot more intensive activity will be in stream C, which gets the highest pay points. So, while you get a certain increasing amount of payment depending on how long people are in employment, that payment also increases depending on the stream of the jobseeker to give a much stronger incentive for them to work with the more disadvantaged jobseekers. But certainly we can come back with the payment structure and lay that out in terms of the actual dollars. I just don't happen to have that with me today.

Answer

Under jobactive, providers are paid a combination of Administration Fees and Outcome Payments (refer Table 1 below).

There are strong financial incentives for jobactive providers to place job seekers into suitable, sustainable jobs. As shown in Table 1:

- Administration Fees are paid on a per job seeker basis every six months.
- The fee structure for jobactive providers pays the most when participants stay in work the longest (as indicated by increasing Outcome Payments for 4, 12 and 26 week outcomes).
- The fee structure also incentivises providers to assist the most disadvantaged job seekers into work (as indicated by higher Outcome Payments for job seekers who have the longest durations of unemployment).
- The fee structure pays providers higher Outcome Payments by Stream, in recognition that job seekers in Streams B and C (the more disadvantaged) require more support compared with those in Stream A.

Table 1: current jobactive fee rates (applicable to 30 June 2022)

	Youth Stream A participants		All other participants
Administration Fees	\$377		\$270
Outcome Payments	0-24 Months Unemployment	25-59 Months Unemployment	60 months + Unemployment
Stream A			
4 Week Partial	\$172	\$216	\$259
4 Week Full	\$431	\$539	\$647
12 Week Partial	\$216	\$431	\$539
12 Week Full	\$539	\$1,078	\$1,348
26 Week Full	\$701	\$1,348	\$1,671
Stream B			
4 Week Partial	\$323	\$431	\$539
4 Week Full	\$809	\$1,078	\$1,348
12 Week Partial	\$647	\$862	\$1,078
12 Week Full	\$1,617	\$2,156	\$2,695
26 Week Full	\$2,048	\$2,695	\$3,396
Stream C			
4 Week Partial	\$431	\$647	\$862
4 Week Full	\$1,078	\$1,617	\$2,156
12 Week Partial	\$862	\$1,294	\$1,725
12 Week Full	\$2,156	\$3,234	\$4,312
26 Week Full	\$2,695	\$4,043	\$5,390