



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

EDUCATION, EMPLOYMENT AND WORKPLACE  
RELATIONS LEGISLATION COMMITTEE

**Estimates**

TUESDAY, 31 MAY 2011

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE**  
**EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**  
**LEGISLATION COMMITTEE**  
**Tuesday, 31 May 2011**

**Senators in attendance:** Senators Abetz, Back, Bernardi, Bilyk, Cash, Fifield, Marshall, Siewert and Wortley.



## **EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

### **In Attendance**

Senator Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

#### **Department of Education, Employment and Workplace Relations**

Ms Lisa Paul, Secretary

Mr Michael Manthorpe, Deputy Secretary

Ms Jennifer Taylor, Acting Deputy Secretary, Executive

Dr Michele Bruniges Associate Secretary

Ms Catherine Wall, Acting Deputy Secretary, Executive

Mr Robert GRIEW, Associate Secretary

Ms Sandra Parker, Deputy Secretary

Mr John Kovacic, Deputy Secretary

Ms Robyn Kingston, Chief Internal Auditor, Internal Audit

Ms Susan Northcott

#### **Corporate and Network**

Mr Michael Manthorpe, Deputy Secretary

Mr Craig Storen, Chief Financial Officer, Finance and Business Services

Ms Susan Monkley, Deputy Chief Financial Officer, Finance and Business Services

Ms Kylie Emery, Acting Group Manager, Communication and Parliamentary

Ms Barbara Grundy, Branch Manager, Communication and Parliamentary

Mr Timothy Pigot, Branch Manager, Communication and Parliamentary

Mr Brant Trim, Branch Manager, Communication and Parliamentary

Ms Deb Rollings, Branch Manager, Communication and Parliamentary

Mr George Kriz, Chief Lawyer and Group Manager, Legal and Investigations

Ms Susan Smith, Group Manager, Organisational Development

Ms Vicki Rundle, Group Manager, People

Mr Benjamin Wyers, Branch Manager, People

Ms Sue Dawson, Group Manager, State and Regional Services strategy

Ms Nicky Govan, Branch Manager, State and Regional Services strategy

#### **Outcome 1—Office of Early Childhood Education and ChildCare**

Ms Jennifer Taylor, Acting Deputy Secretary, Executive

Mr David De Silva, Acting Group Manager, Early Childhood Quality

Ms Joan ten Brummelaar, Branch Manager, Early Childhood Quality

Ms Lisbeth Kelly, Branch Manager, Early Childhood Quality

Ms Ngaire Hosking, Group Manager, Indigenous Pathways and Early Learning

Ms Robyn Priddle, Branch Manager, Indigenous Pathways and Early Learning  
Mr Matthew Hardy, Branch Manager, Indigenous Pathways and Early Learning  
Dr Russell Ayres, Branch Manager, Indigenous Pathways and Early Learning  
Ms Joanna Stanion, Branch Manager, Indigenous Pathways and Early Learning  
Ms Robyn Shannon, Acting Group Manager, Childhood Programs and Business Support  
Mr Murray Kimber, Branch Manager, Child Care Programs and Business Support

**Outcome 2—Schools and youth**

Dr Michelle Bruniges, Associate Secretary  
Ms Catherine Wall, Acting Deputy Secretary, Executive  
Dr Evan Arthur, Group Manager, National Schools and Youth Partnerships  
Ms Rhyan Bloor, Branch Manager, National Schools and Youth Partnerships  
Ms Helen McLaren, Branch Manager, National Schools and Youth Partnerships  
Mr Patrick Burford, Acting Branch Manager, National Schools and Youth Partnerships  
Ms Gabrielle Phillips, Branch Manager, National Schools and Youth Partnerships  
Mr Anthony Fernando, Branch Manager, National Schools and Youth Partnerships  
Ms Janet Davy, Group Manager, Curriculum, Assessment and Teaching  
Ms Margaret Banks, Branch Manager, Curriculum, Assessment and Teaching  
Ms Alex Gordon, Branch Manager, Curriculum, Assessment and Teaching  
Mr Tony Zanderigo, Branch Manager, Curriculum, Assessment and Teaching  
Mr Matt Davies, Acting Group Manager, Engagement and Wellbeing  
Mr John Baker, Branch Manager, Engagement and Wellbeing  
Mr Stephen Goodwin, Branch Manager, Engagement and Wellbeing  
Mr Chris Sheedy, State Manager South Australia, Engagement and Wellbeing  
Mr Craig Robertson, Group Manager, Infrastructure and Funding  
Ms Oon Ying Chin, Branch Manager, Infrastructure and Funding  
Ms Chris Woodgate, Branch Manager, Infrastructure and Funding  
Ms Louise Hanlon, Branch Manager, Infrastructure and Funding  
Mr Kieren Robinson, Acting Branch Manager, Infrastructure and Funding  
Mr Atul Sehgal, Director, Infrastructure and Funding  
Mr Anthony Parsons, Group Manager, Building the Education Revolution Program Management  
Mr Stewart Thomas, Branch Manager, Building the Education Revolution Program Management

**Outcome 3—Tertiary, skills and international**

Mr Robert Griew, Associate Secretary  
Mr Michael Maynard, Group Manager, Skills  
Ms Katy Balmaks, Branch Manager, Skills

Ms Jan Febey, Branch Manager, Skills  
Mr Daneil Owen, Branch Manager, Skills  
Ms Kathryn Shugg, Branch Manager, Skills  
Ms Julie Yeend, Branch Manager, Skills  
Mr David Hazlehurst, Group Manager, Higher Education Group  
Ms Lisa Schofield, Acting Branch Manager, Higher Education Group  
Dr James Hart, Branch Manager, Higher Education Group  
Mr Mark Warburton, Branch Manager, Higher Education Group  
Ms Catherine Vandermark, Branch Manager, Higher Education Group  
Dr Andrew Taylor, Branch Manager, Higher Education Group  
Mr Phil Aungles, Acting Branch Manager, Higher Education Group  
Ms Mary-Anne Sakkara, Acting Group Manager, Tertiary Framework  
Ms Melissa McEwen, Acting Branch Manager, Tertiary Framework  
Mr Richard Millington, Acting Branch Manager, Tertiary Framework  
Ms Kate Driver, Acting Branch Manager, Tertiary Framework  
Mr Martin Graham, Branch Manager, Tertiary Framework  
Mr Neil McAuslan, Branch Manager, Tertiary Framework  
Ms Leonie Horrocks, Branch Manager, Tertiary Framework  
Mr Colin Walters, Group Manager, International Group  
Ms Tulip Chaudhury, Branch Manager, International Group  
Mr Jason Coutts, Branch Manager, International Group  
Mr Vipan Mahajan, Branch Manager, International Group  
Mr John Barbour, Acting Branch Manager, International Group  
Mr Robin Shreeve, Chief Executive Officer, Skills Australia  
**Outcome 4—Employment, strategy and Indigenous strategy**  
Ms Sandra Parker, Deputy Secretary  
Ms Jenny Harrison, Acting Group Manager, Employment Services Management, Procurement and Evaluation  
Ms Marsha Milliken, Group Manager, Income Support  
Ms Margaret Sykes, Branch Manager, Income Support  
Mr Brett Harris, Acting Director, Income Support  
Ms Margaret McKinnon, Group Manager, Job Services Australia  
Ms Linda Laker, Branch Manager, Job Services Australia  
Ms Fiona Buffinton, Group Manager, Specialist Employment Services  
Ms Ingrid Kemp, Branch Manager, Specialist Employment Services  
Mr Stephen Moore, Group Manager, Employment Systems  
Ms Margaret Kidd, Group Manager, Labour Market Strategy

Ms Alison Durbin, Branch Manager, Labour Market Strategy  
Ms Stephanie Bennett, Branch Manager, Labour Market Strategy  
Mr Darren Hooper, Branch Manager, Labour Market Strategy  
Mr Ivan Neville, Branch Manager, Labour Market Strategy  
Mr Malcolm Greening, Branch Manager, Labour Market Strategy  
Dr Alison Morehead, Group Manager, Social Policy and Economic Strategy  
Mr Mark Roddam, Branch Manager, Social Policy and Economic Strategy  
Ms Rose Verspaandonk, Branch Manager, Social Policy and Economic Strategy  
Mr Scott Matheson, Branch Manager, Social Policy and Economic Strategy  
Ms Helen Innes, Acting Branch Manager, Social Policy and Economic Strategy  
Ms Debbie Mitchell, Branch Manager, Strategic Priorities  
Ms Jo Wood, Group Manager, Strategy—Indigenous Economic Strategies  
Ms Katrina Fanning, Branch Manager, Strategy—Indigenous Economic Strategies  
Ms Tania Rishniw, Branch Manager, Strategy—Indigenous Economic Strategies

**Outcome 5—Workplace relations**

Mr John Kovacic, Deputy Secretary  
Ms Michelle Baxter, Group Manager, Workplace Relations Implementation and Safety  
Mr Jeff Willing, Branch Manager, Workplace Relations Implementation and Safety  
Ms Meredith Fairweather, Branch Manager, Workplace Relations Implementation and Safety  
Ms Flora Carapellucci, Branch Manager, Workplace Relations Implementation and Safety  
Ms Sarah Sullivan, Acting Branch Manager, Workplace Relations Implementation and Safety  
Mr Jeremy O'Sullivan, Group Manager, Workplace Relations Legal  
Mr Peter Cully, Branch Manager, Workplace Relations Implementation and Safety  
Mr Henry Lis, Branch Manager, Workplace Relations Legal  
Mr David Bell, Branch Manager, Workplace Relations Legal  
Mr David Bohn, Branch Manager, Workplace Relations Legal  
Ms Susan Devereux, Group Manager, Workplace Relations Policy  
Ms Tara Williams, Acting Branch Manager, Workplace Relations Policy  
Ms Jody Anderson, Branch Manager, Workplace Relations Policy  
Ms Yvonne Dunlop, Acting Branch Manager, Workplace Relations Policy  
Ms Jacinta Galluzzo, Acting Branch Manager, Workplace Relations Policy  
Ms Barbara Turnbull, Acting Branch Manager, Workplace Relations Policy  
**Safe Work Australia**  
Mr Rex Hoy, Chief Executive Officer  
Mr Andrew Craig, Chief Financial Officer

Ms Amanda Grey, Branch Manager  
Mr Andrew Wagner, Branch Manager  
Mr Wayne Creaser, Branch Manager  
Ms Julia Collins, Branch Manager  
Ms Julie Hill, Director  
Ms Ivanka Debevec, Director

**Fair Work Ombudsman**

Mr Nicholas Wilson, Fair Work Ombudsman  
Mr Michael Campbell, Executive Director  
Mr Bill Loizides, Group Manager, Field Operations  
Mr Steven Ronson, Executive Director–Regional Services and Targeting  
Ms Leanne Fry, Executive Director–Communications and Solutions  
Mr Russell Thackeray, Acting Chief Financial Officer  
Ms Janine Webster, Chief Counsel  
Mr Michael Clark, Group Manager–Customer Service

**Fair Work Australia**

The Hon. Geoff Giudice, President  
Mr Tim Lee, General Manager  
Mr Terry Nassios, Director  
Ms Bernadette O'Neill, Director  
Mr Brendan Hower, Director  
Mr Dennis Mihelyi, Director

**Comcare**

Mr Paul O'Connor, Chief Executive Officer  
Mr Steve Kibble, Deputy Chief Executive Officer

**Office of the Australian Building and Construction Commissioner**

Mr Leigh Johns, Commissioner  
Mr John Casey, Chief Financial Officer  
Ms Heather Hausler, Assistant Commissioner–Corporate  
Mr Brian Corney, Assistant Commissioner–Legal  
Ms Linda Addison, Assistant Commissioner–Operations  
Mr Clifford Pettit, Executive Director–Legal (Central/West)

**Australian Curriculum, Assessment and Reporting Authority**

Dr Peter Hill, Chief Executive Officer  
Mr Robert Randall, General Manager, Curriculum and Deputy Chief Executive Officer  
Mr Peter Adams, General Manager, Assessment

**Australian Institute for Teaching and School Leadership**

Ms Margery Evans, Chief Executive Officer

Ms Shelagh Whittleston, Deputy Chief Executive Officer

Ms Keren Caple, General Manager—Corporate and Teacher Standards

Mr Anthony Mackay, Chair

**Australian Learning and Teaching Council Limited**

Dr Carol Nicoll, Chief Executive Officer

**Skills Australia**

Ms Susan Beitz, Assistant Secretary

**Committee met at 09:02**

**Department of Education, Employment and Workplace Relations**

**CHAIR (Senator Marshall):** The Senate is considering the budget estimates for 2011-12. Officers are familiar with the rules governing estimates proceedings, so I will not go through all of those again. You should also be familiar with the rules relating to parliamentary privilege. We will now recommence the estimates in outcome 4. Ms Paul, I will give you the opportunity to make a statement to the committee, if you so wish.

**Ms Paul:** No, fine, thank you.

**CHAIR:** Minister?

**Senator Chris Evans:** No, thanks.

**CHAIR:** We will go straight to questions. Senator Abetz.

**Senator ABETZ:** Possibly Ms Paul could assist me—I did flag under outcome 5 last night the enterprise migration matters—whereabouts is it suggested I should be raising that?

**Ms Paul:** I do not think it matters. Why don't we put it under 4.1, policy area.

**Senator ABETZ:** Which is now. Let's get started on that then, if I may.

**Ms Paul:** It is a bit hard to pick because, of course, we do not do it, so it is not actually here. My best advice would be let's just do it and start with that.

**Senator ABETZ:** Let's do it. As I indicated last night, I note that you are not the lead agency, but I am interested in what liaison there has been with your department and DIAC in relation to the development of these enterprise migration agreements.

**Ms Paul:** The labour agreements. I said that, yes, we do work with DIAC on this and we offer advice, particularly on labour market statistics and so on. Ms Kidd is with us and Ms Parker, who can take you through that, so I will hand over to them.

**Senator ABETZ:** When was the department first approached in relation to enterprise migration agreements?

**Senator Chris Evans:** I think it is important to know that the enterprise migration agreements were part of the cabinet decision in the budget, so officers will not be going through the—up to policy advice. I can give you some broad information, in my former role immigration had responsibility for labour agreements, which were split between DEEWR and immigration, and we made a decision in the last term to put most of the decision-making in

regard to those matters into DIAC because we had split responsibilities, it was not as clean as I thought it needed to be; so, very much that function has gone to DIAC.

**Senator ABETZ:** That is whilst you were minister, not knowing that you were then to become employment minister.

**Senator Chris Evans:** It was the perfect result.

**Senator ABETZ:** You had a premonition of what was about to happen.

**Senator Chris Evans:** No. There were a couple of things that went the other way that I now regret, but I will not name those for you. Very much it is with DIAC. In terms of policy advice, there was obviously preparation for cabinet before budget. I am not going to be unhelpful but you are in the wrong spot in terms of the detail. They were adopted as part of that cabinet budget decision-making approach in response to the skills shortages that are likely to emerge as we see the huge growth in mining and construction, or mining and other resource projects. They were designed to try to deal with the larger projects, which will have very large labour needs for construction stages, but it is within the suite of measures that DIAC has in terms of 457 visas, labour agreements, and now this bigger project category.

We tend to provide the advice where it says, in our estimates, we are going to have—between us and Skills Australia—shortages in these classifications, or 'This is what the labour market for North Queensland is likely to look like,' which will more directly inform a particular decision; if you get an approach from one of the coal seam gas developers in Queensland, the department will provide advice on what the Gladstone labour market is going to look like in our explanation, which would inform DIAC's decision about what decisions they took in relation to something like that. If it is said we have got 15 per cent unemployment among welders in Gladstone, you would be unlikely to approve a measure that allowed you to bring in a large number of welders. If in fact it says Gladstone unemployment is going to be at 2 per cent and there is not a skilled tradesman to be found anywhere, DIAC would bear that in mind in its summary.

**Ms Paul:** Yes. Thank you very much. Perhaps Ms Kidd can offer anything else, if you wish to.

**Ms Kidd:** That was a very good introduction by the minister.

**Senator Chris Evans:** You do not have to say that; you can say I buggered it up.

**Senator ABETZ:** I have never heard a public servant at the table say, 'That was a bad introduction.'

**Senator Chris Evans:** That was very much a former immigration minister's introduction. I do not know what the department's official line is.

**Senator ABETZ:** It was like in my younger days as a defence counsel, the police always said there was a strong prosecution case; I never heard them admit that they had a weak prosecution case. It is nice to know that Ms Kidd has full confidence in you, Minister; somebody has to.

**Ms Paul:** It was a comprehensive description, so I do not know if Ms Kidd can even add anything, but we will give her a chance.

**Senator ABETZ:** My question in fact was, albeit it was a helpful introduction: when was the department first approached in relation to this matter or concept?

**Ms Kidd:** I am not sure of the exact timing. I know we have had some involvement, primarily as a stakeholder, to the process. It is a DIAC-run initiative. We have participated in their initial stakeholder consultations.

**Senator ABETZ:** When were they?

**Ms Kidd:** I am not sure, I do not have the dates here.

**Senator ABETZ:** Were you involved personally?

**Ms Kidd:** No.

**Senator ABETZ:** Who was? Can somebody give us the month of the year?

**Ms Kidd:** I can find it out this morning.

**Senator ABETZ:** Yes.

**Senator Chris Evans:** It was in the months leading up to the budget.

**Senator ABETZ:** This calendar year? Would that be fair to say?

**Ms Kidd:** I would imagine so, but I do not have the detail.

**Senator ABETZ:** If you can give us the detail on notice as to when the initial contact was made and there is an interdepartmental group, is there, that discusses these matters to try to finalise them?

**Ms Kidd:** We have a range of interdepartmental groups where we work with DIAC on labour market issues associated with migration.

**Senator ABETZ:** Discretely on enterprise migration agreements?

**Ms Kidd:** There is not a specific one, no.

**Senator ABETZ:** Is there a specific group that—

**Ms Kidd:** No, not that we are involved in.

**Senator Chris Evans:** It is a cabinet process—

**Ms Paul:** It was more a consultation, by the sound of it.

**Senator ABETZ:** If you can let us know if there was consultation.

**Ms Paul:** We will let you know, yes.

**Senator ABETZ:** I do not want a verbal DIAC but I thought, whilst I was asking them last week, there was an indication that there was some and I do not want to tie anybody up as to whether it was a consultation process or a formal interdepartmental process, but if you could let us know, on notice, exactly what that is that would be good. I am told that these enterprise migration agreements will only be for resource projects of a capital cost of \$2 billion plus that at some stage will employ more than 1,500 people at a particular time. Did you have input into those considerations as well or, let us say, did the Department of Resources try to make an assessment of the 13 major projects that might fall into this category that that would be the requirement?

**Ms Paul:** My expectation is that we played a role we would normally play in a budget context, which is that we would have commented on cabinet submissions, budget submissions which were being prepared and so on. It sounds like if there was not a specific body, an interdepartmental body set up, then it was more responding to DIAC but unless—

**Senator ABETZ:** As I understand it was not DIAC itself that determined—as the lead agency I am sure they accepted somebody's advice, but I doubt it would have come from DIAC—that these agreements should be limited (1) to the resource sector, (2) to projects above \$2 billion and (3) to projects that were employing 1,500 or more people because one would assume that those considerations are not necessarily within the expertise of DIAC. I am wondering whether this department had some input into that or whether it was all resources.

**Ms Paul:** My suspicion would be we would need to take on notice the nature of our involvement but, from what you have described I would guess at least that those things were decisions of government. I suspect they were not particularly on the basis of our advice but I am happy to take on notice what our involvement was.

**Senator Chris Evans:** This is very clearly a DIAC and Minister Bowen-led initiative and there are cabinet processes and budget processes which you understand, but the initiative came from Immigration and we would have provided input and comment and, as you are probably aware, this issue arose from industry requests et cetera, and I just point out that there are a suite of options available—457s, labour agreements—and this was designed to fill that larger end of the market. It was very much a policy proposition out of the Immigration portfolio and our responsibilities are far less than they used to be in regard to these matters, other than providing labour market advice and more general policy input.

**Senator ABETZ:** As I understand it, it was not driven out of Immigration as such; it has been given the responsibility. Your now ministerial colleague, Gary Gray, who was Parliamentary Secretary for Western and Northern Australia, chaired what was called the National Resource Sector Employment Taskforce. It was out of that that the concept developed, as I understand, and I dare say for good reasons DIAC has been given the run of it. Somebody had to be given the run of it but I am wondering now having established where it arose from—namely, through Mr Gray's committee—

**Senator Chris Evans:** That came from industry consultation that that committee had.

**Senator ABETZ:** That is right and that is why I would assume the Department of Resources would have had a heavy input. I think they are meeting this morning as we speak so I will not be able to find out from them but I am trying to understand from the three departments, DIAC—been there—now this one, and hopefully a colleague at Resources to tell us exactly how this has been put together. I accept ultimately it is a cabinet decision, taking into account advice from the various departments, but I think it would be fair to assume that DIAC was not the agency that told us about the \$2 billion and 1,500 worker threshold and that it should only be for the resources sector.

**Senator Chris Evans:** I do not think that is right. I am careful about going to cabinet matters but I do not think that proposition is right. Policy responsibility lay with DIAC. Sure, they would have consulted with industry and other departments.

**Senator ABETZ:** That is right.

**Senator Chris Evans:** If you are asking me who drove it, it is DIAC.

**Senator ABETZ:** We know that but I am wondering whether this department provided any advice. I would be surprised if you provided much input into how the migration side of things should work but it would not surprise me if you gave some advice as to, let us say, whether it was projects that had 1,500 or more workers involved.

**Ms Paul:** Yes, so I think what we have got here is the work that we did in the department to support Mr Gray. The people who literally supported that are actually here tomorrow. Ms Kidd and her area do offer labour market advice and so on but what I will do for you is go to the people who are not here now but will be here either tomorrow or today, if we can feed it in later on, and ask for some clarification about our involvement. My feeling would be our involvement, as you are saying, in a way, has come out of supporting the task force but, in terms of the measure that has come out of DIAC, I think that is as the minister says, of course, DIAC's responsibility. Nonetheless I think we can probably help clarify a bit more than we are able to now and I do not have those people here who support the task force. I will either piece that together for you today or tomorrow, if I may, if you are here tomorrow.

**Senator ABETZ:** If it is tomorrow can you assist me, what outcome?

**Ms Paul:** Yes, good question. Once again, of course, it is a DIAC measure so it is not going to be easy to pick.

**Senator Chris Evans:** Why don't we do it in overview at the start tomorrow, Senator?

**Ms Paul:** After the agencies? I would say 3.4, which is the first one after the agencies.

**Senator ABETZ:** What, Vocational Education and Training?

**Ms Paul:** You have got Skills Australia and then you have got ALTC.

**Senator ABETZ:** Yes, and then VET.

**Ms Paul:** Yes, I think it would be fine to do it straight after that, if that suits you.

**Senator Chris Evans:** Are you going to be here tomorrow Senator?

**Senator ABETZ:** I hope to be. Whether I will be in this committee or not, I do not know.

**Senator Chris Evans:** What I was going to do was, with the concurrence of the Chairman, we could fix first up after lunch or something if you want to deal with it.

**Ms Paul:** Or we could take it on notice, yes.

**Senator ABETZ:** Yes, take it on notice because, by the time it all gets worked out et cetera, chances are we will be into the October estimates anyway.

**Ms Paul:** Yes, and I do not think it is going to be a complicated story. I think we just played our normal role in responding to things and supporting the task force.

**CHAIR:** The projects that this program has been designed around are large project and a project, if it has to have more than 1,500 people, is ideally designed to be able to intensively train people. If we are going to be allowing people to come in—an example you used was if they needed 20 welders—are we also going to insist that there is a training program in place and those 20 welders are actually taken on as apprenticeships too? These are seen as stop-gap measures for skill shortages as opposed to simply topping up an insatiable demand. My concern is that we do not do enough training here and it is really the employers who need to ensure that there is training for their future needs too and not simply be relying on skilled immigration programs.

**Senator Chris Evans:** You are correct and that is why the government's budget had as its centrepiece the skills package, which included Critical Skills Investment Fund and development of skills packages, and also reflected further investment in the VET sector, including in the last three years an extra \$4 billion. There is an NCVER report out today

which reflects the increased numbers of people training in the VET sector, and figures came out a few weeks ago that highlighted the increased number of apprentices being trained in the traditional trades. There has been a huge investment in vocational and trade training—and that is showing good results—but it is also the case that we need to do more, and that is why the skills package is in the budget and is the centrepiece of the budget. The government's position has always been that we want job opportunities and training opportunities for Australians first, and the migration program is to top up those skills shortages. The changes to the migration programs two years ago made that very clear. We tightened the skills requirements to make sure we were prioritising those where we had skills shortages. The department and Skills Australia provide advice. It is much more targeted than it used to be.

But, with these projects, we are dealing with construction jobs of 3½ thousand people—huge construction jobs. One of the challenges for us is that many of them will be in the same sort of period, between 2012 and 2014. If you look at what has happened in the north-west of WA, in Queensland and, potentially, at Olympic Dam, you have got this real peak of activity. I think you have to make a judgment about whether you train people for that peak when there might be no work for them in two years time. It is that balance between training enough Australians to support our continuing skills needs and responding to what are very large peaks in projects. Some of the projects are bigger than anything we have ever done before, and those 10 at the moment look like they are coming on stream around the same time. So it is about that balance.

The other point I would make—and this is really for Minister Bowen and DIAC, in terms of their training requirements—is that traditionally, as a policy position, the access to 457s and to labour agreements has been based on employers providing training commitments in terms of their use of overseas labour with the view that, if there are ongoing skills shortages, they ought to be met by local labour. That will no doubt be a big component of those agreements as well. Labour agreements that have been negotiated in the past with larger resources companies, not of this scale, have included commitments to training. There has also been a requirement, which I introduced, to provide consultation with relevant trade unions—not a veto but a consultation process, so they were aware of what was occurring.

The policy considerations regarding the enterprise migration agreements are, as I said to Senator Abetz, very much a policy decision for DIAC. But your central point is correct—and that is reflected in the budget—that the priority is on training Australians and the whole budget package is designed to increase participation and increase skills training. We are now at a record number of apprentices and a record number of people in VET training.

**Ms Paul:** One of the budget measures, for example, is to create this new agency, National Workforce and Productivity Agency, based on Skills Australia. That now will receive enough funding to enable it to do really quite fine regional skills forecasts and industry based skills forecasts. It is all about trying to match Australians to skills shortages first, which also goes to your question.

**CHAIR:** I think what the government has done in terms of its investment and its incentive program is very good. The other link that I think all governments have stood with over a long period of time is that you can do all those things, but, if industry is not offering training places, it does not result in a lot. It is easy for industry to simply say, 'Well, if someone else is going to do the training, we'll just buy the end result, at the end of the day,' because it is

expensive to invest in training. But we do put a lot of incentives into the system to enable them to do that, to share the burden. Again, especially when companies are looking at these major projects, I think it is an opportune time to say: 'We're happy to help you get over the peak, but you must have a training needs program if you're going to be around for the long term., one that says: "These are the skills we're going to need over the next 20 or 30 years and this is our training program to ensure that we train enough people for our use, and not rely on other people.'" I would be more comfortable—well, I am quite comfortable as I am, but I would be more comfortable—if we put some of those hard objectives in any skills program, because that is what we should tie it to. As a government it is our leverage, I suppose, with industry.

**Senator Chris Evans:** That is perfectly right, and I have put that very strongly to any major company that I have had a conversation with in the last four or five years. It is also the case that often the small employers have been carrying a bigger load in terms of apprenticeship training et cetera. They, quite rightly, are very cross when they lose that apprentice or that recently graduated tradesperson to a large company that can pay higher wages but has not invested in the training in the way that they have. It is a constant complaint and it is a justified complaint. It is hard to manage, though, because you cannot tie a tradesperson to that employer. We live in a democracy and, if a larger company is offering higher wages and better conditions, the market works; but I think there is a recognition more generally among industry that we have not trained enough people in the last 15 or 20 years and those shortages are showing up.

Now we have got much higher demand in service skills areas that we have not responded to quickly. It is one of the reasons why in the budget we talk about accelerated apprenticeship programs and recognition of prior learning. There are a lot of people working in industry who have prior learning that do not have trade qualifications. The project we announced with the Mining Council a couple of months ago, arising out of the same resource industry report, seeks to provide apprenticeship opportunities for people working in industry, like trades' assistants et cetera, to qualify as tradespeople perhaps in 18 months to two years, if they have got the skill level. It is recognising those skills, which not only gives them better opportunities for work and paying conditions but also provides us with more tradespeople more quickly, if you like, to respond.

Industry have an interest in those things because they know skills shortages are coming at us quickly. But, to be brutally frank, migration has to be one of the options. Temporary migration and temporary skilled migration has to be one of the options to deal with what is a serious peak, particularly in construction. One of the things that are misunderstood is that people assume it is all mining, but, as you know, there are not a lot of people with picks anymore, working in mines. It is the construction workforce that is often the major issue. That is where you get the peak constructions. There are going to be enormous construction needs, say, for a project like Chevron's Gorgon oil and gas field.

As for the actual operating size of the workforce, I think they are talking about 500 or 600 offshore, but the construction stage, I think, is 2½ thousand to 3,000. Do not quote me on the figures, but it is of that sort of size, and that is a peak-free year—so even when they reach that peak. But then that workforce will no longer be there. There are other projects going on and the companies are trying to stage that to try to manage those issues. But the jobs and the peak

in skill demand will not necessarily be in the oil and gas industry per se; it will be in the construction part of it. They will still have skills shortages in oil and gas but they have time to invest in those skills developments, and they are. However, we do have a serious issue coming at us with huge construction jobs and, on current planning—and you can never be absolutely sure about this because companies make investment decisions over time—it looks like, around 2013, we will have an awful lot of construction occurring at one time, and that is clearly why the big resource project is the focus.

**Ms Paul:** One of the things in the budget which is entirely new and builds on the Critical Skills Investment Fund is this National Workforce Development Fund of \$558 million. It is the first time that there has been a whole new funding mechanism to fund training places—going to your point about training places—directly to employers. With a co-investment requirement, the prediction is that there could be 130,000 training places provided through that, and in a way that industry loves, because it is direct: they control it; they control those training places.

**Senator Chris Evans:** It is a stronger link. Rather than someone enrolling in VET and doing flower arranging or a rigging certificate, employers will co-sponsor with us investment in training riggers, because that is where we know the job—I think it is flower arranging, but it is demand-driven, not supply-driven. At the moment a lot of the system is driven by someone turning up to a TAFE or seeking an apprenticeship in whatever subject takes their fancy. This is demand driven. Employers are saying: 'We are going to need 300 riggers. Can you help us train 300 people to be riggers?' Demand, rather than supply, is what the Critical Skills Investment fund is about, but I am trying to stress the point. That will make a difference, but we are still going to deal with this peak demand issue which the resources taskforce identified.

**Senator ABETZ:** I think the minister is successful. He has the flower arrangers offside this morning.

**Senator Chris Evans:** I usually get the cooks offside; I did not pick on them again.

**Senator ABETZ:** There is a facts sheet, 48A, that came out with the budget that talks about what training requirements will apply for an EMA. It talks about one per cent of payroll for the Australian employees or two per cent into a training fund, say. Believe it or not, your government has looked into these matters.

Let us start then with the morning's agenda and I understand Job Services Australia is the issue. Can I be provided with some background of what the timeframe for the next employment services purchasing tender is?

**Ms Paul:** You know the new contract is due to start on 1 July 2012.

**Senator ABETZ:** I do now.

**Ms Paul:** There you go. That is a good start. I thought I would start the ball rolling while I was waiting for my colleagues and then we can unpick for you how that—

**Senator ABETZ:** Ms Lee does a very good job in this area, so I am representing her, as opposed to having personal responsibility.

**Ms Paul:** They are three-year contracts. The current contract started on 1 July 2009 and that was with the creation of Job Services Australia. The next contract is due to start on 1 July

2012. We can unpick for you how we proceed towards that date, if you would like. I will hand over to Ms Parker.

**Senator ABETZ:** I am not sure if it has been in this estimates committee but in others I know I have raised the issue. It was the same under the Howard government, so this is a non-partisan comment, but when these contracts are rolled over every three years, unless you get them in place at least a good 12 months in advance, the good employees in these schemes often say, 'Well, am I going to have a job or not?' and they then look for security of employment elsewhere. That has been in the community affairs Senate committee in particular where a lot of good social service delivery is undertaken in this methodology. As I say, that is a non-partisan comment, we did it as well, and I hope we can break out of it. Are we?

**Ms Paul:** Interestingly, in the 2009 contract, which was the creation of Job Services Australia, from about seven programs, only one of which was Job Network. We had rolled-up a whole suite of programs, many of which had not really had as strong employment focus as Job Network had had, so they all acquired an employment focus. That was a big reform. It was the first 100 per cent tender that there had been since the creation of Job Network in 1998, so we were extremely conscious coming up to 1 July 2009 about the potential for staff moves. Indeed, I remember much discussion in this forum over several estimates about how that would play out. How it did play out was terrific. We will not need to do it this time because it is not going to be as large a process and as much change, and we will go into that in a tick, but, faced with a 100 per cent tender and an enormous amount of business change and a whole new system, the government funded some of the organisations like the peak bodies to help matchmake between workers who might be moving. What happened was, gratifyingly, an extremely high tendency for workers simply to transfer to the new provider. So if one provider had lost business, for good reason, because it was a thorough tender, and another provider was therefore moving into that employment services area, what we saw was a very good match and the new growing provider took on workers from the diminishing provider.

In the end, there was not the amount of pain that we had feared, and I think that was thanks to good planning and thanks to good spirit, particularly on the part of the providers whose business was diminishing. This time we will go through similar sort of processes but it will not be as dramatic because it is not going to be a 100 per cent tender—similarly for jobseekers who have to transition from one provider to another. Potentially, the risks of vulnerable people moving to another provider are even greater than the risks of staff moving and yet I do not think we had any complaints at all; it was extraordinary. That is thanks to the team in the department and the providers themselves and their peak bodies—Centrelink and so on—but particularly the providers who really managed that well. In terms of this upcoming tender, I will hand over to my colleagues to take you through how that will unfold.

**Senator ABETZ:** Thank you for that.

**Ms Parker:** There are two components, Disability Employment Service and Job Services Australia. Ms Paul was mostly referring to the Job Services Australia contracts.

**Senator ABETZ:** Disability services, does that come up later?

**Ms Parker:** Yes. That has only been operating since 1 March last year.

**Senator ABETZ:** No, today's agenda.

**Ms Parker:** Sorry, yes, it is.

**Senator ABETZ:** At this stage I am only inquiring about Job Services Australia, and the 4.3, and we will cover that then later on.

**Ms Parker:** For Job Services Australia, the contracts expire on 30 June 2012. We are in the process of now planning for how we will manage that. The government announced as part of the budget that, for Job Services Australia, it would offer three-year contracts for those providers who were operating at three, four and five stars, which is our—

**Senator ABETZ:** It would renew?

**Ms Parker:** It would offer extensions of three years.

**Senator ABETZ:** When was that decision made?

**Ms Parker:** As part of the budget.

**Senator ABETZ:** That has only just been communicated to the providers?

**Ms Parker:** Yes, that is right. Immediately post-budget we have done a round of consultations in—

**Senator ABETZ:** I would assume that has been a welcome initiative.

**Ms Parker:** Yes, it has.

**Senator Chris Evans:** Effectively, the government made the decision not to throw open contracts for ones that were working well and getting good results because of the sort of disruption you described. It had to make a judgment between the value of a total retender versus the disruption, the lost time, staff dislocation, client dislocation, and the balance struck is what Ms Parker is describing to you.

**Ms Parker:** We have communicated to the existing providers the timelines we will be operating to. There is a staged process. We will initially look at offering extensions to those providers who are operating at three, four and five-stars, and then we need to look at those providers who are operating at a one- and two-star level.

**Senator ABETZ:** Can I ask in relation to the three, four, five stars to which a contract extension has been offered. I dare say it is a hypothetical question, and I assume that they will all accept the offer, but by what date do they need to accept the offer?

**Ms Parker:** There are a couple of dates that are relevant. One is that we will use August 2011 star ratings to determine which providers will be in scope for being offered an extension.

**Senator ABETZ:** We actually do not know at this stage.

**Ms Parker:** That is right.

**Senator ABETZ:** Who that group will be?

**Senator Chris Evans:** They know how they are tracking.

**Senator ABETZ:** Yes. Some might have a meteoric rise, others might have a dramatic fall.

**Ms Paul:** To be fair to them, you want to take the evidence and the ratings the most close to the end of the contract to give them the best possible chance, which is why we wait until August.

**Senator ABETZ:** Will it only be the August rating that will be the determinant? If somebody has been tracking exceptionally well but then a particular issue has arisen which means that things have not tracked so well but there is every anticipation that they will be able to get out of that, would they still be in the game?

**Ms Paul:** It would be hard for them to be in the game if they were not at three, four or five. We are only focussing on one and two which is pretty low. If an August result looked completely out of the water compared to how someone had been going over the course of the contract I think we would have to have a closer look at that. The KPIs that we look at, there are three KPIs—efficiency, effectiveness and quality—and the third one, KPI 3 on quality, it does have that more qualitative, obviously, flavour to it and it allows us to consider some of those things but I should hand—

**Senator ABETZ:** Can I ask, Ms Parker, just following on from that: with these agencies with their ratings, is there a huge fluctuation that one quarter they are down at one and the next quarter they are up at five; that would be unlikely, wouldn't it?

**Ms Parker:** That is unlikely.

**Ms Paul:** It is unlikely.

**Senator ABETZ:** Their tracking to date would be a fair determinant as to what the tracking will be in August.

**Ms Parker:** Yes, it will be highly unlikely. It will be very unlikely.

**Ms Paul:** For example, on current experience with this contract being a new system, it has been interesting to watch some of the providers who were specialising in the not job network parts raise their results. They started perhaps a bit shakily at the beginning of this contract coming in to a whole new system and now they are tracking much better. It tends to be more a trend than a sharp spike; that would be most unusual. The star rating system has been around for a long time.

**Senator ABETZ:** Yes.

**Ms Paul:** Although we have honed it and indeed we have reformed it a bit for this current contract.

**Senator ABETZ:** One assumes that will be an ongoing endeavour by the department because it will never be perfect so will always be looking at continuing improvement.

**Ms Paul:** Yes. We are in partnership with providers.

**Senator ABETZ:** Yes, of course.

**Ms Paul:** We responded in the last contract with some of the issues they had with the rating system and it becomes more robust. We believe it is very robust. Anyway, back to timing.

**Senator ABETZ:** Yes.

**Ms Parker:** You asked about when they will be offering renewals, I think. August star ratings, we would have the initial results in around September. We would advise those providers who are in scope to be offered an extension and also those who are in the probably one and two star who we will be looking pretty closely at in terms of business review. That is around September and October we will have done our business review, which is pretty much the process whereby we will look at one and two star providers, whether they have

extenuating circumstances, whether we will reallocate business, whether we will go to tender. There is a staged process for that. Around October providers will be advised of the decisions. They will then have the chance in November to accept the extension or otherwise. We will then have an RFT around November. We will have evaluation of that tender in December. The business allocation delegate decision process will be around January 2012 and we will expect to announce in March, possibly late March, with a view to negotiating the contracts and getting people settled, doing transition of job seekers right up until 1 July 2012 when day one starts for the extension and for the new business.

**Ms Paul:** It is basically the same timetable that we used in 2009.

**Senator ABETZ:** To try to summarise this then: if you work for a provider and you get a good star rating in August, which will be notified in September there would be, all things being equal, which it never is, chances are you have got a job for the future?

**Ms Paul:** Yes, that is right.

**Ms Parker:** That is right. So it is about October.

**Senator ABETZ:** You have got a good nine months warning. If I might commend you and the government on that, I think that is a good way to move. I understand some providers provide in various streams, is that correct?

**Ms Paul:** All providers are required to offer services across all streams and there are four streams in Job Services Australia.

**Senator ABETZ:** In the four streams, and the star rating applies to each individual stream?

**Ms Parker:** That is right. It is accumulative. We assess providers on the basis of each stream and then they get a cumulative rating across all streams. The star rating will determine whether they get rolled over, if you like, is the cumulative four stream behaviour, their performance. There is a whole range of analysis that goes into each one of those streams.

**Senator ABETZ:** Are you able to provide us on the current figures the number of providers that have a one star rating for, let's, say stream one services?

**Ms Parker:** Yes, for December 2010 the number of contracts that are one star was 2.2 per cent.

**Senator ABETZ:** What about a five star?

**Ms Parker:** 4.1 per cent at December.

**Senator ABETZ:** They are both very low percentages.

**Ms Paul:** Why don't we just give you the range across all five.

**Senator ABETZ:** Yes.

**Ms Paul:** That will give you the picture of that.

**Ms Parker:** Our largest proportion is three stars, 61.8 per cent. It is pretty much a bell curve.

**Senator ABETZ:** Is that the same for the other streams as well, in rough terms, or not? Is there a particular stream where providers are struggling?

**Ms Parker:** This is across all the providers.

**Ms Paul:** Ms Parker was giving you the total curve for—

**Ms Parker:** The total.

**Senator ABETZ:** For stream one?

**Ms Paul:** No.

**Ms Parker:** For stream one, 2.2 per cent.

**Ms Paul:** I beg your pardon.

**Senator ABETZ:** I had better rewind. I think you may have been talking past each other.

**Ms Parker:** Sorry.

**Ms Paul:** No, it is me.

**Senator ABETZ:** The providers of—

**Ms Parker:** Sorry, yes, I have given you a slightly wrong figure there, I was looking at stars rather than streams. My apologies.

**Senator ABETZ:** Right.

**Ms Parker:** Do you have that, Margaret? So you are looking at star ratings by stream?

**Senator ABETZ:** Yes.

**Ms Parker:** Right, okay. I think we might have to take that on notice, sorry.

**Ms Paul:** Were you giving what was in the streams?

**Ms Parker:** Sorry, I correct the record here. I was giving you the star ratings and the proportion of contracts that were at that start rating for the whole—

**Ms Paul:** For the whole four streams?

**Ms Parker:** Correct.

**Ms Paul:** That is what I thought.

**Senator ABETZ:** Right.

**Ms Paul:** What we were giving you was the total picture across all four streams, the distribution of star ratings. The distribution of star ratings, to break them down into streams, I think we may have to take that on notice, I am not sure.

**Ms Parker:** My colleague has not left for me—I think we will take that on notice.

**Senator ABETZ:** All right, if you could.

**Ms Paul:** You get the impression of the bell curve anyway.

**Senator ABETZ:** Yes, but is there a particular stream that providers seem to be struggling with in relation to the star ratings?

**Ms Paul:** Sure, that is a good question.

**Senator ABETZ:** Is the follow-up.

**Ms McKinnon:** I can have a go at that because there are 106 providers and there are four streams and we rate them across, I think, 2000 sites, my impression is we have not identified a systemic lesser performance against particular streams.

**Senator ABETZ:** If you are not performing well in stream one, the chances are you are not performing well in stream four; that is what you are telling us.

**Ms McKinnon:** Yes.

**Senator ABETZ:** In the event that you come across some data which would suggest otherwise if you could let us know.

**Ms Paul:** Certainly. I have not heard of that sort of effect. I think providers seem to be—if they are good they seem to be good across the board if they are not secured similarly.

**Senator ABETZ:** That stands to reason.

**Ms Paul:** We will have a look at it anyway. It is a good question.

**Senator ABETZ:** There may be something where the parameters may not have been jiggled as they should be, as a result of which everybody seems to be falling down in an area. If that were the case then chances are it would not be the providers fault but the way that particular stream—

**Ms Paul:** The policy settings. No, we think not.

**Senator ABETZ:** If you tell me that that is not the case, of course I accept that.

**Ms Paul:** No.

**Senator ABETZ:** In relation to the star ratings with that bell curve, we had 61.8 at three star. Is that right?

**Ms McKinnon:** Yes.

**Ms Parker:** In December.

**Senator ABETZ:** How many four star?

**Ms McKinnon:** Sixteen.

**Senator ABETZ:** Five star?

**Ms McKinnon:** 4.1 percent.

**Senator ABETZ:** We are looking at, in round figures, 80 per cent on current figures that are likely to be offered an extension of contract.

**Ms Parker:** Yes, that is right.

**Senator ABETZ:** That, one would assume, would provide a fair degree of certainty throughout the whole industry if it is such a high figure.

**Ms Parker:** Yes. It has been well received certainly.

**Senator ABETZ:** I imagine that it would be the case. How often are they done, the star ratings?

**Ms McKinnon:** There are four performance periods.

**Senator ABETZ:** In a year?

**Ms McKinnon:** Yes.

**Senator ABETZ:** Every three months; once a quarter. Do you run on the normal quarters as in March?

**Ms Parker:** Yes, but this one—

**Senator ABETZ:** Then June, and then it would have been September but the star rating is coming out in August?

**Ms Parker:** That is right. We are bringing September star rating forward to provide us with a little bit more time. We are not doing an extra, we are bringing it forward.

**Senator Chris Evans:** Essentially, prior to the decision, because the contract is only couple of years old, we have given them as much chance as possible to give as fair an assessment as possible.

**Senator ABETZ:** Yes. But if it was done—

**Senator Chris Evans:** If we were asked to take the June figures, they would be given the opportunity to—

**Senator ABETZ:** It all makes good sense and that is why I asked. I could not figure out how the August one would—

**Senator Chris Evans:** I did wonder myself.

**Senator ABETZ:** The March one must be out very shortly?

**Ms Parker:** Yes.

**Senator ABETZ:** Do we have those figures yet, or not?

**Ms McKinnon:** I do not think we have. We alternate between them being publicly available and available to the CEOs of the companies only.

**Senator ABETZ:** What is the March one? Is that CEOs only?

**Ms McKinnon:** CEO only.

**Senator ABETZ:** We will then have to wait for June?

**Ms Parker:** That is right.

**Senator ABETZ:** When we talk about extension of the contract, I suppose that is all very nice but, if it is for a further three years, we will have to be talking extra money, one would assume, in those negotiations. Is that being factored in at this stage? It is not just rolling over the contract, one would imagine. There must be price adjustments?

**Ms Parker:** Yes. When you say 'a rollover', those providers will be offered an extension but there will be variations to the contract and the variations will be around budget measures. There have been changes in the budget to things that providers will deliver. For example, they will be doing very long term unemployed job seekers. They are getting additional money in the Employment Pathway Fund to manage job seekers who are in their second year of work experience. They are getting additional funding to manage young people coming into the system who were on youth allowance and the extension of those for an extra year, so there are variations. What we will do is work through a draft contract with those variations and then put it to providers. When you say additional money, it is not as simple as that. It is a provision of all the different budget measures; variations. There are some things that are dropping off that they were doing before that we have reviewed in terms of efficiency. We think it is an increase but, in terms of what they will get in terms of overall—

**Senator ABETZ:** What is the bet that they do not think it is, but we will wait and see on that.

**Ms Paul:** With the range of budget measures that it will be reasonably clear to them. I think they are coming to grips with that now. The budget measures, because there is a range

of increases to, particularly what is called the Employment Pathway Fund and other things, they will see that. We are out there now providing that information.

**Senator ABETZ:** Can I backtrack? What is the policy reason for having one star rating only given to CEOs and then the next one made available to the public? Why don't we make all of them available publicly?

**Ms McKinnon:** I think the answer is that, because it was a new model, seven programs rolled into one, and after consultation with the providers and the CEOs, they wanted to see how it rolled out. We are now proposing to make both sets public because people have a level of comfort on the rigour of the stars, so you are right. That policy reason about the newness of the model and what star ratings would be—

**Senator ABETZ:** Assist me: when was the new model introduced?

**Ms McKinnon:** I am talking about Job Services Australia in 2009.

**Ms Parker:** In 2009.

**Ms McKinnon:** 1 July.

**Senator ABETZ:** Yes. That is what I thought, so it has been going for a while.

**Ms Parker:** Yes.

**Ms McKinnon:** The first period of star ratings—

**Senator ABETZ:** I could understand why the first star rating was not made public. You would give it to the CEOs and they can then potentially pick it to pieces and say your methodology is wrong. You have not taken certain things into account. The department or the providers can discuss but after that I would have thought that there would not be much reason or argument as to why then each successive one should not be made public.

**Ms Parker:** No. That is right, but agreement was made with the providers that this is how we would handle it. We are now in discussion with them to say perhaps the time has come for you to release these stars.

**Senator ABETZ:** Before 2009 they were all public available; is that correct?

**Ms Parker:** I do not think so.

**Senator ABETZ:** Sorry?

**Ms Parker:** I think the same arrangement is every second one was—

**Senator ABETZ:** Wait a minute. The justification was that we had a new methodology and that is why we were doing it this way. If it was happening before, the justification is not the new methodology.

**Ms Parker:** I am sorry. I am told that they were released every six months publicly, so different arrangements. We are now providing them more often.

**Ms McKinnon:** We are providing them quarterly and alternating. The other reason too, as in a new model, the stars are weighted heavily towards 13 and 26 week outcomes so it takes you six months from day one to get a 26 week employment outcome.

**Senator ABETZ:** Yes. That is an important consideration as well.

**Ms Paul:** We did not do the star ratings for some period after the start of this current contract for that very reason. You just could not do it until you had been through the 13 and 26 week point so it has been a longish transition for that reason.

**Senator ABETZ:** An issue that even I am being spoken to about in this area: how many job seekers currently have an exemption from JobSearch? That is an area that even I am being consulted about with expressions of concern.

**Ms McKinnon:** Currently out of the 774,803 job seekers, 21.5 per cent of them, or a little over 166,000, are suspended.

**Senator ABETZ:** Do we have categories?

**Ms McKinnon:** We do. Of all the suspensions, 82,208 or 49 per cent, are work or study related suspensions.

**Senator ABETZ:** Work for study related. What does that mean? That people are actually studying?

**Ms McKinnon:** Forty per cent of those are undertaking part-time work.

**Senator ABETZ:** Sorry?

**Ms McKinnon:** Forty per cent.

**Senator ABETZ:** Of the 82—

**Ms McKinnon:** Of the suspended job seekers.

**Senator ABETZ:** Out of the 166,000?

**Ms McKinnon:** Yes.

**Senator ABETZ:** We have 49 per cent who are work force study related.

**Ms McKinnon:** Sorry. I have just been told I am answering a different question about suspensions not exemptions.

**Ms Parker:** We might clarify the difference.

**Ms Milliken:** Do you want to explain what a suspension is?

**Ms McKinnon:** Broadly speaking, jobseekers are suspended for a number of reasons, including the fact that they are in work or part-time study or undertaking voluntary work. That is 49 per cent of jobseekers who are suspended from a provider's caseload.

**Senator ABETZ:** Because of?

**Ms McKinnon:** Work, part-time study or a provisional exit. A provisional exit means they are on the pathway to that 13- or 26-week outcome in a job.

**Senator ABETZ:** Which leaves us with 51 per cent. What can you tell me about those? Do we have a category of medical exemption, for example, or something of that nature?

**Ms Milliken:** To cover exemptions from the activity test: in March 2011, there were around eight per cent of jobseekers who were exempt from their activity-test requirements—so, 61,590 jobseekers out of 754,000 jobseekers.

**Ms Parker:** If we explain what that means, an exemption covers things like medical condition, if they have caring responsibilities, if they have domestic violence circumstances, if there is a major personal crisis or if they are an expectant mother. In those kinds of circumstances they may qualify for exemptions from activities.

**Senator ABETZ:** I think I have confused myself. I was given a figure of 774,803 jobseekers before. Is that right?

**Ms McKinnon:** Yes.

**Senator ABETZ:** I thought Ms Parker just gave me a different figure of about 750. It is nice to know the unemployment rate has dropped in the last five minutes. I am clearly asking things that are confusing you, or you are not—

**Ms Milliken:** I am using as the basis for my advice the labour market and related payments report which is produced each month.

**Senator ABETZ:** What were Ms McKinnon's—

**Ms McKinnon:** I am using the caseload of JSA providers.

**Senator ABETZ:** So neither side is confused, can we stay with the JSA provider caseload? Would that be an appropriate figure then to work with?

**Ms Milliken:** I'm sorry?

**Senator ABETZ:** Can we work with the JSA provider caseload figure, which I understand is 774,803? Is that right?

**Ms McKinnon:** Yes.

**Senator ABETZ:** I was told, out of them, 21.5 per cent were exempted.

**Ms McKinnon:** Are suspended. There is the difference.

**Senator ABETZ:** What is the difference between being exempted and suspended?

**Senator Chris Evans:** I do not know about anybody else but I think we might start again. Anybody watching this would be totally confused; I am totally confused.

**Ms Paul:** Can I just take a few minutes to work out—

**Senator ABETZ:** Yes, of course.

**Ms Paul:** You want to know about exemptions when people are not required to undertake an activity. That is what you want to know, isn't it?

**Senator ABETZ:** Yes.

**Ms Paul:** Can you just give us a minute to work out precisely the number?

**Senator ABETZ:** All right. Whilst you do that, I will quickly get a cup of tea.

**CHAIR:** I think we are in a position to clarify some of the issues that we were discussing.

**Ms Paul:** We will do our best.

**CHAIR:** The officers have caucused.

**Senator ABETZ:** That is a real worry because I do not want the spin, I want the facts.

**Ms Paul:** Even worse, probably, from your perspective senator, I am going to give it a go.

**Senator ABETZ:** I would be worried if it moved one along from you. That is no reflection on you, Ms Parker.

**Ms Parker:** Good, thank you, for that.

**Senator Chris Evans:** No do not trust me with the figures.

**Ms Paul:** I am going to give it a shot on the basis that my colleagues can dig me out of a hole of I dig myself into it. You asked about exemptions. You want to know about job seekers exempt from activity test or other participation requirements.

**Senator ABETZ:** Yes.

**Ms Paul:** Exemptions are given when a job seeker's personal circumstances would make it difficult for them to meet those requirements and the top five reasons for an exemption are medical condition—

**Senator ABETZ:** Is this in order of—

**Ms Paul:** I cannot tell you that, I will take that on notice.

**Senator ABETZ:** Yes.

**Ms Paul:** Medical, caring responsibilities, domestic violence, major personal crisis and expectant mother. There are other reasons but those are top five and what we will do is take on notice the proportions. In terms of numbers—

**Senator ABETZ:** Just before you get onto the numbers, how many people—and I dare say it would be women—would report or indicate domestic violence?

**Ms Paul:** Sure.

**Senator ABETZ:** And actually volunteer it or, if I can use the term, sneak it in under major personal crisis as a result of which, not necessarily disclosing, that it is domestic violence that is the issue in their life?

**Ms Paul:** It would come out of an interview situation where the person on the other side is trained to be able to elicit these things; delicately, obviously. How many? We would have to take that on notice.

**Senator ABETZ:** Take it on notice if you can because—

**Ms Paul:** In fact, we have got something here which Ms Parker is putting in front of me which says that as at 25 March this year the domestic violence exemption accounted for 0.17 per cent of total exemptions.

**Senator ABETZ:** If that is one of the—

**Ms Paul:** Sorry. Of total principle carer parent exemption. Why don't we just give you the whole suite? I think that is the easiest.

**Senator ABETZ:** If you could and if you take that on notice. I always wanted to ask this question and I hope the politically correct brigade do not attack me for this: but how pregnant do you have to be to be classified as an expectant mother? At what stage?

**Ms Paul:** I do not know the answer to that so we will take that on notice too. If there is some rule—

**Senator ABETZ:** All right, thank you.

**Ms Paul:** In terms of—then you asked numbers.

**Senator ABETZ:** Yes, please.

**Ms Paul:** The reason we struggled with numbers is because there are two base lines. You were interested in numbers of job seekers having exemptions who are being looked after by JSA?

**Senator ABETZ:** Yes.

**Ms Paul:** We do not have that. We will have to take that on notice. What we do have is a bigger set which is not only those job seekers who are in JSA system but also those job seekers who are, say, in disability employment services and so on. It is coming off a bigger base. The bigger base is 753,676 job seekers, so that is not just JSA. As at March the total number of job seekers, out of that bigger base, with exemptions, was 61,590 which Ms Milliken gave you before, that equals eight per cent. What we will try to do for you on notice is two things: one is break down those reasons, what is the proportionality; and, secondly, try to give you those figures just for JSA, clients which is the basis of your question. But that gives you a feel for it at any rate.

**Senator ABETZ:** If I am asking what percentage of the total case load, you would say eight per cent, is that—

**Ms Paul:** Of case load beyond JSA. The biggest possible set, yes, of job seekers is eight per cent as at March for those five reasons and some others—medical, caring, domestic violence, personal crisis, expectant mother.

**Ms Parker:** In terms of your how pregnant question, the last six weeks of pregnancy will result in an exemption. Clearly, there can be exemptions in other periods with medical certificate.

**Senator ABETZ:** Yes, of course. I might be slow—did you tell me at the beginning of that the difference between exemption and suspension?

**Ms Paul:** I did not.

**Senator ABETZ:** No, can you at least—

**Ms Paul:** Because I figured that that would entirely muddy the waters.

**Senator ABETZ:** Having got that out of the way, what is the difference if I am exempted as opposed to suspended?

**Ms Paul:** Exempt is about personal circumstance as you can hear, medical, caring, domestic violence, it is what is happening to me. If I could frame this correctly, and I will hand over to my colleagues. Suspension is a broader set of people who are doing things which are contributing to them finding a job and therefore they are allowed to be suspended from requirements. For example, they may be studying. What if they are studying full time, why would they have to—and the study is clearly going to contribute towards them getting a job, it is that sort of difference in suspended. So suspended would be a broader thing. We can give you those numbers but I think what you were really getting at probably was the exemptions. If you like, on notice, we can break down suspensions for you too, if you wish.

**Senator ABETZ:** Yes. I hope I do not confuse myself but you took a question on notice last time, 0951. I was provided with an answer as at 28 February and answer No. 4—sorry, I will wait until you have got it.

**Ms Paul:** Answer No. 4 just to start the ball rolling.

**Senator ABETZ:** All right.

**Ms Paul:** Was the number that Ms McKinnon was giving you which is that broader set that I have just described. Someone might be studying, they might be working part-time but still seeking full-time employment and so on and so it is fair for them to be exempt from job

search requirements. A highly technical difference between the word 'exempt' and the word 'suspended' which, on the other hand, we have kind of conflated here. That 21 per cent of JSA case load is that broader thing that I just spoke about, whereas exempt are those personal conditions, which is the eight per cent.

**Senator ABETZ:** Can I then do a comparison between the eight and the 21 per cent?

**Ms Paul:** No, you cannot and the reason is that is why we have to take it on notice.

**Senator ABETZ:** I did not think so. That leaves a 13 per cent category.

**Ms Paul:** A different base.

**Senator ABETZ:** No.

**Ms Paul:** So number four here we have answered just for JSA. The eight per cent was answered for a broader set than JSA. We really do have to give it to you on notice.

**Senator ABETZ:** What is the number for the JSA caseload and we can work with a figure that was given; 778,761 as at 28 February. Is that right?

**Ms Parker:** Yes, 774,803 as at 31 March.

**Senator ABETZ:** Sorry, I was still working from the answer that I was provided in 0951, just so we compare apples with apples.

**Ms Parker:** Yes.

**Senator ABETZ:** Am I right to say that 21 per cent of the 728,761 are exempt?

**Ms Paul:** They are suspended.

**Senator ABETZ:** Suspended. Why was I—

**Ms Paul:** What are you asking, sorry?

**Senator ABETZ:** Suspended or exempted. Answer 1 tells me the total Job Services Australia caseload is 778,761, and then answer 4, 21 per cent of the JSA caseload is currently exempt. I am making sure. If I wanted the raw figure we would get 21 per cent of 778,761. Is that right?

**Ms Paul:** My understanding is, and we will check this, that the 21 per cent is those that are suspended. They might be suspended because they are studying; they might be suspended because they are working part time but that also, I think, would—

**Senator ABETZ:** So should the answer be exempted and suspended?

**Ms McKinnon:** Probably.

**Ms Paul:** Yes.

**Ms McKinnon:** If you look at the question of what proportion has an exemption on looking for work, that is what we have answered.

**Senator BACK:** Does 21 plus eight mean 29 or is the eight per cent suspension contained within the 21 per cent?

**Ms Paul:** The exemption would be contained within the 21 but the eight cannot be compared to the 21 because, as I said before, the base is different.

**Senator BACK:** Yes.

**Ms Paul:** But to answer your question, whether it is eight or something else, it would be included in the 21.

**Senator BACK:** The total percentage of those—

**Ms Paul:** The total would be 21.

**Senator BACK:** Either suspended or exempted is 21 per cent.

**Ms McKinnon:** Correct.

**Ms Paul:** Yes, that is right.

**Ms Paul:** It could be for those either for personal reasons or it could be for good job positive reasons like study and so on.

**Senator ABETZ:** Exempted and suspended is 21.

**Ms Paul:** Yes.

**Senator ABETZ:** The suspended figure is?

**Ms McKinnon:** 21.5 per cent of the JSA caseload is suspended.

**Ms Paul:** Suspended is the umbrella term.

**Senator ABETZ:** Suspended is the umbrella term?

**Ms Paul:** Yes.

**Senator ABETZ:** Instead of 'exempt' we should have had 'suspend' in that answer?

**Ms Paul:** Yes.

**Senator ABETZ:** In that case I should ask: out of the suspended, how many are exempted?

**Ms Paul:** That is what we cannot give you because we do not have it here just for JSA.

**Senator ABETZ:** But you will provide it on notice?

**Ms Paul:** We will provide it on notice. Yes. That is what I said before.

**Senator ABETZ:** I think we finally got there.

**Ms Paul:** Clear as.

**Senator ABETZ:** Thank you very much, it is clear as.

**Senator Chris Evans:** I am sure people reading the *Hansard* will wonder about all that.

**Senator ABETZ:** The spooky thing is there are people who read the *Hansard* and then provide us with further questions.

**Ms Paul:** We will give you a nice clear table which takes that 21 per cent and just breaks down all the categories.

**Senator ABETZ:** That would be very helpful and I would be most obliged.

**Ms Paul:** I think that would be the most helpful.

**Senator ABETZ:** What triggers an exemption or a suspension?

**Ms Paul:** We have been through that, I think, in that the top five triggers for an exemption are the personal things that I read before.

**Senator ABETZ:** Yes, but how?

**Ms Paul:** How does it happen?

**Senator ABETZ:** Yes. How do you pull the trigger, so to speak? Can somebody just say, I have got terrible personal circumstances and therefore I should be suspended'?

**Ms Paul:** No. We can talk you through the process of how it happens.

**Senator ABETZ:** Suspended includes exempted, Senator.

**Senator BACK:** I am just making sure you have the—

**Ms Milliken:** An exemption can only be applied by Centrelink. An exemption from your activity test or your participation requirements under the social security rules, so a provider cannot make a person exempt from their requirements. It is by providing sufficient evidence or information to Centrelink to indicate that you should be exempted from your requirements for a period of time. For example, a medical certificate in terms of ill health; in terms of personal circumstances it would need to involve a conversation with Centrelink about what was going on in your personal life and may involve a discussion with a social worker, depending on the individual's circumstances. Similarly, the issue of domestic violence would be by a discussion with Centrelink in a sensitive environment about what was happening with the individual. It is a Centrelink engagement.

**Senator ABETZ:** The detail of that should be asked at Centrelink estimates. There has been put to me personally by some providers that halfway down the track, working with people, expended energy et cetera, and then they are told, 'Guess what, I am now suspended'. They have done a fair bit of work and then the file is, for all intents and purposes, in abeyance. There has been the suggestion that in recent times there has been a surge in suspensions. Do the figures that you have bear that out on a national basis or, if you have them, on a state basis or a regional basis I would be very interested?

**Ms Milliken:** If I take the exemptions from the social security rule aspect, the proportion—

**Senator ABETZ:** Are we talking exemptions or suspensions?

**Ms Milliken:** We will start with the exemptions and then I will pass to my colleague.

**Senator ABETZ:** All right.

**Ms Milliken:** In terms of exemptions, the proportion at eight per cent of job seekers in March this year is the same proportion as it was in March 2010, so there has not been overall nationally—

**Senator ABETZ:** What about 2009?

**Ms Milliken:** I have that information. In 2009 it was 10 per cent so there has been a reduction since March 2009; the point in time comparison.

**Senator ABETZ:** That is the eight per cent.

**Ms Milliken:** Yes.

**Senator ABETZ:** Which is a subset of suspensions.

**Ms Paul:** The 21. It is not but we get the—

**Senator ABETZ:** What is the suspension figure for—let's just pluck that month of March 2011, March 2010 and March 2009.

**Ms McKinnon:** I do not have it. I will have to take that on notice.

**Senator ABETZ:** If you can take that on notice for me, I would be obliged.

**Ms Paul:** We will take it on notice and check it anyway. That is something which we understand from providers too. We hear that too. It can be frustrating and we do work closely with both providers and with Centrelink to try to maximise the probability that somebody is going to be undertaking active JobSearch. For the smaller set of exemptions, as Ms Milliken said, it is trending down. That has been my feeling overall, but we will check that.

**Senator ABETZ:** I have been advised by one of the providers that, in a particular Sydney JSA site, the total proportion of the overall caseload suspended reached 39 per cent.

**Ms Paul:** Has gone up. That is interesting. We would be interested to know that on a local level like that.

**Senator ABETZ:** So there may be regional differences.

**Ms Paul:** There might be. There would be. There would be because you have got quite different populations. I could imagine, for example, for an inner city Sydney area, or a particularly disadvantaged, you might find that. I think globally, nationally, I think the trend has been down but we will check that.

**Senator ABETZ:** If you could because that is from Sydney.

**Ms Paul:** It would not surprise me at all.

**Senator ABETZ:** I received a similar feedback when I was—I will have to remind myself—Wyatt Roy's electorate: Longman, Caboolture.

**Ms Paul:** Yes.

**Senator ABETZ:** Service providers were indicating to me there as well that there seemed to have been a surge. It seems to be in Sydney.

**Ms Parker:** It is not all a bad story. Suspensions can mean they are part-time working or they are studying. It sounds like a negative thing, a suspension, but it means they are off the caseload for providers getting service fees, which is why some of our providers complain about it because they are not getting service fees, but for the jobseeker it can be a good story.

**Senator ABETZ:** It could be—give us the detail of that—but, if a job service provider has started down the road and you put yourself in their shoes, and then, all of a sudden you have got 40 per cent of your files inactive—

**Ms Parker:** We do monitor that.

**Senator ABETZ:** In my lawyer days I do not think we would have made ends meet if 40 per cent of the files in the cabinet would have been inactive.

**Senator Chris Evans:** We will get the figures for you. The concerns raised are ones we would be concerned about, if there was a significant change or behaviour, or some sort of policy change from Centrelink, or different interpretation. We will follow that up, but I do make the point, which I have sometimes made to providers, the system is run to support unemployed people get better opportunities in life; that is the purpose of it.

**Senator ABETZ:** Of course, but you do want them to be appropriately remunerated because otherwise they will no longer provide a good service. There is another example here that provides, Sydney-wide, a caseload with 32 per cent; there is one of 39, one of 32, in the Sydney area.

**Ms Paul:** I think Ms Parker was just going to talk about that.

**CHAIR:** We might actually break now and resume at—

**Senator ABETZ:** If they answer this question, that would be all I have in this discrete area of jobs services.

**CHAIR:** You should do that then.

**Ms Parker:** I just want to make the point that providers have a number of jobseekers that they are contracted to work with, but we have tolerances, which means that they can go over their number of jobseekers, and it does take account of that. If a jobseeker is suspended and they are therefore not getting service fees for them, they can take on more jobseekers; it is a demand-driven system. We monitor the providers. None of them have reached their—they are not full, in other words. While they might like to have more people giving them service fees, none of them are in a position where they cannot take any more and they are suffering financially for it. As I said, we monitor it very carefully.

**Ms McKinnon:** The other consideration is that, while the jobseeker might be suspended, the JSA is not getting service fees. If they are suspended because of training or employment, the provider is then likely to get a 13 or 26-week outcome.

**Ms Paul:** The bottom line is they are paid when they get an employment outcome on the whole. That is the same as it was in the past and it is really important to—

**Senator ABETZ:** Yes, but if the strike rate is becoming more difficult because of Centrelink suspensions, then that is something that at least we should be conscious of and monitoring.

**Ms Paul:** Yes. We do monitor.

**Senator ABETZ:** The figures you will provide, especially if you are able to provide them on a regional basis, if that does not create too much work, rather than the national broad-brush approach, that might indicate that those that have complained to me are not just whingers but in fact have a specific problem in a specific area, in comparison to the vast majority.

**Ms Paul:** Perhaps what we could do is either just give you them globally regionally, if it is easy. If it is not easy, perhaps we can look at those two areas.

**Senator ABETZ:** Yes.

**Ms Paul:** Which was the Sydney area?

**Senator ABETZ:** Sydney and Caboolture, in Queensland.

**Ms Paul:** Where in Sydney, though; east, west, inner?

**Senator ABETZ:** I am just a country boy and I only know Sydney as Sydney.

**Ms Paul:** We will look for the high figure.

**Ms Parker:** We are happy to raise it with Centrelink.

**Senator ABETZ:** Thanks.

**CHAIR:** Thank you. We will now suspend until 10.45.

**Proceedings suspended from 10:34 to 10:45**

**CHAIR:** We will resume these Estimates hearings. We are in outcome 4.

**Senator ABETZ:** Dabbling in the dark art of Employment Participation et cetera. I do wonder about some of the terminology that I am using but I am advised it is correct, so let us

give it a go. I understand there is a category of Change of Circumstance Assessments in relation to stream services—is that correct and, if so, how many Change of Circumstance Assessments have been undertaken in the last six months?

**Ms Parker:** I think you are referring to change of circumstances where a provider may become aware that a job seeker has changed circumstances such as perhaps has become homeless or something specific has occurred.

**Senator ABETZ:** Yes, which then triggers a job capacity assessment?

**Ms Parker:** That is it. Yes, that is what we are talking about.

**Senator ABETZ:** Which I assume is different to a suspension and exemption?

**Ms Parker:** Yes. So that I can clarify a little bit—we should have done that with the previous questioning. There are a number of ways that can occur. One of the ways that that can occur is for the provider to enter into our IT system that there has been a change of circumstance and that can trigger a change to the job seeker classification instrument which may, in fact, bump them up to a higher stream, which means they will get higher level servicing. The other way in the past has been that they can ask Centrelink to undertake a job capacity assessment for that job seeker. That is only for them to be bumped up to stream 4 or into disability employment services. There are a number of different ways that the job seeker can be changed. Another way is through stream services reviews, which have occurred typically after 12 months when a job seeker is in employment services. Centrelink will review their circumstances, see if they still fit in the stream, and in some cases they get bumped up. In a lot of cases they do not but they may move into work experience at that point. That is a bit of background.

**Senator ABETZ:** How many in the last six months? Thank you for that introduction.

**Ms Parker:** How many Change of Circumstances Assessments have occurred in the last six months.

**Senator ABETZ:** In the last six months or whatever the convenient date is?

**Ms McKinnon:** As at 31 March 66 per cent of job seekers have had a Stream Services Review outcome. There have been 112,000 stream services reviews, which have resulted in the job seeker going into the work experience phase, and about 56,000 stream services reviews have resulted in the job seeker going into a higher stream. That is part of an end-of-12-month review of the job seeker's circumstances—that is that.

**Senator ABETZ:** And 56,000 out of 112,000 is a very neat 50 per cent. That is just coincidental?

**Ms McKinnon:** Yes. So 34 per cent of them went into a higher stream and 66 per cent were confirmed in their stream and moved into the work experience phase. That is talking about stream services reviews. There are also the job capacity assessments, the JCAs—

**Senator ABETZ:** How many of those have been triggered in response to the changes of circumstance in that period that you have just referred to?

**Ms Parker:** In terms of JCAs—that is where the provider might refer them to Centrelink and ask them to have a JCA through either Centrelink or another provider—we have about 25 per cent in 2010-2011 with the change of circumstances reasons. In terms of overall referrals

to a job capacity assessment, it was about 465,000 in 2010-11, in numbers. As I said, of those, about 25 per cent were due to a change of circumstances.

**Senator ABETZ:** Where a job capacity assessment is triggered as a result of a change of circumstance, is there a requirement for the JSCI, which I am told is the job seeker classification instrument, to be updated.

**Ms Parker:** Yes.

**Senator ABETZ:** Whose responsibility is it to update that instrument?

**Ms Buffinton:** For the JSCI, either Job Services Australia, in this case, so that the employment service can update the JSCI, equally, Centrelink can also update the JSCI, and also the job capacity assessor can update the JSCI.

**Senator ABETZ:** All three can but what if they do not, as in whose responsibility is it at the end of the day? Do all three have to do it?

**Ms Parker:** No. One can do it.

**Senator ABETZ:** One can do it but whose responsibility is it out of the three?

**Ms Buffinton:** Those who notice the change of circumstance. In the first instance, if they have come in and it is during the course of having a job capacity assessment, the JSCI will be updated. Equally, if there is a change of circumstances and it has come into a JSA provider, they will update the job seeker classification instrument.

**Ms Parker:** It is owned by Centrelink but other providers have access to it, so JCA can update it as well.

**Senator ABETZ:** Yes, I know they can. The question is: if they do not, is there any penalty for not doing so?

**Ms Parker:** No.

**Senator ABETZ:** No. Whose responsibility is it to make sure that the instrument is up to date?

**Ms Parker:** There is quite a large incentive in the system to get it right. There is no penalty for not assessing a job seeker and checking that they have a change of circumstance. There is a strong incentive and the incentive is, if they have got a change of circumstance that tips them into a higher stream, you are going to get more funding, so there is that incentive to get it right.

**Senator ABETZ:** There is an economic driver for the provider to do the update?

**Ms Parker:** Yes. For Centrelink, because they have regular interviews with job seekers and they want to get them into the right stream, they have an incentive in terms of public service to make sure they are being appropriately serviced.

**Senator ABETZ:** Does anybody monitor it to make sure that it is appropriately updated?

**Ms Parker:** When you say 'appropriately updated', we would not know that.

**Senator ABETZ:** Delete appropriately, but it is updated.

**Ms Parker:** Every time the job seeker goes into an interview with Centrelink, which they are required to do as part of their participation requirements, there is a discussion around whether they have had change of circumstances. What are they doing? Are they job searching? Are they meeting requirements? There is an obligation. It is part of Centrelink's

obligations to do that, the same as the providers have an obligation under the contract to do that. In terms of checking whether they do that, that is a difficult question. As I said, the incentives are built in to ensure they will do that.

**Senator ABETZ:** Who is the job capacity assessor?

**Ms Parker:** Who are they?

**Senator ABETZ:** Yes. Are they the providers or Centrelink?

**Ms Parker:** They can be Centrelink.

**Ms Buffinton:** We have got 18 job capacity assessors up until 30 June this year. The largest grouping, 60 per cent, is undertaken by Centrelink and CRS Australia and the remaining 16 have 14 per cent of job capacity.

**Senator ABETZ:** If Centrelink has made the change of circumstance assessment, which should then trigger a change in the instrument, who monitors that Centrelink does it? What is the incentive there? I can understand if a provider is doing it there is a financial incentive for them to get it right but, if 60 per cent plus are done by Centrelink, where is the responsibility or command chain, whatever, to ensure that Centrelink does it so it then flows through to the actual provider?

**Ms Buffinton:** This is fundamental to the role of Centrelink and the terms of the guidelines that they have to work with.

**Senator ABETZ:** That is reassuring but how do we know it happens and who monitors it and what penalties or benefits are provided to a provider in the case they keep blundering along not knowing that the instrument should have been changed.

**Ms Parker:** Yes. Some of our providers have raised questions about when Centrelink and CRS become the only provider, how do we assure ourselves that Centrelink is going to do this properly?

**Senator ABETZ:** Yes.

**Ms Parker:** We have KPIs with Centrelink that we require them to meet and we assess them against that. We have ongoing bilateral agreements, written agreement, with Centrelink about what they will deliver. We have targets, we have KPIs and we fund them to deliver.

**Senator ABETZ:** One would assume there would not be a 100 per cent success rate?

**Ms Buffinton:** We also have a quality instrument. To check on the JSCIs, each year, for a number of years, we have had an independent team go through and assess the quality of the application of the JSCIs.

**Senator ABETZ:** What does that tell us?

**Ms Buffinton:** The surveys confirm a high level of accuracy in the JSCI score bandwidth, confirming that it is operating correctly for job seekers for both Centrelink Unemployment Services. The surveys did not identify any significant differences between the results for employment service providers and Centrelink.

**Ms Parker:** In terms of the transition to CRS and Centrelink, the department has been working very closely with Centrelink to ensure they are ready for this. We have been impressed with the way they have delivered JCA services. Their level of accuracy is better than the other providers.

**Senator ABETZ:** That is all good to hear. There has been high level and significant compliance et cetera that Ms Buffinton told us about. What does that mean: 90 per cent, 95 per cent, 99 per cent?

**Ms Parker:** Eight per cent of assessments completed within 10 business days. We could tell you the benchmarks.

**Senator ABETZ:** Yes.

**Ms Parker:** Eighty per cent of assessments within 10 business days of referral in non-remote ESAs. There are others: 80 per cent of assessments within 15 business days in remote employment services areas; essential less than five per cent undertaken by phone in remote; and less than one per cent of assessments with inaccurate or insufficient information to inform an income support decision or an appropriate referral to employment services. The JCAs do meet those KPIs. If they do not, then they have to demonstrate strategies to improve their performance and we work closely with them on that and we will do the same with Centrelink. The meetings with Centrelink to assess their performance are undertaken regularly and at a range of levels ramping up to deputy secretary level, then there is another layer below that. There is very specific traffic light reporting and we are quite vigilant with the measurement of Centrelink's performance.

**Ms Buffinton:** Department of Human Services has been undergoing through May and June a broad range of professional development, understanding the importance of taking on 100 per cent of job capacity assessments. That has been one of the advantages of economies of scale of new training packages and broad training across their network.

**Senator ABETZ:** We do countenance then 20 per cent not being put up within 10 days. Do we know how many, in raw data, of them not being put up within that 10 days? If you get 99 per cent up within, for example 11 days, chances are that is pretty good. Whereas if 20 per cent are holding out, if they are not caught within the 10 days they then slip through the system. For 30 days, then I would imagine that would be a matter of some real concern. Do we have any data or figures on that?

**Ms Parker:** We would need to take that on notice. Some of the issues, we have noticed this year, for example, around flood areas and we had to make some allowances right across the board with Centrelink benchmarks and with our JCAs and other providers, but taking that into account we can take that on notice.

**Ms McKinnon:** It is about 20,000, on the sample I have got here, that were not done within the 10 days, but it really does drop off markedly, that rate, at about the 15 day point; I would suggest, something like 95 per cent of them are done. The ones that are not done are also requiring interpreters and/or in remote areas.

**Ms Parker:** Just to be clear, Ms McKinnon is talking about Stream Services Reviews, not job capacity assessments. They are all about upstreaming or seeing whether the jobseeker is in the right stream, so we are talking the same outcome, or the aim, but you are talking specifically about JCAs.

**Senator ABETZ:** Yes.

**Ms Parker:** We can get you that information.

**Senator ABETZ:** Providers are required to provide a reason for triggering a Change of Circumstance Assessment.

**Ms Parker:** Yes.

**Senator ABETZ:** Who else can do that for us; Centrelink?

**Ms Parker:** Centrelink can; yes.

**Senator ABETZ:** And CRS?

**Ms Parker:** Yes.

**Senator ABETZ:** I assume they are required to provide a reason as well.

**Ms Parker:** Centrelink, yes. When they enter it into the system, they need to—a change of circumstance needs to be backed up by some evidence.

**Senator ABETZ:** Yes. How often are Stream Service Reviews undertaken; how many do we have?

**Ms McKinnon:** The Stream Service Review was undertaken at the 12-month point of the jobseeker being in Job Services Australia and it was to check that their circumstances had not changed, and it was a gateway to moving into the work experience phase for that jobseeker.

**Senator ABETZ:** If the review is not undertaken within the 12-month timeframe, does that provide a particular disruption to the jobseeker's servicing?

**Ms McKinnon:** The issue was that, while the jobseeker was waiting that Stream Service Review, there was a pause from the provider's perspective in that jobseeker entering into the work experience phase, and a pause in the crediting of the EPF for the work experience phase. That is partly why we had an emphasis on the 10-day turnaround for Stream Service Review.

**Ms Parker:** Because a lot of those occurred at the same time, in the last 12-month period, if you like, there was a bit of a backlog for Centrelink having to do this, so we allowed providers to bring forward their fees to where they needed to. Not many of them did but we allowed that because there was a bit of a backlog for Centrelink.

**Senator ABETZ:** Can you provide the number of jobseekers in each stream? Is that readily available?

**Ms Parker:** Yes, that is fine.

**Senator ABETZ:** Remind me; we have four?

**Ms Parker:** I have got 31 March figures.

**Senator ABETZ:** Yes.

**Ms Parker:** We have: stream 1, 152,700, which is 28 per cent of the load; stream 2, 149,410, which is also 28 per cent of the load; stream 3, 127,580, or 24 per cent; stream 4, 112,166, or 21 per cent.

**Senator ABETZ:** What percentage of each stream has achieved a 13-week employment outcome?

**Ms Parker:** I have whole numbers here, not percentages.

**Senator ABETZ:** Whole numbers are fine.

**Ms Parker:** For stream 1, 286 achieved a 13-week outcome, and 643, a 26-week outcome; stream 2, 13-week outcome, 163,095, and 26-week outcome, 99,944; stream 3, 13-week employment outcome, 59,698 jobseekers, 26 weeks, 31,810; and stream 4, 13-week outcome, 29,180, 26-week outcome, 13,400.

**Senator ABETZ:** The fact that we have less numbers in the 26-week column than the 13-week column, does that indicate that there is a substantial drop of those that get up to 13 weeks but then do not make it to 26 weeks, or is that just that those started off earlier—

**Ms Parker:** As they are flowing through, that is right.

**Ms McKinnon:** You are right. The conversion rate is not, obviously, 100 per cent; I am not sure what it is.

**Senator ABETZ:** The disparity between the figures—you cannot just take 13 weeks, take the 26-weeks figure and say that is how many drop out?

**Ms McKinnon:** No. In stream 1, the providers do not get an outcome payment and therefore do not record 13 and 26-week outcomes until the jobseeker has been in service for 12 months. That is why stream 1 looks lower.

**Senator ABETZ:** Just to confuse things, how many people have transferred streams in the last, whatever is the relevant data you have, six or 12 months?

**Ms McKinnon:** I can do it by stream, and this is a result of the stream services at the 12-month point, which is as good an indication as any. Of the stream services reviews, 66 per cent of jobseekers were confirmed moving into the work experience phase, and 34 per cent were confirmed as moving into a higher stream, or what we call stream 4 extended, which is an extra six months of servicing.

**Senator ABETZ:** Do we have an average duration of unemployment for stream 1 jobseekers?

**Ms McKinnon:** Stream 1 jobseekers, there were 54,900—sorry at March 2011 there were 27,840 at 12 months duration of unemployment.

**Ms Paul:** He has asked for the average duration by stream.

**Ms McKinnon:** I beg your pardon. How long are they unemployed? We will have to take that on notice.

**Senator ABETZ:** Take that on notice, thank you. Also, if you can take that on notice for stream 2 and, indeed, all the streams, please. How many calls have been received by the Job Seeker Hotline in the last six months? Do you hire somebody to do the hotline for you and, if so, who is that provider?

**Ms Parker:** We do have what we call a customer service line and that is generally run through our state offices. It is people with experience in employment services contract management. That is the line that jobseekers can phone and complain, if you like, or offer compliments, in fact.

**Senator ABETZ:** That would surprise me. What are the statistics on the latter?

**Ms Parker:** We do have those. We have given statistics in questions on notice before. In terms of complaints—is that what you are asking?

**Senator ABETZ:** No. First of all, how many phone calls have been received and whatever the appropriate time is—do you have the last six months or up to 31 March, or what do we have?

**Ms Harrison:** The total number of records created in our customer service line for the period 1 July 2010 to 31 March 2011 is 24,332.

**Senator ABETZ:** How many of those were compliments?

**Ms Parker:** I set myself up for that, didn't I? Two point five per cent of records have been compliments.

**Senator ABETZ:** Very good.

**Ms Parker:** Or 603 compliments.

**Senator ABETZ:** That is quite a significant raw number. I was wondering: can we take that 2.5 per cent and make—what—97.5 per cent as dealing with complaints? I assume not. Most of them would be seeking help.

**Ms Parker:** Only 35.

**Ms Paul:** I think when we broke it down before it is—

**Ms Parker:** Thirty-five for complaints. There are a lot of people ringing to ask to transfer providers or to get information. They might want to go to another area, so they are moving. It is more information.

**Senator ABETZ:** Do we track them as to which stream they are in or not? Can you tell us how many stream 1 job seekers ring?

**Ms Parker:** We will have to take that on notice. I do not think we get down to that level of detail.

**Senator ABETZ:** If you have that detail, could you provide it to us for the four streams.

**Ms Parker:** Certainly.

**Senator ABETZ:** If not, so be it. You have hinted at my next question: how many job seekers have transferred providers? Do we have that figure and then a break-up of those?

**Ms Parker:** I have 17 per cent requests for transfer. In terms of actual transfer I would say it would be around the same.

**Ms McKinnon:** In the period 1 July 2009 to 31 March there were 327,350 job seekers who transferred JSA providers.

**Senator ABETZ:** How many of those were due to relocation?

**Ms McKinnon:** Sixty-nine per cent were due to the job seeker changing address.

**Senator ABETZ:** One assumes that is relocation. Does that tell us—did you say 69?

**Ms McKinnon:** Yes.

**Senator ABETZ:** In rough terms two-thirds, or one-third?

**Ms McKinnon:** A further 20 per cent changed because the new site was more accessible, so they have stayed in the area but for reasons of bus or public transport it is just more accessible, rather than changing address.

**Senator ABETZ:** Dissatisfaction with their existing service provider will, as a result, become a relatively low number, I would assume?

**Ms McKinnon:** 0.03 per cent of transfers.

**Senator ABETZ:** That is even lower than I would have thought. That is a great compliment, one would have thought, to the service providers. I am sure the minister and I would be pleased if we could keep that many people happy with our—

**Senator Chris Evans:** It also, I think, proves that I have met every one who has complained because, of 0.03 per cent, I have met them all.

**Ms Parker:** If I can backtrack a little bit, you asked about complaints by stream, and I do have that if you would like to have that.

**Senator ABETZ:** Thank you, yes.

**Ms Parker:** In terms of percentages—and I can give you whole numbers as well—stream 1, 17.4 per cent of complaints; 22.1 per cent, stream 2; 19.5 per cent, stream 3; and 17 per cent, stream 4. It is fairly even really.

**Senator ABETZ:** I assume Work for the Dole comes under this general bracket as well?

**Ms Parker:** Yes.

**Senator ABETZ:** It does. Good. How many people do we have undertaking a Work for the Dole activity at the moment or whatever the most recent figure might be?

**Ms Parker:** We have since the commencement 5,015 activities.

**Senator ABETZ:** How many are currently undertaking a Work for the Dole activity?

**Ms Parker:** I think we have since 31 March 57,780 placements in Work for the Dole activities—actual job seekers participating in Work for the Dole activities.

**Senator ABETZ:** That is?

**Ms Parker:** That is since the commencement of JSA. I am sorry; I do not have a point in time.

**Senator ABETZ:** That seems to be a significant increase on what we were told about December last year, that there were 9,151 job seekers who were undertaking or about to undertake a Work for the Dole activity.

**Ms Paul:** Perhaps that was a point-in-time number.

**Ms Parker:** Yes, it was.

**Senator ABETZ:** Clearly, it was a point-in-time number. What is the point-in-time number for 31 March? I thought that was what I had just been given, but clearly not.

**Ms Parker:** No, I said 'since the start'.

**Ms Paul:** Since the start. She did say that. It was not a point in time.

**Senator ABETZ:** Sorry, I misheard. So, point in time?

**Ms Parker:** 9,360.

**Senator ABETZ:** We have had—if I might describe it as such—a modest increase since the December 2010 figure. How many have we got—what is the term?—lined up, due to commence, ready to enter into—

**Ms Parker:** I do not think we have that with us.

**Senator ABETZ:** Could you take that on notice.

**Ms Parker:** Yes.

**Senator ABETZ:** Are you able to provide us with a time frame from when you identify somebody to partake in Work for the Dole until they are then actively engaged in a project? How long does that take us?

**Ms Paul:** The average duration, if you like, until they get to achieve an outcome? I suspect we will have to take it on notice.

**Ms Parker:** Or do you mean before they actually start on the activity?

**Senator ABETZ:** Yes, before they start on the activity?

**Ms Parker:** Right. How long does it take?

**Senator ABETZ:** As I understand, you can either volunteer or be volunteered for Work for the Dole.

**Ms Parker:** Yes, that is right.

**Senator ABETZ:** Either way, from volunteering or being volunteered to actually commencing.

**Ms Parker:** I think Ms Laker can answer.

**Ms Laker:** The period of time that it took between the job seeker selecting to go into Work for the Dole and actually commencing on Work for the Dole would vary from job seeker to job seeker. However, when a job seeker moves into the work experience phase, if they have not selected a type of work experience activity within six weeks, then they must commence in a Work for the Dole activity by eight weeks after they have moved into the work experience phase.

**Senator ABETZ:** That is if there is a viable project in their area?

**Ms Laker:** If they have not selected another type of work experience activity.

**Senator ABETZ:** Yes. Are you able to give us—on notice, of course—a month-by-month figure for Work for the Dole from the beginning of 2007 and through so that we have a comparison for the last three years plus?

**Ms Laker:** I will have to take that on notice.

**Senator ABETZ:** Yes, of course. I would not assume that you would have it with you but just to see how the figures of participation are trending.

**Ms Paul:** Of course, there has been a change in approach. We will certainly pull out the numbers for you, but there has been a change of policy so it will not be comparing apples with apples because the shift to Job Services Australia and the policies there included a much greater reward for, say, sending someone on to training instead of Work for the Dole. Work for the Dole was more compulsory and also in a more narrow set of options. Now the options are much wider in terms of what you are allowed to do for work experience and, indeed, we are getting really good results in terms of transferring to jobs from job seekers who have undertaken, in particular, education and training, which simply was not rewarded in the same way. There was not an incentive for it under the old scheme. It will not be apples to apples; nonetheless, we can probably pull out the figures for you and we will explain the difference.

**Senator ABETZ:** If you could. Do the providers have within their contract a requirement that they refer somebody to commence work experience within a certain period of time?

**Ms Laker:** Yes.

**Senator ABETZ:** That time is?

**Ms Laker:** That is where a job seeker normally would enter the work experience phase after 12 months and a job seeker has six weeks to select a work experience activity. If they

have not chosen one in that time a JSA provider will put them into a work for the dole activity at the eight week point.

**Senator ABETZ:** How many job seekers have failed to identify a work experience activity which has then resulted—

**Ms Paul:** In them being directed into Work for the Dole?

**Ms Laker:** I will have to take that on notice.

**Senator ABETZ:** Yes, if you could, please.

**Ms Parker:** It may be a compliance question. If they refuse to participate they can, of course, lose their payments.

**Ms Laker:** It may be difficult to identify, when someone is starting work for the dole, whether they chose to commence or whether they were placed by the JSA.

**Senator ABETZ:** Yes.

**Ms Laker:** We will make that caveat if that is necessary.

**Senator ABETZ:** Are all job seekers adhering to the timeframes for commencement outlined in the JSA guidelines? I dare say not.

**Ms Laker:** Where a job seeker does not meet their requirements, the Job Services Australia provider would be required to report them through to Centrelink.

**Ms Parker:** There are some areas that I mentioned before, such as the floods which can be an issue.

**Senator ABETZ:** Of course.

**Ms Parker:** If they are going into training, for example, and the course does not start for a few weeks, there are some circumstances where that is acceptable but, in the main, we require them to adhere to those timeframes.

**Senator ABETZ:** Of the caseload, for very long term unemployed, what percentage is currently undertaking work for the dole activity? Not readily available?

**Ms Laker:** I think we have.

**Senator ABETZ:** I am happy if you take it on notice.

**Ms Laker:** Could I just have the question again, Senator? I think we do have that.

**Senator ABETZ:** Yes. Of the caseload for the very long term unemployed, what percentage is currently undertaking work for the dole?

**Ms Laker:** For very long term unemployed, so they are in their second year of work for the dole, I can only give you group based activities so that is primarily work for the dole but may also include Green Corp or Drought Force projects, and 19 per cent of very long term unemployed are in those types of activities.

**Senator ABETZ:** On notice, can you break that up for us for work for the dole, for drought assistance and Green Corp?

**Ms Laker:** I am sure we will be able to. Yes.

**Senator ABETZ:** How many very long term unemployed have undertaken a work experience activity in the last 12 months?

**Ms Laker:** This is how many—

**Senator ABETZ:** Take that on notice.

**Ms Parker:** They are required to undertake activities so our very long-term unemployed numbers at the moment are 233,700. Those who have been 24 months plus on the caseload, all of them are required to be undertaking work experience.

**Senator ABETZ:** That is the requirement.

**Ms Parker:** That is right.

**Senator ABETZ:** Now we want to know how many actually do.

**Ms Parker:** We would need to talk about how many have had their income support suspended.

**Senator ABETZ:** Yes.

**Ms Parker:** Yes.

**Senator ABETZ:** Does the department expect that, given the new activity test requirements for the very long-term unemployed, that providers will need to offer work for the dole activities to ensure they have sufficient projects?

**Ms Parker:** They are supposed to customise the work experience for the job seeker. They may do work for the dole but it will not be necessarily compulsory. The idea of the Employment Pathway Fund is that it is flexible and they are supposed to customise it for the job seeker needs. They may do education and training; they may do national Green Jobs Corp; they may do a whole range of other activities: part-time work, volunteer work. There are many activities they can do.

**Ms Laker:** The proportion of those undertaking work experience in education and training type activities has been growing. It would be reasonable to expect that that would be the case for the very long term unemployed as well.

**Senator Chris Evans:** Under the contract, because the financial incentives changed and greater reward for people entering into education and training, there has been a shift towards that and what we have is results that show those who have done the education and training are getting better job results than those who did the Work for the Dole scheme, which is not to say Work for the Dole does not remain an important part of the suite of measures, but very much with those longer term unemployed they need some education and training to maximise their job opportunities. That may be just foundation type stuff but Work for the Dole is a useful suite. I think the comparative figures are 60 per cent get a job or study outcome versus 35 per cent for Work for the Dole. In fact, we are getting better outcomes from the broader suite of measures and that is in part because we incentivise through JSA, the providers, to offer a wider suite of options. The shift reflects the changes in incentive but also improved outcomes from those who effectively, because we know that the very long-term unemployed, a large cohort of them, just do not have the skill set that an employer is going to pick up. Unless they have got that skill set in terms of some education and training or basic literacy, they are not going to get a job.

**Senator ABETZ:** Do we have the number of Work for the Dole activities currently operating?

**Ms Laker:** Number of placements by state, was it, that you are after?

**Senator ABETZ:** I will be asking about the breakdown for state and territories, but how many Work for the Dole activities are currently being—so not the number of the actual activities or projects?

**Ms Laker:** The number of Work for the Dole activities: 16,054. That is the number of activity locations, so one particular work for the dole activity may run in a number of locations.

**Senator ABETZ:** I think we only had 9360 participants which would nearly suggest that there are two activities per participant.

**Ms Laker:** That 16,000 figure refers to the number of activities since the commencement of JSA up to 31 March this year.

**Senator ABETZ:** I did ask about currently being offered so why don't I rephrase the question so we get it absolutely clear. Of the 9360 individuals who are currently undertaking a work activity, how many projects does that represent?

**Ms Parker:** We will take it on notice. The current Work for the Dole locations, and as Ms Laker said, one location can be across an activity, if you know what I mean. It is 16,054. We will take on notice—

**Senator ABETZ:** Work for the Dole locations, there are 16,000, but we have only got 9000 participants. We have got work for the dole locations where clearly there is no participant.

**Ms Paul:** As Ms Laker said, the comparator is with 57,000 placements in Work for the Dole since the start of JSA, that is the 16,000, that is the basic; it does not answer your question.

**Senator ABETZ:** No.

**Ms Paul:** I take that on notice.

**Senator ABETZ:** If you could, and then you can tell us what I assume will be a substantially smaller figure than that 16,000 figure—

**Ms Paul:** That is right.

**Senator ABETZ:** and then divide that into state and territories.

**Senator Chris Evans:** I am happy to get the department to give you a broad brief on breakdown of projects, numbers, current and cumulative, and state-by-state. I think you want to understand the whole complexity. Rather than take individual questions on those, I am happy to do that, but we will provide you with a complete breakdown of Work for the Dole, if you like.

**Senator ABETZ:** With that, if you can provide us with the current type of activities that are on offer.

**Ms Paul:** Sure.

**Senator ABETZ:** How many activities offer a certificate level qualification as a component of the project?

**Ms Paul:** We will take that on notice but it is important to try to pull out some statistics on training across the board, because, of course, work experience as a category now, as we were

saying before, has a wide sweep of possibilities in it, including training, and Work for the Dole is just one. We will do it across the board and work—

**Senator ABETZ:** That is right, but in Work for the Dole activities—

**Ms Paul:** Yes, we will do that.

**Senator ABETZ:** because I understand you can, for example, get a first aid certificate, or a brush cutting, or chainsaw whatever.

**Ms Paul:** Yes, you can. That is right. We will see if we can pull out those numbers for you too.

**Senator ABETZ:** Work experience activities: how many job seekers are currently undertaking a work experience activity?

**Senator Chris Evans:** I will get them to give you the gross numbers but, again, if you want a breakdown, I am happy to give you that. I suspect it is fairly hard going for you, in terms of the stats. I am happy for you to have whatever you want today, but we will also give you the breakdown, if you want.

**Ms Laker:** The figures that I have available are for the period of Job Services Australia up to 31 March. If you prefer, we could take that on notice.

**Senator ABETZ:** Yes, if you could, because I want to know the current figure. Having said that, if you can provide us with, from commencement, to 31 March but then also the current figure. If I can quickly backtrack to Work for the Dole—

**Ms Laker:** Sorry, could I just clarify, if you are looking for a point in time, so that will give us a figure on a certain day?

**Senator ABETZ:** Yes, a certain date.

**Ms Paul:** We have a figure now.

**Senator ABETZ:** That certain date is?

**Ms Paul:** The thirty-first of March. On 31 March we gave you as a snapshot a figure of 9,360 Work for the Dole people, and that is out of the broader set of 14,380 jobseekers participating in work experience activities on that day; so, literally, a day snapshot of 31 March.

**Senator ABETZ:** There is nothing to believe that 31 March would be out of kilter with the—

**Ms Paul:** No, it is just when we take the sample.

**Senator ABETZ:** All right. If I may quickly backtrack to Work for the Dole, in relation to the various activities that I have asked for a breakdown of, if it is possible, indicate to us what the number is of participants in each of those activities as well, if that is possible.

**Ms Paul:** Sure.

**Ms Laker:** I can give you the number of placements but, again, the figures I have for placements are for the whole period.

**Ms Paul:** I think we will take it on notice. You want the snapshot, do you not?

**Senator ABETZ:** Yes.

**Ms Laker:** You want the number of placements?

**Senator ABETZ:** Yes.

**Senator Chris Evans:** If we provide you with a set of tables, it will be a lot easier than the way we have been going.

**Senator ABETZ:** Yes.

**Senator Chris Evans:** We are happy to provide the information. I am conscious that, if we are providing bits and taking other bits on notice, we are not actually getting a very clear picture, but we certainly can pull that together for you.

**Senator ABETZ:** How difficult is it to give us those snapshots like you just gave us for 31 March? Is that a figure that is relatively easily retrievable?

**Ms Laker:** Yes.

**Senator ABETZ:** All right, if you could take on notice. Just because it happens to be the end of the month today, if we can get 31 May on notice; that might potentially be an interesting comparison. Thanks for that. They tell me the budget announced increasing the work experience activity requirements for the very long-term unemployed.

**Ms Parker:** Yes.

**Senator ABETZ:** Where there are currently job seekers who have been on the employment services caseload for more than two years already, when can we expect to see them commence more stringent activities?

**Ms Parker:** This measure does not commence until 1 July 2012. From that point, anyone who is in their second year of work experience—

**Senator ABETZ:** As at 1 July 2012?

**Ms Parker:** That is right.

**Senator ABETZ:** The two years, and that is what I was trying to get at, does not start counting from 1 July 2012 and take you to 1 July 2014?

**Ms Parker:** No.

**Senator ABETZ:** Backtrack, from 1 July 2010.

**Senator Chris Evans:** If you can conceptualise it in the terms of there is a new contract with the providers that starts on 1 July 2010, they are funded to provide that increased level of activity requirement from that date for all existing clients.

**Senator ABETZ:** Yes, but I was trying to find out whether the two—

**Senator Chris Evans:** Yes, I know what you are saying. If you conceptualise it as a new contract, the new rules will be applied from 1 July under the new contract, and they will be funded for that level of activity.

**Ms Paul:** You are right, it would be job seekers, in effect, for whom the clock started ticking in 2010.

**Senator ABETZ:** Yes, as of 30 June 2010.

**Ms Paul:** That is right.

**Senator ABETZ:** Good. When will providers see additional funding in the Employment Pathway Fund to cover the cost of full-time work experience?

**Ms Parker:** For the increased obligations?

**Senator ABETZ:** Yes.

**Ms Parker:** From 1 July 2012.

**Senator ABETZ:** From 1 July.

**Ms Kidd:** The new credits will go into the Employment Pathway Fund as the jobseekers enter that second phase.

**Senator ABETZ:** They have to be in their second year of work experience.

**Ms Kidd:** The third year, usually, of being in employment services.

**Senator ABETZ:** It is 24 months and then after; it is not being in the second year, which means, potentially, 13 months.

**Ms Parker:** That is right.

**Senator Chris Evans:** This is a very difficult caseload.

**Senator ABETZ:** Yes, it is.

**Senator Chris Evans:** These are the ones where all the advice from the Job Services providers is that, I think this is fair to say, we need to do more, provide them with more tools, to try and work with this cohort, because they are particularly difficult to shift.

**Senator ABETZ:** You may well not recall, Minister, but I do, I had the melancholy duty of representing this area in the Senate for a while; I think Peter Dutton was the minister at the time. I must say, these matters have faded from the memory over time and I am now trying to reboot the memory banks and, of course, a lot of things have changed.

**Senator Chris Evans:** I think I handled for the opposition the first bill that outsourced from the old CES, but that is showing my age—

**Senator ABETZ:** Which you undoubtedly would have condemned.

**Senator Chris Evans:** and certainly I do not remember the detail back that far.

**Ms Paul:** From 1 July 2010, for that set of jobseekers who are that disadvantaged and have been in the system that long, an additional \$1000 will be credited to the Employment Pathway Fund for a provider to work with those people, over 11 months, rather than the six months requirement now.

**Senator ABETZ:** I think you have previously provided me with a figure of how many very long-term unemployed there were in the job seeker status.

**Ms Paul:** We did. Ms Parker gave that to you; 233,700 who are on the JSA caseload 24 months plus.

**Senator ABETZ:** Thank you.

**Senator Chris Evans:** You will find that figure has gone up because there was a bit of a lag effect after a downturn, I think that is right; the numbers had been rising. I think, historically, after a downturn, it is the very long-term unemployed figure that really lags. Even though the general employment figure has improved considerably, the very long-term unemployed is a bit counterintuitive.

**Ms Paul:** That is right.

**Senator ABETZ:** Out of those the question was how many have a current exemption, but I dare say I should be asking a suspension.

**Ms Paul:** I suspect we will have to take that on notice.

**Senator ABETZ:** Yes, please.

**Senator Chris Evans:** I will give you whatever you want.

**Senator ABETZ:** Minister, I was not wanting to wallow around in that pool again.

**Ms Paul:** We will take it on notice.

**Senator ABETZ:** I think from both sides of the table's sake. If you could take that on notice.

**Senator Chris Evans:** The department will provide you with chocolates all afternoon if you do not require that. We will get it for you on notice.

**Senator ABETZ:** Thank you. How many of those have been on suspension for more than 12 months. Do we have a figure for the expected duration of somebody being in the work experience phase? Sure there will be people less and longer in that phase but do we have some figure in our mind as to what we might expect?

**Ms Paul:** We would have figures on duration. Whether we have them with us now I am not sure, I will just check. We do not, no, so we will take that on notice too.

**Senator ABETZ:** Thank you.

**Ms Paul:** We would have those numbers.

**Senator ABETZ:** Can I then ask whether that is the same number or figure, whatever, that was forecast when Job Services Australia was being designed?

**Ms Paul:** We will have to take that on notice, obviously.

**Senator ABETZ:** Yes, just to see how they link up. Have providers been advising the department that there is insufficient funding for them to offer Work for the Dole as a work experience activity? Have you been getting that feedback?

**Ms Paul:** I have not had that feedback; the minister and the colleagues may have heard other feedback. As the minister said a minute ago, the main feedback has been—it may be the same thing so this why I will mention it—has been from providers working with the very long-term unemployed, that there was not enough support for them, and that is what the government has chosen to redress, as it were, in the measure which we just discussed for very long-term unemployed. In terms of overall funding for Work for the Dole, that is not something which I am familiar with but if my colleagues have heard it.

**Ms McKinnon:** There are a couple of issues. JSA providers have made comments about the perceived inadequacy of EPF credits for work experience. We consider there is enough flexibility within the EPF to support job seekers in the work experience phase even currently and as at 31 March work experience phase made up 14 per cent of all EPF credits and JSA providers had attributed costs against these credits of 6 per cent of all EPF credits. Currently they are not spending as much on work experience phase as we are accrediting into the EPF fund.

**Ms Paul:** Yes, that is probably why I had not heard it because they have got capacity.

**Senator ABETZ:** Specifically for Work for the Dole?

**Ms Paul:** That would cover it.

**Senator ABETZ:** Of work experience generally?

**Ms Paul:** Yes.

**Ms McKinnon:** Yes.

**Senator ABETZ:** I understand that.

**Senator Chris Evans:** I think the figure you got before was 9000 out of 14,000, so it is the largest component of that.

**Ms Paul:** The point here is that the funding that goes into the employment pathway fund is entirely flexible and so, clearly, given that it is not actually being fully used at this point, there is enough there to cover Work for the Dole. Work for the Dole is able to be covered from that fund.

**Ms Parker:** Yes, that is right.

**Ms Paul:** We would argue the toss on that. We would say that the funding is adequate. It is in there in the EPF, it is at their discretion, and there appears to be some capacity yet for them.

**Ms Parker:** Some of them have been cautious. The ones that are doing well on this, it does require them to determine how much they are going to spend per job seeker and that can vary. The flexibility for perhaps some of the smaller ones has been a bit harder but some of the providers are doing very good things for providers and using their EPF as we expected. In the main, the EPF is being expended as we would have expected.

**Senator ABETZ:** So I get a handle on this, there are 233,700 long-term unemployed?

**Ms Parker:** Very long-term.

**Senator ABETZ:** Very long-term unemployed who will have a new, what work experience requirement as of 1 July 2012?

**Ms Parker:** Yes.

**Senator ABETZ:** One assumes you will not be able to deal with all 233,000 of them and the 700 as of 1 July. How many do we anticipate to—or do we think that all of them are going to be commencing this ramped up work experience?

**Ms Paul:** There are ebbs and flow so some of that current set will, of course, have got jobs by then and they will be off the register. There will be new ones coming on.

**Senator ABETZ:** There will be new ones churned, yes, of course.

**Ms Paul:** You have got the churn. In terms of our estimation of how many might clock over, as it were, into the longer requirements on 1 July, I am not sure we have got that with us.

**Ms Kidd:** We expect the new measure to cover 149,000 people over three years.

**Senator ABETZ:** But that does not help me.

**Ms Paul:** It is right on 1 July.

**Senator ABETZ:** What I want to know is out of the 233,700 who are still—

**Ms Paul:** Yes, we would have to do that modelling for you.

**Senator ABETZ:** Yes, who are still going to be in the system however we describe it, still clients.

**Ms Paul:** On 1 July 2012?

**Senator ABETZ:** Yes, and how many work experience activities will we be able to provide?

**Ms Paul:** If I understand you correctly, you are trying to get a handle on what will be the increased workload, as it were, on providers on that date, 1 July?

**Senator ABETZ:** Yes.

**Ms Paul:** I do not know that we have got that with us and we could try to give it a stab but what I would say about that is that they are already required to do six months. The providers will be credited an extra \$1,000 to bring that up to 11 months of activity and so I would expect that it is not so much new activity for a provider, it is scaling, it is extending. It is not even the case that all of those very long-term unemployed would be up to their six months yet. The providers will not actually be impacted all on the same day, it will depend on where a job seeker is up to in their course. I do not think there will be much of an impact on providers except in the positive because they get more money to keep doing what they are doing. I think you will see it more as a scaling issue than as something completely new.

**Senator ABETZ:** We shall see but the providers, how much time are they going to be given, timeframe to get the very long-term unemployed into their enhanced activities?

**Ms Paul:** They are already doing it and they know about this measure now, of course and they are already doing it for six months—for a job seeker for six months, this moves it for a job seeker for 11 months.

**Senator ABETZ:** We are paying them more because it will create extra work.

**Ms Paul:** That is right.

**Senator ABETZ:** How much extra time, if any, are we going to give them to—

**Ms Parker:** No, we—

**Senator ABETZ:** None?

**Ms Parker:** The obligation for them commences 1 July 2012 so they will be required to be starting to think about preparing now for the change.

**Senator ABETZ:** Extending the existing contracts is a very good thing overall in relation to the planning of those sorts of things.

**Ms Parker:** That is right.

**Senator ABETZ:** So that you have got, hopefully, about 80 per cent of providers at least continuing.

**Ms Paul:** In terms of a decision by a provider, it might be to buy 10 months of training rather than five months of training or 11 months rather than—it is not a seismic shift for them. It is more just a matter of scaling up in terms of what they purchase for a particular job seeker. I think they will handle it well.

**Senator ABETZ:** How many people are currently undertaking an unpaid work experience placement?

**Ms McKinnon:** I think we are going to run into the same problem that I have it for the whole of the contract period—

**Senator ABETZ:** If you can get a date certain—let's say like 31 March, which we have been picking on—does the unpaid work experience mean anything? Are there categories that you have to fit into?

**Ms McKinnon:** It is one of the range Ms Paul referred to. They are short-term placements up to four weeks and they are based on an agreement between a JSA provider and a host organisation, and then it can take place in for profit or not for profit organisations. The caveat is the job seeker must be over the age of 18 to undertake it.

**Senator ABETZ:** How long can the unpaid work experience go on for?

**Ms McKinnon:** A maximum of four weeks and a maximum of 50 hours per fortnight.

**Senator ABETZ:** How many in this unpaid work experience placement? You have taken that on notice. Do we have a feeling, if I can use that term, about the level of that? It is relatively low, is it?

**Ms McKinnon:** JSA providers have created 2,879 unpaid work experience activities nationally since the beginning of JSA to 31 March 2011.

**CHAIR:** They would not all be happening right now?

**Ms McKinnon:** No, that is right.

**Senator ABETZ:** No.

**Ms Parker:** They are only four weeks. That is in the whole contract so far.

**Senator ABETZ:** Senator Marshall is looking for some volunteers for his electorate office, I think.

**Ms Paul:** Clearly, it is not one of the larger activities, no.

**Senator ABETZ:** Are there any aspects of state industrial laws that are impacting on the capacity to provide this?

**Ms Parker:** That is a strong reason why they are quite short duration. As you would be aware, state governments have been concerned in the past about work experience being job displacement, so they are short term and quite constricted in their nature. Yes, there are issues with some states around longer work experience placements for that reason—job displacement.

**Senator ABETZ:** Sorry, job—

**Ms Paul:** Job displacement: the issue of providing a free worker where it should be going to a paid worker.

**Senator ABETZ:** Can you give us a state breakdown of the figures? The chances are not now but on notice.

**Ms Paul:** On notice we will, yes.

**Ms Parker:** Of the placements?

**Senator ABETZ:** Yes. Out of those 2,807—no, that is the total figure.

**Ms Paul:** That is from the beginning.

**Senator ABETZ:** If you can give us a breakdown of the total figure as well per state and territory, together with a snapshot, and do you have an indication of whether there is any state or territory that will have a figure of zero?

**Ms McKinnon:** No zeroes.

**Senator ABETZ:** To pick on the chair again, if Senator Marshall had a huge workload—'if, very hypothetically, any employer did—is there a limit to how many unpaid volunteers they could have in their workplace?

**Ms McKinnon:** I do not think the guidelines are explicit about that issue. However, they are explicit about not replacing and displacing paid workers or reducing the amount of paid work available, and they are not approved if the host organisation has downsized their workforce in the past 12 months and cease if the host organisation downsizes their workforce during the placement. I am not sure we are explicit about the number of unpaid work experience placements a single host organisation can have, but the guidelines would tend to filter that out.

**Senator ABETZ:** You cannot downsize to replace them with volunteers, but what if you are in the phase of growing your business somewhat? If you are a baker that has just set up and you started with three employees; could you then have three or four volunteers in there as well?

**Ms Parker:** In noting they are not volunteers; unpaid workers.

**Senator ABETZ:** Sorry.

**Ms McKinnon:** Unpaid workers you can.

**Senator ABETZ:** The unpaid people in my office are called volunteers; my apologies.

**Ms McKinnon:** They are also not to be used on ad hoc needs in lieu of creating paid employment opportunities or as a stopgap measure during recruitment exercises.

**Ms Paul:** It is probably why it is so small, I would say, if you have to go through all of those hurdles.

**Senator ABETZ:** Yes.

**Ms McKinnon:** It is quite rigid.

**Senator ABETZ:** There is no requirement that the employer could have a job at the end of the unpaid work?

**Ms Paul:** That is right.

**Ms McKinnon:** To correct there: we do look at the likelihood of a sustainable, paid employment at the end of the unpaid work experience. It is not a requirement.

**Senator ABETZ:** Does the department have a forecast of how many people might be engaged in unpaid experience?

**Ms Paul:** At what point in time? Any point in time?

**Senator ABETZ:** Yes, when it first started.

**Ms Paul:** I doubt it.

**Senator ABETZ:** When did it first start?

**Ms Parker:** 1 July 2009.

**Senator ABETZ:** At that time when it first commenced, was there an expectation that by 1 July 2010 there would be X number of people engaged in this?

**Ms McKinnon:** I am not aware of an expectation.

**Senator ABETZ:** If you can take that on notice whether or not there was and then, if so, we can compare how the expectations may have lived up to the reality. Take this on notice: how many job seekers have undertaken Productivity Places Program training as their work experience activity?

**Ms Parker:** 31 March?

**Senator ABETZ:** Yes, 31 March.

**Ms Parker:** There have been 3,726 work experience activity placements in education and training which utilised the Productivity Places Program since 1 July 2009.

**Senator ABETZ:** If you are able to provide, how many had undertaken training of any description.

**Ms Paul:** Sure, we will.

**Senator ABETZ:** If you can take that on notice.

**Ms Parker:** I think we do have that—yes. There were 59,906 in the same timeframe: since the beginning of the contract to 31 March 2011. That is education and training.

**Senator ABETZ:** Did all the of the productivity places job seekers achieve a qualification?

**Ms Paul:** I think we would have to take that on notice.

**Senator ABETZ:** All right, take that on notice and if the answer is no, then what percentage, please?

**Ms Paul:** It would depend on whether or not they complete. For example, someone might not complete because they get a job. I think we will be able to give the number on completion.

**Senator ABETZ:** It should be, in fairness, those that—

**Ms Paul:** Because they are all doing accredited training.

**Senator ABETZ:** completed the program, yes. If you can also tell us how many withdrew and for what reasons, because if they were all getting jobs, that would be great.

**Ms Paul:** That is right.

**Senator ABETZ:** If you can provide that to me on notice. What is the total expenditure to date on the Employment Pathway Fund for this financial year?

**Ms Parker:** We have figures to 31 March, if that is all right.

**Senator ABETZ:** To date, that would be good, yes.

**Ms McKinnon:** It will again be from the beginning of the contract.

**Ms Parker:** We can get it for the financial year. All our figures today are for the lengths of the contracts.

**Senator ABETZ:** You can provide us the figures for the financial year and then provide us with a comparison for the last financial year. What is the average spend per job seeker in this pathway fund?

**Ms Paul:** While my colleagues are looking for that, when we give to you on notice the expenditure on EPF over the life of the contract, year-on-year, what you will see is a ramping-up. The reason is that the Employment Pathway Fund was new. It was entirely flexible, and able to be targeted and customised by the provider on behalf of an individual job seeker's

needs. Absolutely predictably, we saw some caution at the beginning amongst providers in terms of how much they ought to spend on an individual job seeker and so on. That now has ramped up and, as Ms Parker said a while back in this conversation, we are now seeing expenditure on EPF matching what we would expect. I put that context around what you will see when we give you on notice the year-by-year figures.

**Ms Parker:** The average spend is \$969.

**Senator ABETZ:** Can we have a break down by stream? Can you take that on notice for us?

**Ms Parker:** We have that now. Stream 1, \$222; stream 2, \$689; stream 3, \$975; and stream 4, \$1,110.

**Senator ABETZ:** I was told that, for the Employment Pathway Fund, stream 1 job seekers can be given \$11 credit.

**Ms Parker:** In the EPF, yes.

**Senator ABETZ:** For the purpose of travel. Is that right?

**Ms McKinnon:** The EPF is flexible. That \$11 is a notional amount credited to a Job Services Australia provider's EPF bank. That \$11 can be spent on that job seeker for a wide range of things.

**Senator ABETZ:** Excuse my ignorance, but is this \$11 per day or per week?

**Ms McKinnon:** Per client.

**Ms Parker:** Per client. It is recognition that stream 1 job seekers are job-ready and need a lot less assistance, but we are saying it is a notional amount. It indicates that they are expected to have a lot less spent on them than, say, a stream 4, but the provider can use a lot more than that if they wish to. If they think it is in the job seeker's interests and they think it will get them an outcome, then they can spend more. They need to average and determine across the board what they will spend on each jobseeker. In general, as with the figures I gave you, they do not spend much on stream 1 because it recognises stream 1 are pretty much job-ready and just need a bit of a boost to get themselves a job.

**Senator ABETZ:** Let's move to connection failures.

**Ms Parker:** If it helps, we might do some definitions as we go.

**Senator ABETZ:** What a great idea.

**Ms Parker:** A connection failure, which you just asked, is applied if a job seeker, without reasonable excuse, fails to attend an appointment with their provider, fails to meet their job search requirements or fails to comply with the requirement to enter an Employment Pathway Plan. There is no immediate financial penalty for a connection failure; it is a trigger. Once the failure is applied for a connection failure, they are required to attend another appointment—in other words, to reconnect—and, if they fail to attend that further appointment, they may enter a reconnection failure period and will not be paid until they attend another appointment.

**Senator ABETZ:** We can have a connection failure and a reconnection failure?

**Ms Parker:** Yes. A connection failure is the first failure, with no financial penalty attached. After that it starts to change.

**Senator ABETZ:** Do we have the latest figures for how many provider appointments were missed in the last 12 months?

**Ms Parker:** For the period 10-11?

**Senator ABETZ:** Yes.

**Ms Parker:** To the financial year to date, 255,287 job seekers failed to attend a provider appointment and incurred a connection failure.

**Ms Milliken:** Could I adjust that? There were 255,287 instances where a job seeker failed to attend an appointment, but they are not necessarily individual job seekers; they were events.

**Senator ABETZ:** That was exactly going to be my next question, so well done in obviating that question. Do we then know how many individuals that figure applies to? If it is not easily available, take it on notice. I assume that because the figure of 255,287 is official someone somewhere along the way has said they did not have a valid excuse? Or if you have a connection failure recorded or a reconnection failure recorded, can you then say, 'Yes, I did fail but I had a valid excuse,' which then drives that number down?

**Ms Milliken:** The 255,287 to the end of March is the number of occasions Centrelink was advised by a provider that someone had not attended an appointment; it is not the number of times that failure was applied. Over that period, 155,812 connection failures were applied.

**Ms Parker:** The answer is yes.

**Senator ABETZ:** In very rough terms, 100,000 of those have a valid excuse.

**Ms Parker:** Yes, that is right.

**Senator ABETZ:** Do we have a definition of 'remote area' or not?

**Ms Paul:** Yes, we do for Job Services Australia.

**Ms Parker:** In relation to this?

**Senator ABETZ:** Yes. I am going to ask how many failures were recorded in remote areas. One assumes they might be disproportionate to the rest of the country, but let us see what the figures tell us.

**Ms Milliken:** For the purposes of compliance data, we have extracted information based on the location code of the job seeker—so where Centrelink advises the jobseeker is living in a remote location. We use that definition for the compliance record.

**Senator ABETZ:** What is Centrelink's definition; do you have that? We will have to ask Centrelink?

**Ms Paul:** I think there are codes but we can take that on notice and we will do the definition later.

**Ms Milliken:** Community Demographic Summary Table.

**Senator ABETZ:** Then tell us how many failures were recorded in that classification of remote. How many failures to attend a job interview were recorded in 2010-11?

**Ms Parker:** Overall?

**Senator ABETZ:** Yes.

**Ms Parker:** Not just remote?

**Senator ABETZ:** Yes, overall remote, yes.

**Ms Milliken:** Failures to attend a job interview in 2010-11 so far in terms of applied failures is 1,451.

**Senator ABETZ:** When you say, 'so far' this financial year was that until 31 March?

**Ms Milliken:** Yes, 31 March.

**Senator ABETZ:** How many of those do we say have had a valid reason or excuse?

**Ms Paul:** Failure was applied; it means they did not have an excuse.

**Ms Milliken:** They did not have an excuse.

**Senator ABETZ:** So 1,451 were those without a valid excuse.

**Ms Paul:** That is right.

**Ms Milliken:** Submitted.

**Senator ABETZ:** As you can understand somebody may have had an accident on the way to an interview and failed so—

**Ms Milliken:** There were 3,017 submitted reports for failure to attend a job interview so far in this financial year; to the end of March.

**Senator ABETZ:** We say that more than half of them had a valid excuse.

**Ms Milliken:** Yes.

**Senator ABETZ:** Are we satisfied as to the robustness of the provision of valid excuses?

**Ms Milliken:** The reasons that individuals have provided and for which the failures have been rejected include that the person had a medical condition that prevented them attending, that they were working at the time of the requirement, or they had a major personal crisis. Those are the reasons for the overall set of reasons for no show/no pay which includes not attending a job interview.

**Senator ABETZ:** Somebody was working at the time? Excuse my ignorance, but if you are working how come you are still in the scheme allegedly—

**Ms Parker:** You are allowed to work part-time.

**Senator ABETZ:** It would only be a part-time job?

**Ms Milliken:** You may have taken a casual job at the time in question and, as I indicated, that is the broad group of reasons for a failure of this type, not necessarily attending the job interview but not participating in an activity.

**Ms Parker:** It is quite a low percentage.

**Senator ABETZ:** Can you provide us on notice the 3,017 and 1,451 figures as they might apply to remote areas—failures to attend work experience activities for the 12 months?

**Ms Milliken:** There are 25,765 applied instances of failing to attend a work experience activity or an activity.

**Ms Paul:** Can I just take on notice an overall table of all the reasons—

**Senator ABETZ:** You could and then also do as to valid excuse and not valid and also for remote areas?

**Ms Paul:** Yes, that is right.

**Senator ABETZ:** How many no show/no pay failures—

**Senator Chris Evans:** I just spoke to Senator Siewert. Generally, when you are after those detailed stats, we are probably better off providing tables than trying to take you through them individually. If you give us the description of what you are after, we will take it on notice and give you the tabular answer. I think that will be more useful to you—

**Senator ABETZ:** It will be quicker here, too.

**Senator Chris Evans:** Quicker here but quite frankly less confusing, I suspect.

**Senator ABETZ:** Yes.

**Ms Paul:** I can see the colleagues referring to tables; we may as well give you the breakdowns of reasons and so on. We will do that, as you say, by how many instances versus how many were then found to be valid, remote and non-remote.

**Senator ABETZ:** How many no show/no pay failures were applied in the last 12 months?

**Ms Paul:** We can do the same.

**Senator ABETZ:** What proportion of those were in remote areas and how does that compare to the total number of failures. Do you have the figure for the total number of financial penalties that have been applied in the last six months?

**Ms Milliken:** There have been 59,796 financial penalties in the last nine months, since the start of the financial year.

**Senator ABETZ:** I understand the job seeker compliance data used to be put up on the department's website and that is provided quarterly, is it?

**Ms Milliken:** Yes.

**Senator ABETZ:** I am told that the last information was for the December quarter 2010?

**Ms Milliken:** Yes.

**Senator ABETZ:** What has happened to the March 2011 quarter?

**Ms Milliken:** The practice has been that we post the data three months after the end of the quarter which allows time for the data to be validated and for appeals and the like to be worked through the system. The March quarter would be placed on the—

**Senator ABETZ:** From June.

**Ms Milliken:** From June, so next week.

**Senator ABETZ:** You are not hiding anything from us?

**Ms Milliken:** Sorry, at the end of June.

**Senator ABETZ:** That is reassuring. Let us move to the relocation pilot. The last estimates I suspect that we may have had an official for each one of the relocated. We had eight job seekers in the process of seeking relocation. Can I ask, have those eight relocated?

**Ms McKinnon:** Yes, the eight have relocated.

**Senator ABETZ:** Excellent, and how many are currently in the process of seeking relocation and relocated?

**Ms McKinnon:** We have 52 job seekers in total that have relocated.

**Senator ABETZ:** How many are in the pipeline with an application?

**Ms McKinnon:** We would not be aware of that, not in a number sense.

**Ms Parker:** Employment services will be assessing them so we will not know until they are actually in the system.

**Senator ABETZ:** Until you get them.

**Ms Parker:** Yes.

**Senator ABETZ:** What is the average cost per participant of this program at this stage?

**Ms McKinnon:** It is \$1,635.

**Senator ABETZ:** What has been the maximum spend?

**Ms McKinnon:** I would have to take that on notice.

**Senator Chris Evans:** There are none payable.

**Senator ABETZ:** Yes.

**Senator Chris Evans:** They were granted to the employer.

**Senator ABETZ:** That is right. Out of the 52 that have relocated, all 52 remain relocated?

**Ms McKinnon:** I think three have dropped out.

**Senator ABETZ:** Have they then suffered the 12-week welfare curtailment or have they gone to get to another job?

**Ms McKinnon:** One has gone into another employment in the relocated area and the other two are having their case assessed by Centrelink.

**Senator ABETZ:** In fairness, the one that has gone to another job but in the relocated area, you may as well as count as a success as well.

**Ms McKinnon:** That is true.

**Senator ABETZ:** I understand that there were 2,000 places announced to assist with the flood damage. Out of the 52, how many have moved into flood-affected areas?

**Ms McKinnon:** Twenty-four.

**Senator ABETZ:** About half of them.

**Senator Chris Evans:** I might make a general comment about the Queensland situation because, as you know, we announced, jointly with the Queensland state government, an employment package to try to assist with a whole range of special initiatives, partly at the suggestion of the Queensland government, to see how we could deal with employment and apprenticeship issues arising out of the floods; maybe apprentices had fallen out of their trade or what have you. Interestingly, some of those have been highly successful, the DSRA and job subsidies, particularly in the Cyclone Yasi area, and we expect further take-up, but some of the other measures have had some mixed responses. I was up there the other day; there is quite a mixed employment situation in Queensland; for instance, the housing construction centre is still quite weak. I was quite surprised. I was talking to builders who said there was not enough work. I said, 'But you have got a huge reconstruction going in.' That is partly delay in payment of insurance, partly that it is smaller jobs in Brisbane, but some of the measures we thought would have huge take-up are not getting—I am not particularly referring to this one. It is quite a mixed employment figure and we are getting more demand, I think, for some measures in the Cyclone Yasi area, where the damage was not more severe than the

Lockyer Valley, or whatever, but where there seems to have been more demand for certain services. Brisbane and the Gold Coast seem to be quite a mixed employment. When you have builders in the middle of a reconstruction phase saying to you they do not have enough work, it is sort of counterintuitive.

**Ms Paul:** Yes, it seems more clear-cut in the cyclone-affected areas.

**Senator Chris Evans:** Yes. That might be in part due to insurance not coming through but, equally, some of the concerns we had about apprentices seem to be much less than we thought and the retention of apprentices seems to be pretty good, which is a good sign.

**Ms Paul:** Yes, it does, indeed. Employers have not had to shed apprentices as we had feared.

**Senator ABETZ:** Yes. There are a number of issues, as I understand it, in Queensland, with the flood, the insurance issues, but then also whether you can rebuild on the place where you have been flooded out; so there are planning and other issues that need to be determined for the future.

**Senator Chris Evans:** It may be too that there are single tradies doing repair jobs with floor tiling and walls, say, but the major builders are not getting the work because it is not that big a job, sort of thing; I do not know, but it is very mixed.

**Senator ABETZ:** The 24 that have taken up these places in the flood-damaged area, that is the areas determined by the Natural Disaster Relief and Recovery Arrangements, which is jointly run by the Australian and Queensland governments. Is that right?

**Ms Paul:** That is right.

**Senator ABETZ:** It is not just Queensland per se but the defined flood-affected areas. Given it is a relatively low number, the 52, are you able to provide us with a breakup as to, let's say, what townships they have moved to, just out of interest? Take that on notice.

**Ms Paul:** We might take that on notice.

**Senator ABETZ:** Yes, otherwise we will be here all day, finding out all those towns, but that may be interesting. Are you able to also advise as to the type of job in that breakdown?

**Ms Paul:** We will see if we can find it; we may or we may not.

**Senator ABETZ:** What is the expectation in relation to the flood-affected areas? Do we think that they will be long term, given the experience that the minister has just shared, and I must say that is the feedback I have as well, having been in those areas?

**Ms Paul:** As the minister said, there seem to be some barriers but, nonetheless, we just have to watch it really closely, I think, and see how these people go.

**Senator Chris Evans:** The Queensland unemployment figures, I think, have gone back to sort of pre-flood areas, but Queensland unemployment was slightly higher than the other states, as I recall, closer to five and a half than six.

**Ms Paul:** That is right.

**Senator Chris Evans:** I am sure we have got them here somewhere. It is very patchy and very different between regions. As you know, Cairns' unemployment is quite high. I have not seen the figures for Gladstone but it is going gangbusters, more generally. It is very mixed and there is under-employment in housing construction in Queensland, which is

counterintuitive. The demand for employment is not quite as strong in certain areas as you would have anticipated and some of the demand for some of the big resource projects is yet to take off, but will take off in the near term. If you had asked me four months ago what the demand for labour in Queensland would look like, it would be quite different to what the experience we are getting is.

**Ms Paul:** We have to monitor it, in short, to see how it goes.

**Senator ABETZ:** Yes. In fairness, it is very difficult to try to predict with any certainty, given all the vagaries.

**Ms Paul:** It is a unique situation, that is right.

**Senator ABETZ:** Yes.

**Ms Kidd:** The Queensland Treasury, in the mid-year review which was done just after the floods, has actually increased their employment growth expectations for Queensland; they are expecting strong employment growth as a result of the rebuild activity.

**Senator ABETZ:** Yes. I think what we are experiencing is just a slow start but it will ramp up.

**Ms Paul:** I think that is right. I think there is a lag effect, as the minister said, for insurance reasons and so on.

**Senator Chris Evans:** It is also, I think, a reflection that the housing market in Queensland is very flat, so that new home construction—this is what I have been advised by builders—has really gone flat. There is spare capacity there that has to be soaked up first, if you like, because of the new home build numbers, like on the Gold Coast, have fallen away quite a bit, not related to floods. They were having to soak up spare capacity before they were looking for new employment—

**Senator ABETZ:** There are unit developments being sold out at substantially below cost in Queensland, so that is, yes, an indication of the difficulties. Chair, I could move on to job-capacity assessments, but—

**CHAIR:** Yes. It is 12.30.

**Senator ABETZ:** You and I can be agreed it is 12.30.

**CHAIR:** It is 12.30.

**Senator ABETZ:** Let's make it 12.30.

**CHAIR:** We will suspend.

**Proceedings suspended from 12:28 to 13:33**

**CHAIR:** We will now resume these estimates hearings. We are questioning the department in outcome 4. I understand, Ms Paul, you have a correction you would like to make to the record.

**Ms Paul:** Yes, thank you. It goes to a question Senator Abetz asked, and I think Ms Laker is going to do it.

**Ms Laker:** Thank you, Senator. In relation to some questions this morning, Senator Abetz, we were talking about Work for the Dole and total work experience activities. We provided you with an incorrect number. There were 9,360 job seekers in Work for the Dole on

31 March, and that was out of 141,380 job seekers who were undertaking work experience activities on that day.

**Senator ABETZ:** And that will all be further revealed in this wonderful table that I have been promised.

**Ms Paul:** Yes, almost a three-dimensional table by now, I think, Senator.

**Senator ABETZ:** Very good.

**Senator Chris Evans:** I think that highlights the problem of going through a lot of figures quickly.

**Ms Paul:** Yes.

**Senator ABETZ:** With job capacity assessments, are we anticipating the workload to be about the same over the next 12 months as it has been in the previous 12 months?

**Ms Parker:** We are funding the Department of Human Services for delivery of around 400,000 assessments per year, so we expect that to be the number.

**Senator ABETZ:** How does that compare—

**Ms Parker:** To previous years?

**Senator ABETZ:** Yes, to the previous.

**Ms Buffinton:** We have been running over that, which is why we have been taking some measures to reduce the demand for job capacity assessments. There were 465,333 assessments to 31 March this year.

**Senator ABETZ:** How does that compare to the previous year?

**Ms Buffinton:** In comparison, the year before we had 655,000 assessments.

**Senator ABETZ:** And that would be for the full year, as in 12 months.

**Ms Buffinton:** That was for the full year.

**Senator ABETZ:** Whereas the 465,000 figure is nine months.

**Ms Buffinton:** That is correct.

**Senator ABETZ:** Are we anticipating an increase in workload for Centrelink?

**Ms Parker:** Yes, because they will be doing all the assessments with CRS.

**Senator ABETZ:** Pardon?

**Ms Paul:** Centrelink and CRS will be the only providers.

**Senator ABETZ:** Are we going to provide increased funding to Centrelink? Has that already been arranged?

**Ms Buffinton:** Yes.

**Senator ABETZ:** But, overall it should not mean an increase. Is that right?

**Ms Paul:** That is correct.

**Senator ABETZ:** Because others have been doing it previously.

**Ms Paul:** Correct. So we currently have 18 providers. We will, after 1 July, have two.

**Senator ABETZ:** What is going to happen with the Job Capacity Account once Centrelink takes over the show with CRS?

**Ms Parker:** It has actually ceased. The Job Capacity Account ceased on 31 December, so the services are now funded out of the Employment Pathway Fund.

**Senator ABETZ:** So that is how job seekers get support now, out of the pathway fund?

**Ms Parker:** That is right. Yes.

**Senator ABETZ:** Are as many job seekers able to access the job seeker fund under the Employment Pathways Fund as used to be able to under the Job Capacity Account?

**Ms Parker:** Yes, they are able to. There is a slight discretion for the employment services providers about paying for those services, but our guidelines say that, if a job seeker turns up at an employment services provider with an assessment that says they need counselling or pain management, or something like that, the employment services provider should provide that. We are monitoring that at the moment.

**Senator ABETZ:** So the total expenditure for the job capacity account in the 2010-11 financial year will be zero—

**Ms Paul:** No.

**Senator ABETZ:** No, sorry; for the next 12 months for 2011-12 it will be zero?

**Ms Paul:** Correct, it will be zero. That is right.

**Senator ABETZ:** But the same amount will find its way into the Employment Pathways Fund.

**Ms Paul:** Basically, the Employment Pathways Fund was, in effect, duplicating what the Job Capacity Account did, yes, and it is entirely flexible.

**Senator ABETZ:** Thank you. This is a good specific issue, and you will undoubtedly tell me we are in the wrong place, but does the Bankstown Multicultural Youth Service ring a bell at all?

**Ms Paul:** No, not to me.

**Senator ABETZ:** Supposedly it was funded under a jobs fund grant.

**Ms Paul:** Yes, it might have been.

**Ms Parker:** In which case you are in the right place.

**Senator ABETZ:** This is getting spooky. Does anybody have a file in relation to this particular incorporated youth service? I understand there was a grant of \$786,122.

**Ms Paul:** I will just see if we can find anything on it.

**Senator Chris Evans:** Under the jobs fund.

**Senator ABETZ:** That is what I am told by the government whip in the Legislative Council, the Hon. Dr Peter Phelps MLC, who used to be my chief of staff. He has just got himself elected to the New South Wales Parliament. This is a matter that has come to his attention.

**Ms Paul:** Do you want to describe the question while we see if we have got—

**Senator ABETZ:** Supposedly they were given funding on the basis that it was to become self-sustaining. Does that sound right?

**Ms Paul:** Yes, that would be true.

**Senator ABETZ:** And supposedly it is not so self-sustaining. They are proposing to sublease. I am just wondering what is the deal in these sorts of circumstances where something that was going to be self-funding might not. And do you have any information—because the information that the Hon. Dr Peter Phelps MLC may have received may, of course, not necessarily be as robust as the information that the department has on hand?

**Ms Paul:** In general terms, the jobs fund, of course, was a stimulus measure and therefore, by definition, short-term. That was the whole point of it. One of the areas of the guidelines in the selection criteria for projects was the capacity to become self-sustaining, or, indeed, to cease if the need was no longer there. It is a stimulus measure. So, no, it is absolutely clear that, after a certain number of years, projects need either to be on their own feet or, indeed, to close or move on, or whatever the right answer is for them. I do not know whether we have anything on Bankstown. It looks like we do not.

**Ms Parker:** We have information on jobs fund at a higher level, Senator. We can provide it on individual projects. We did not bring that level of detail.

**Ms Paul:** I am to get some information on Bankstown because there is not a huge number of projects.

**Senator ABETZ:** All right. If you can take it on notice that we have had, what, three-quarters of a million dollars spent. Are we able to be told how many people were employed?

**Ms Paul:** Probably yes. They have been reporting to us on jobs.

**Ms Parker:** We can do it at the total jobs fund level, as well, but—

**Senator ABETZ:** Which is?

**Ms Parker:** For jobs by 30 June 2011—I will give you up to 29 April 2011—created-retained jobs are 7,586.

**Senator ABETZ:** Is that for the whole scheme?

**Ms Parker:** That is for the whole jobs fund, yes. That is right.

**Senator ABETZ:** I was going to say she is one big multicultural youth service.

**Senator Chris Evans:** The officers do not have the particular details of the centre, but we will take it on notice for you.

**Senator ABETZ:** Can you provide us, then, on notice the total fund, please.

**Ms Paul:** Yes.

**Senator ABETZ:** With all the individual projects, how many of them are there, do we think?

**Ms Paul:** I think the projects are on our website but, at any rate, we will—

**Senator ABETZ:** Can you provide that, and the amount of funding provided to each one.

**Ms Paul:** Yes, that is fine.

**Senator ABETZ:** And whether they are anticipated to continue after their funding runs out.

**Ms Paul:** We may not know for all of them, but we will do our best.

**Senator ABETZ:** If you could, that would be good. Thank you. Is it correct that funding for the jobs fund has been extended by 12 months?

**Ms Buffinton:** It is extended for 20 projects that have been affected because, out of the project's control, there were delays in, say, council approvals for infrastructure, or there were climatic conditions like Cyclone Yasi or the floods. All the others are expected to be completed by 30 June, as was agreed.

**Senator ABETZ:** In that table, then, can you provide us, with an asterisk, those 20, and how much.

**Ms Paul:** Yes. An example would be the difficulty of getting DA in a fire-affected zone in Victoria, for example. That would have been a live one that I am aware of.

**Senator ABETZ:** In fact, that is an issue that I want to canvass, and that is how many were delayed—I assume not courtesy of the department's fault, but because of getting a development application or a zoning, which I assume would be either state or local government red tape, if I can use that term, not too pejoratively. Can you let us know which ones were so delayed.

**Ms Paul:** As Ms Buffinton said, there are only 20 which have needed to be rolled over for those sorts of reasons.

**Senator ABETZ:** And then how many were delayed as a result of the flood in Queensland or, indeed, Cyclone Yasi.

**Ms Paul:** Yes.

**Senator ABETZ:** What about bushfires in Western Australia. I think there were areas flooded, in every state, so if you can indicate to us—

**Senator Chris Evans:** One unusual flood at Carnarvon, Senator, when we had not had rain for 10 years till yesterday; I am told it bucketed down. Western Australians are very happy.

**Senator ABETZ:** That is the way it seems to happen in this country, isn't it? On that list you will provide us with the list of each of the individual completion dates as well, thank you. If you can, tell us whether any of those that have been extended were part of the original round 1 applications of September 2009. Then, from the chart you are going to give me, I will be able to tell how many jobs were created in total. Are you able to also then tell us how many traineeships—

**Ms Paul:** Yes.

**Senator ABETZ:** And how many work experience places and how many jobs have been created from the round 1 and round 2 projects. That would all be good.

**Ms Paul:** Yes, we have that.

**Senator ABETZ:** Let's move to the Innovation Fund. I understand that only seven innovation projects were funded in round 3.

**Ms Parker:** Yes, that is correct.

**Senator ABETZ:** How many Innovation Fund projects have been funded in round 1 and 2?

**Ms Buffinton:** In round 1 there were 33 projects, in round 2 there were 13 projects, and in round 3 seven projects, and then there was a special disability call, and that is currently under consideration.

**Senator ABETZ:** We do not know at this stage how many might be—

**Ms Parker:** There are 12 projects approved for the disability at 16 March, so there are 12 underway—

**Senator ABETZ:** So 12 projects have been funded. If you could provide me with a list of those, that would be helpful, thank you. Was the Innovation Fund part of just the general policy parameters, or part of the stimulus?

**Ms Parker:** It was part of JSA, Job Services Australia. It started on 1 July 2009, along with them all at JSA, so it will also end on 30 June 2012.

**Senator ABETZ:** Why do we have lesser numbers in the three rounds?

**Ms Parker:** The rounds are highly competitive and the government agreed it would fund only projects that met requirements; hence the sort of gradual reduction. They are less competitive as we get to round 3.

**Ms Paul:** The Innovation Fund was brought in at the beginning of Job Services Australia to help the new framework draw seven programs into one through service innovation. It is not surprising, actually, that there is less need for it, in a way, as the framework is well understood and is now well under way.

**Senator ABETZ:** You tell us that the quality of the applications faded away as we got through the three rounds.

**Ms Paul:** I would say the seven—the number—are highly competitive. It is just that it is highly competitive.

**Ms Parker:** And there are the 12 disability ones, so in fact we have had 19 in round 3, if you count the disability as well.

**Senator ABETZ:** Out of 158 applications? Is that correct?

**Ms Parker:** In round 3?

**Ms Buffinton:** One hundred and fifty-eight proposals were received, that is correct.

**Senator ABETZ:** Which is only, in rough terms, 10 per cent. Was the fact that we only funded 10 per cent a result of the other 90 per cent not being sufficiently good proposals, or was it because there was not sufficient money? Was it an open-ended fund?

**Ms Buffinton:** Quality.

**Ms Parker:** It is about the quality of proposals. If they do not actually come up to that level of scrutiny, if they do not meet requirements, then the government does not fund them.

**Senator ABETZ:** But were these companies on a—what we do call them?

**Ms Buffinton:** A panel.

**Senator ABETZ:** Yes, a panel?

**Ms Paul:** Yes, that is right.

**Senator ABETZ:** So how do you get onto the panel, then, if you start submitting—

**Ms Paul:** The panel was set up prior to the beginning of the contract in 2009, through an open tender. So the panel is a broad-based panel with many, many, many organisations on it, some public, some private and some—

**Senator ABETZ:** That is right. And then 90 per cent of them failed to—

**Ms Paul:** In this round.

**Senator ABETZ:** meet up to expectation in round 3.

**Ms Paul:** Only in terms of the project proposal they put forward.

**Senator ABETZ:** Only. I would anticipate that was the purpose of them being on the panel—that they might be able to provide you with good—

**Ms Paul:** These are big organisations that would work across many, many, many functions. Some of them are TAFEs, one of them is Mission Australia et cetera. It would really genuinely be just the nature of the particular project proposed.

**Ms Parker:** They are not guaranteed any business from government or the department.

**Senator ABETZ:** I understand that. There were 158 submissions for the \$2.5 million that was on offer for round 3. Is that right?

**Ms Buffinton:** There was \$2.5 million worth of projects approved, rather than provide—

**Senator ABETZ:** So was this an open-ended scheme?

**Ms Parker:** No, it has a dollar limit on it.

**Ms Buffinton:** The overall scheme—

**Senator ABETZ:** Was limited to \$41 million, wasn't it?

**Ms Parker:** Yes, that is right, over the three years.

**Senator ABETZ:** Now, with the completion of round 3, will all the \$41 million be out the door?

**Ms Buffinton:** With all the projects that have currently been approved, approximately \$32.9 million has been allocated.

**Senator ABETZ:** To date?

**Ms Buffinton:** To date.

**Senator ABETZ:** And when we fund the seven in round 3, plus the 12, we will be up to \$41 million?

**Ms Parker:** We are currently working with stakeholders to develop projects. We are actually being more proactive, from the department's point of view, in terms of assisting people to develop proposals that meet all the criteria. We expect to expend the funds of \$41 million, yes, if they meet the criteria.

**Senator ABETZ:** With the 46 that are currently in rounds 1 and 2 that have been funded, and then in round 3 the seven plus 12 will—

**Ms Parker:** Yes.

**Ms Paul:** It sounds like it, but it does not take us up to the full amount.

**Ms Parker:** No, there is still some left.

**Ms Buffinton:** Allocated, including those that we described as approved, is \$32.9 million.

**Senator ABETZ:** So we have, in very rough terms, \$8 million or \$9 million rattling around still. Are some of the unsuccessful proposals in round 3 being approached to see if they can sharpen their pencils or redesign their proposals to make them worthy of funding?

**Ms Buffinton:** We are working with those that are successful; obviously we are working with those. I think Ms Kidd has a comment, and then I will come back.

**Ms Kidd:** Just in terms of the funding, \$4.1 million from the Innovation Fund has been transferred across to a flexible funding pool to assist with the Queensland flood recovery process.

**Senator ABETZ:** In other words, the \$41 million has now become \$36.9 million; is that right?

**Ms Kidd:** That is correct.

**Senator Chris Evans:** We have redirected a range of resources where we had spare capacity or where we had—

**Senator ABETZ:** When was that decision taken?

**Ms Paul:** On the context of the flood assistance package earlier this year.

**Senator Chris Evans:** It would have been February-March.

**Senator ABETZ:** And how did that link up with the closure of applications for round 3?

**Ms Paul:** I do not think there was too much of an interaction because, clearly, round 3 did not use that amount of money. I am not sure about the timing of the closure of round 3.

**Senator ABETZ:** We are now down to \$4 million left.

**Ms Buffinton:** It closed in August 2010.

**Senator ABETZ:** Sorry, what was that date again?

**Ms Buffinton:** Ms Paul was just asking when round 3 closed.

**Senator ABETZ:** And that was?

**Ms Buffinton:** August 2010.

**Senator ABETZ:** Who can remind me? The floods were—

**Ms Paul:** January.

**Senator ABETZ:** January; right.

**Senator Chris Evans:** Long after that closed.

**Senator ABETZ:** That is fair enough. What is going to happen with the other \$4 million?

**Ms Buffinton:** That is where we are. We have continued to talk with those who have submitted proposals in the past to proactively see if we can develop, but we are always open to out-of-round interest and will continue to work to try and pick the best innovation projects.

**Senator ABETZ:** Let's go through this. Of the 158 that put in submissions for round 3, 19 of them would have been told, 'You've been successful.' When were the others told that they were unsuccessful?

**Ms Parker:** We will take that on notice. I do not know.

**Senator ABETZ:** You are working with those that have been successful to make sure their projects get up and running.

**Ms Buffinton:** Yes.

**Senator ABETZ:** Are you anticipating extra funding for any of those projects?

**Ms Parker:** No, we are not.

**Senator ABETZ:** So the spare \$4 million—where is that going to be?

**Ms Paul:** That would go to new projects.

**Senator ABETZ:** Completely new projects?

**Ms Parker:** Yes. At any time, for example, people on the panel can come to the department and say, 'We have this great idea,' and we would assess it at any time. That is part of the guidelines: that, while there are rounds, we will consider applications out of round. So part of our job as the department is also to work with our state offices who are out there working with providers and other organisations, to say to people, 'This is what a good project looks like and, if you have ideas that you think will stimulate jobs, get people into training and actually get really positive outcomes for job seekers then we're interested in hearing about them,' and this—

**Senator ABETZ:** Are you going to go for a round 4 with the \$4 million?

**Ms Parker:** Not a formal round 4, no.

**Senator ABETZ:** In the pecking order in round 3, one would assume that the eighth project would have been close. If you combine seven and 12, the 20th project may have been pretty close to being successful.

**Ms Parker:** Yes.

**Senator ABETZ:** Are you approaching any of those saying, 'The reason you weren't funded was these two factors and, if you finetune those factors, chances are you could then be successful'?

**Ms Parker:** Yes, we did that on—

**Senator ABETZ:** Or are you going out for brand-new applications?

**Ms Buffinton:** Ms Northcott will make some comments, but we actually then went through our state and territory managers to refine a short list to work up proposals, and that is what the department has just currently been considering.

**Ms Paul:** But we have gone back to some of those unsuccessfuls, too, I am told.

**Senator ABETZ:** You have?

**Ms Paul:** Yes, which is sensible, isn't it, if they were close.

**Senator ABETZ:** Absolutely, and I would have thought that—

**Ms Paul:** So that is part of first course, if they have already done the work, and then, if necessary, if they are just not up to quality, obviously there is a line somewhere, isn't there, and we would have to go out more broadly.

**Senator ABETZ:** Yes.

**Ms Paul:** But the nature of the beast here is that, because it is a panel, we can approach them with certain things we want tested that are innovative in the field, they can approach us, and so on. But, yes, we would go back to ones which were close. Why not?

**Senator ABETZ:** Yes.

**Ms Paul:** They have done the good work.

**Ms Parker:** And they are quite targeted, so part of it is to make they will actually meet needs of disadvantaged job seekers, homelessness, mental illness or Indigenous Australians. They have to be very well targeted.

**Senator ABETZ:** Yes. That is all good. How many panel members are there on the Innovation Fund?

**Ms Parker:** One hundred and ninety-six.

**Senator ABETZ:** Did they all apply for a project?

**Ms Northcott:** No, they did not. I will have to take that on notice. It is my understanding it is approximately 50—no, it must be more. I think it is about 54. We will take it on notice because some—

**Senator ABETZ:** Fifty-four?

**Ms Northcott:** Some have had more than panel members. I will take it on notice, but some have had more than one project.

**Senator ABETZ:** If you could. Why was the decision made to cancel this program?

**Ms Paul:** The fund was part of the set-up of JSA, basically. I really gave the answer before. It was about settling in a whole new framework that drew seven programs into one and required an innovative focus, and so the focus on that is just less necessary now.

**Senator ABETZ:** Some people tell me that innovation should be, and is, an ongoing process. Just because you start something, I can understand you would want an innovation fund, but I would have thought it might be worthwhile to continue an innovation fund so there can be continual improvement and the funding of these types of projects, even possibly on a lesser scale.

**Ms Paul:** It was seen as a kick-start, if you like, to this new system. The thing is that I think we have had some good projects and we have learned the lessons from those, and that is the point, I guess. The fact that we are seeing fewer projects of quality kind of is a bit of a hint as well, that we have learned some good lessons.

**Senator ABETZ:** I suppose that is a fair enough observation, yes.

**Ms Parker:** In the budget there are a number of measures that specifically focus around innovation, and the government was careful not to duplicate. Some of those are the LECs, the extension of priority employment areas. Another—

**Senator ABETZ:** But we are then replacing, if that is what you are telling me—not duplicating, replacing—

**Ms Parker:** Yes, the funding redirected.

**Senator ABETZ:** Because, if it is about innovation, that is what this fund was for.

**Ms Parker:** Yes.

**Senator ABETZ:** And now we are going to spend innovation moneys in—

**Ms Parker:** In other ways.

**Senator ABETZ:** Through a different mechanism. Does that tell us that this mechanism was not as successful as we anticipated because we are now going to a different innovation model, if I can call it that?

**Ms Paul:** No, this mechanism was the right mechanism at the time.

**Senator ABETZ:** At the time.

**Ms Paul:** And that was to bring in a whole new system, as I have said. There were some terrific projects and we did learn good lessons for the Job Services Australia system, and that need is just not as great now because the system is well established. As I said, the calibre of projects is a bit of an indicator of that.

**Senator ABETZ:** How much are we spending on these new innovation methodologies?

**Ms Parker:** As part of the government's place-based measures, there is a local solutions fund. That is \$38.2 million over four years, and that is around innovative local programs to boost workforce participation in 10 disadvantaged communities. The LEC measure the priority—

**Senator ABETZ:** Have those 10 been nominated?

**Ms Parker:** Yes, they have.

**Senator ABETZ:** How were they nominated or decided upon?

**Ms Paul:** They were decided through looking at the same sort of variables that we looked at for the original local employment priority areas: amount of unemployment, businesses, rate of business failure, rate of bounce-back, et cetera, et cetera. We have a range of labour market variables.

**Senator ABETZ:** Tell me, where about are they? Can you tell me by electorate? Is it New England and—

**Senator Chris Evans:** We can give you the list. They were all released on budget night. They are all in press releases, et cetera.

**Senator ABETZ:** I am sure they are.

**Senator Chris Evans:** I will give you them. I am just saying they are already publicly available. Senator, just so you understand, we had the year 20 priority employment areas as part of the response to the global financial crisis. And, if you like, these are a subset of 10 of the 20 areas where we have got entrenched employment and disadvantage issues where the government is looking to do place based initiatives, including the teen/parent measures and some of those other measures in the budget to focus in on that entrenched disadvantage to try and make a difference by applying more programs and more effort to those places. If you ask me why 10 not 20, the answer is money. These things are quite expensive.

**Senator ABETZ:** All right.

**Senator Chris Evans:** It is a question—some of them are more trial-based approaches, but it is basically we had to narrow down what we could afford to do while we test whether these have good impact.

**Senator ABETZ:** So whereabouts are these 10 local employment—

**Ms Kidd:** In terms of local government areas we have Playford in South Australia, Burnie in Tasmania, Bankstown in New South Wales, as well as Wyong and Shell Harbour also in New South Wales. In Queensland we have Rockhampton and Logan. In WA we have Kwinana and in Victoria we have Shepparton and Hume.

**Senator ABETZ:** Thank you for that. Back to the Innovation Fund, we have got 12 in the disability sector and those successful tenderers have already been notified and publicised or not?

**Ms Buffinton:** At this stage two have been announced.

**Senator ABETZ:** Let us go through this. There are 12 that have been successful. Have all 12 been notified?

**Ms Buffinton:** Yes, they have.

**Senator ABETZ:** And only two of them have been announced.

**Ms Buffinton:** So this is where we are working through on their funding agreements. We have got five that are currently executed to announce.

**Ms Paul:** You cannot announce them until you settle an agreement on them.

**Senator ABETZ:** Yes.

**Ms Paul:** So we are just going through that phase now.

**Senator ABETZ:** And when do you anticipate that you will have the 12 signed up, if I can use that term?

**Ms Northcott:** Susan Northcott, Targeted Jobs. It is happening progressively, I imagine, in the next month or so, the next four weeks. We are expecting a couple of announcements in the next.

**Senator ABETZ:** How much of our \$30.9 million is going to these 12?

**Ms Northcott:** \$2.9 million.

**Senator ABETZ:** 2.9. And I assume none of those projects have commenced as yet?

**Ms Northcott:** Two of them have. The ACE National Project has commenced.

**Senator ABETZ:** When would that have commenced?

**Ms Northcott:** I would have to check the date.

**Senator ABETZ:** Take that on notice.

**Ms Northcott:** I will take it on notice.

**Senator ABETZ:** Because I would have thought there would not have been much time for them to actually get underway as yet.

**Ms Northcott:** They commence once the funding agreement is executed.

**Senator ABETZ:** Technically, right, they are underway. The Employer Broker panel, can we move on to that area. That was abolished in this year's budget? Yes?

**Ms Parker:** Yes.

**Senator ABETZ:** I understand there were going to be two rounds of funding under that program. Is that correct?

**Ms Northcott:** There have been two to date.

**Senator ABETZ:** There have been two to date. Do you still plan to release the round two funding proposals that were successful?

**Ms Northcott:** We have advised proponents of whether or not their proposals are successful or not recently.

**Senator ABETZ:** So round two has gone ahead as planned?

**Ms Northcott:** As proposed. Correct.

**Senator ABETZ:** Thank you. So for round two when were the applications for proposals called for?

**Ms Buffinton:** They were called on 9 July 2010.

**Senator ABETZ:** And when did they close?

**Ms Buffinton:** They closed on 30 August 2010.

**Senator ABETZ:** And when were they notified of their success?

**Ms Northcott:** Once again, I am sorry, but it has only been recently that they were notified of success.

**Senator ABETZ:** So why, as I understand it, the considerable delay in comparison to round one?

**Ms Northcott:** The election was part of the delay in relation to the announcement of the Employer Broker round two.

**Senator ABETZ:** Let us just concentrate on this. Wouldn't the department continue to discuss and negotiate with potential providers or panel members? There would only be a final decision that a minister would need to make. And given that we are now, what, how many months past the election we still have not had a final decision. One would imagine they were not sitting on the minister's desk all that time.

**Ms Northcott:** No, I am sorry, Senator, as I said, we have had a final decision, but it was only recently. In the case of round two, and it has been an issue with the Employer Broker panel, the proposals that we received were not of high quality. They are assessed by a high level departmental committee and that committee advised the minister of that. The minister asked us to go back and revisit the top ranked proposals, which we did, and we asked the proponents of the top ranked proposals—we worked with them to refine and to improve the quality of the applications that they had submitted. Then we had to go back through the process, the assessment process that is set out in the Employer Broker guidelines, and recommendations were then made to the minister, so only two of them were actually recommended to the minister. The guidelines make it clear that we can accept proposals at any time, so we have actually been working with proponents and we do have a number of other proposals that are currently being considered by the department and we will be making recommendations to the minister about those shortly.

**Senator ABETZ:** So coming back to blaming the election, if applications only closed on 30 August, can somebody remind me when the election was?

**Ms Paul:** The final result was in September.

**Senator ABETZ:** Yes, it does. You think it has been long. Try opposition.

**Ms Paul:** It sounds like the main delay was not that. It sounds like the main delay was the quality.

**Senator ABETZ:** Exactly. Because clearly the proponents were putting together their submissions during the month of August, during the election period and to blame the election, I must say—

**Ms Paul:** It was clearly not the main reason.

**Senator ABETZ:** I would not have thought, with respect, any reason at all.

**Ms Paul:** Possibly.

**Senator ABETZ:** So a big concern, but I hope the message has been received. So how much was budgeted for this year's projects?

**Ms Paul:** \$2 million.

**Senator ABETZ:** And this has been stopped. Why? Not successful?

**Ms Paul:** The program has been stopped. So, once again, it is like we were talking about Innovation Fund, it was something which was brought in specifically for the set up of Job Services Australia. And I recall at the time the policy discussion was that we had felt that Job Network members were not sufficiently linking in with employers and it would be helpful to have a brokerage arrangement between Job Services providers and employers. We now consider that Job Services Australia providers are actually doing this function much, much better than they were. And, indeed, in a rising climate of skill shortages that will inevitably be the case, so the state of the economy makes a difference too. So for those reasons it is seen as not necessary. Similar to Innovation Fund it was a kick start. It served its purpose. The calibre issue is a bit telling again and so it is not necessary for a next contract.

**Senator ABETZ:** Chances are it was not too successful by the sounds of it with the quality of applicants, et cetera, having to bounce back. And no criticism. When you try these things you have to suck it and taste it to see what it is like and it stands to reason that when you do try innovative and different things that they might not necessarily turn out as expected.

**Senator Chris Evans:** Senator Abetz, I think this obviously was primarily the responsibility of Ms Ellis as the minister, but I think the department would tell you if they have any suggestions about brokerage proposals I usually go off my tree. And if someone says to me JSA providers need help to contact with employers I say 'Why are we paying them'. So that is not the reason why it did not continue, but —

**Senator ABETZ:** It sounds a bit like it might have been.

**Senator Chris Evans:** No, it was not, but I just thought I would let you know my views on that.

**Senator ABETZ:** So completely divorced from those views it was just serendipity that this occurred?

**Senator Chris Evans:** I think it was lucky that the department was not promoting its extension. It may not have got support at cabinet for the relevant minister.

**Senator ABETZ:** National Workforce and Productivity Agency.

**Ms Paul:** The new agency?

**Senator ABETZ:** Yes. \$25 million worth, I understand, in the budget.

**Ms Paul:** Yes, indeed, we should handle that tomorrow, if that is okay.

**Senator ABETZ:** So whereabouts tomorrow?

**Ms Paul:** I suggest 3.4 or 3.5.

**Senator ABETZ:** Does it matter which?

**Ms Paul:** No.

**Senator ABETZ:** Chances are I will not be doing it.

**Ms Paul:** It does not matter.

**Senator ABETZ:** So 3.4 or 3.5.

**Ms Paul:** Yes.

**Senator ABETZ:** We might make some rapid progress here if you can tell me the same about some other matters. If I may return to the local employment coordinators, how long have they been going for now?

**Ms Kidd:** It is almost two years.

**Senator ABETZ:** So can you tell us in the areas where they have been engaged has there been a decrease in the unemployment rate?

**Ms Kidd:** The story is quite mixed across the priority areas, so we monitor them in terms of a range of variables, including the unemployment rate. And I guess we have got a bit of a crude assessment as to whether they are improving or deteriorating or, indeed, remaining stable. And it is quite a mixed picture.

**Senator ABETZ:** Possibly in relation to the 20 of them if you could indicate to us the unemployment rate and participation rate at the time of commencement and the latest figure that you might have available.

**Senator Chris Evans:** Senator, we are happy to provide that. I just make the point in defence of the coordinators, who I have had very good feedback on more generally, and I think the actual renewal of the contracts was in the weekend papers, I noticed, when I was perusing the papers on the weekend.

**Ms Paul:** Yes, that is right.

**Senator Chris Evans:** But I just make the point that, of course, despite the best efforts of the coordinator a region may well have deteriorated in terms of employment because of closure of a large company, what have you.

**Senator ABETZ:** Of course, that is understood.

**Senator Chris Evans:** It is not a key KPI necessarily for that particular officer because of, as you know, the regional impacts of employment, et cetera.

**Ms Paul:** Every single one of those local employment coordinators has had really positive impact and we collect the examples of the sort of impact they have had.

**Senator ABETZ:** I am sure they would all tell you that.

**Ms Paul:** But overall, as the minister says, if five businesses have gone out of business it is not in their control, obviously.

**Senator ABETZ:** That stands to reason.

**Senator Chris Evans:** Senator, I am not representing departmental advice. I am representing feedback from employers, not-for-profits and local members of parliament. I have just had very strong positive feedback on the role they have played. That is the sort of party feedback I have had.

**Senator ABETZ:** Can we be told whether they are adhering to their regional employment plans? I assume they are.

**Ms Paul:** They are. And they help create them in consultation with a broad sweep of coordinators.

**Senator ABETZ:** Yes. And they are continually being updated with these regional employment plans?

**Ms Kidd:** They are in the process of implementing the plans now, so they work with the Keep Australia Working advisory committees in their region and they progress the strategies that are in their plans and we monitor them against their progress.

**Senator ABETZ:** So the department monitors them?

**Ms Kidd:** We do.

**Senator ABETZ:** So what are the indicators?

**Ms Kidd:** There is a whole range of indicators around the performance of the local employment coordinators, but in terms of the plans we look at the number of strategies in them and we seek feedback on progress towards them. So they might have a strategy about retrenched workers, for example, or school retention, quite high level strategies, and they will give us feedback on how they are going with it.

**Senator ABETZ:** And how often do you seek that feedback or how often do you monitor? Is it once a quarter that somebody has sent down to have a look or do they send you a report and as a result of which you do, if you like, a desktop audit of them?

**Ms Kidd:** That is right. We get regular reports from them. We get monthly feedback on that activity.

**Senator ABETZ:** Monthly.

**Ms Kidd:** Actually I think it is even fortnightly on activities and then less frequently on the progress against the plans.

**Ms Paul:** We also meet with them. I met with them recently. They all came into Canberra for a full day get together, particularly in the context of the extension of the loyal employment areas and so on. And they have done that a couple of times too.

**Senator ABETZ:** And whilst I am sure there has been excellent feedback as indicated, has there been any negative feedback or anything we can learn which might help enhance and improve—

**Ms Paul:** It has been overwhelmingly positive actually. It has been positive feedback.

**Senator ABETZ:** Yes. And I can accept that and understand that. But has there been any negative feedback at all?

**Ms Kidd:** No.

**Ms Paul:** Nothing comes to mind.

**Senator ABETZ:** Nothing at all. It sounds very good.

**Senator Chris Evans:** I had one member of parliament raise with me some concern about their local area coordinator. I do not want to provide the details, but that is the only negative feedback I have had. I have not tested that yet.

**Ms Paul:** But in terms of the results they are getting we have just had nothing but positives. And one of the key things, of course, is for them to learn from each other in terms of what seems to be working. They have to tailor it to their local community needs, obviously, but even so they can learn from each other.

**Senator ABETZ:** And that is where possibly some negative feedback—some of them may have been willing to share, 'Well, we did something this way which in the short term was very negative which we have fixed up' and that might be something others might want to watch out for.

**Ms Paul:** I have not heard anything like that.

**Senator ABETZ:** No. All is good. I do not have any examples to suggest it is otherwise than what you say. I am just probing. Can we move to family centred employment projects? Is that today?

**Ms Paul:** Yes.

**Senator ABETZ:** So when did these projects commence?

**Dr Morehead:** They commenced on 1 July 2010.

**Senator ABETZ:** And to date how many families have been assisted?

**Dr Morehead:** We have had 88 families volunteer to be part of the trial and 77 of those families have finished developing their plan.

**Senator ABETZ:** And these projects are in three locations. How many?

**Dr Morehead:** Yes, they are in three locations.

**Senator ABETZ:** Goodna, Broadmeadows and Elizabeth Playford. Is that right?

**Dr Morehead:** Mansfield Park, Angle Park, yes.

**Senator ABETZ:** Thank you. So how many have achieved an employment outcome?

**Dr Morehead:** We have had 16 of the 77 people who have developed a plan have commenced in work.

**Senator ABETZ:** Sorry, how many?

**Dr Morehead:** 16.

**Senator ABETZ:** 16 out of the 77.

**Ms Paul:** These are very long-term unemployed people too, are they not?

**Dr Morehead:** Yes, these are jobless families who have basically had no or very little earnings over the last 12 months and most of them have been on income support for very long periods of time. Obviously, they are really some of the most excluded families that you can get. And so what we are trialling here is an approach where we have specific service providers in those three areas doing some really intensive work with those families and they stick with them and help them achieve the goals that they have written in their plans.

**Senator ABETZ:** And what was that figure, 16 out of 77 have gained employment?

**Dr Morehead:** Yes. And, Senator, there is a range of outcomes that they achieve along the way. And so 41 of the people have achieved a recordable outcome that we monitor with the service providers and those 41 people have achieved a total of 65 outcomes, 16 of which are

the jobs. So it sort of takes the government approach of realising that there are pathways into sustainable employment.

**Senator ABETZ:** So it is a step by step approach.

**Dr Morehead:** Yes. And so some of them have social outcomes where they might be taking their child to a playgroup or participating in some education, so it has a very strong participation focus.

**Senator ABETZ:** You are anticipating a few of the questions that I am going to ask, so that is helpful. The 16 employment outcomes, are they spread relatively evenly through the three—what do I call them, project centres?

**Ms Paul:** They are all trial sites.

**Senator ABETZ:** Trial sites, thank you, in the trial sites.

**Dr Morehead:** We cannot go down into too much detail about a particular person, but there has been seven job outcomes in Queensland and nine in Victoria. South Australia started just a little bit later and is getting going.

**Senator ABETZ:** And then you were getting on to social outcomes achieved, how many?

**Dr Morehead:** Yes. There have been 19 education outcomes. And what that means is that they have commenced a course. And that would be cert 2 or above, so they have actually commenced in education. And then there have been 20 demonstrated social outcomes and 10 demonstrated achievements. So with the social outcomes we are trialling a new approach of how to recognise what is a social outcome here. The trial has got quite a lot of purposes and one of them is to go, 'Okay, let us monitor these demonstrated and achieved social outcomes and see where they lead over the three years of the measure'. So the demonstrated effort might be that the family might go, 'What I really want to do is become an Australian citizen'. And then the demonstrated effort would be that they would work with the provider and do the steps along to doing that, which does open up more job opportunities for them, for example. They might have demonstrated achievement. They might say, 'Look, what I really want to do is save some of my income support and purchase a car over time'. So demonstrated achievement might be having a financial strategy in place and starting to put some of that money away and, perhaps, doing something like working towards getting a licence, a driving licence.

**Senator ABETZ:** How much money has been set for this trial?

**Dr Morehead:** There is \$4.5 million over the three years that is spread amongst the three sites and that goes out to the service providers. And the total cost of the measure all up is higher than that because we have put on specific staff in addition to the service providers. So the total cost of the measure in terms of the extra servicing required is 9.4 million over the three years.

**Senator ABETZ:** So that is on top of the four—

**Dr Morehead:** No, that is inclusive.

**Senator ABETZ:** The total is now 9.4.

**Dr Morehead:** Yes.

**Senator ABETZ:** So how much has gone out of the door thus far?

**Dr Morehead:** I will have to take that question on notice.

**Senator ABETZ:** If you could. If the figure of \$9.4 million was allocated what was the figure of the number of families that were intended to be supported? It would be on track with this number of 88 volunteers thus far.

**Dr Morehead:** Yes. With the service provider contracts we have got very clear milestones as to how many parents we are expecting at certain times to be achieving outcomes and have signed up to plans. And across the three sites there are two and half thousand of these extremely long-term jobless families. And so we are hoping to get around 365 to 400 families actually moved on to a solid pathway to better labour market outcomes by the end of the three years.

**Senator ABETZ:** And who is delivering that for us? Are we working with the Salvation Army in one area?

**Dr Morehead:** In Queensland we are working with PVS Workfind and in Victoria we are working with Work Skill. And in South Australia we actually have done a memorandum of understanding with the South Australian government, because we are joining in with what they have there, which is like a bigger trial and we are going into some suburbs that are quite near there trial so we have joined in to get some efficiencies of scale there. And that has been delivered by UnitingCare Wesley, Port Adelaide.

**Senator ABETZ:** I have got a funny feeling I know what the answer to this is going to be, but what is the gender split? Are the females more likely to participate and volunteer and try to help lift their families rather than the blokes?

**Dr Morehead:** In terms of the job outcomes, those 16 jobs that I mentioned, so if we go straight to the pointy end, nine have been women and seven have been men, so it is quite—

**Senator ABETZ:** I must say I am surprised, but pleasantly surprised that that is the figure. What about the education outcomes?

**Senator Chris Evans:** Could I just ask for my own information, are they all two adult families or do they include single?

**Dr Morehead:** 45 per cent of the 77 families who have signed up to a plan are actually on parenting payments single. So these are families that we are actually catching before they move into having official job-seeking requirements on Newstart, so half of them are not in Newstart. Because it is a voluntary trial anyone is eligible in those suburbs who has been long-term jobless. But, interestingly, the ones who are really keen to participate, nearly half of them are the single parents on parenting payment.

**Senator ABETZ:** And would it be fair to say that in this demographic as well the overwhelming number of single families are, in fact, headed by a female?

**Dr Morehead:** That is right, yes. It is around 85 per cent.

**Senator Chris Evans:** That is why I interrupted because I assumed it would more female dominated.

**Senator ABETZ:** That was very helpful.

**Senator Chris Evans:** That is why I asked of the job outcome as well, because it seemed counterintuitive—

**Senator ABETZ:** So chances are the pool of people on which you could potentially draw would be female dominated? Would that be right?

**Dr Morehead:** That would be right. However, because half of them are parenting payments single the majority are women. But it is quite interesting, when you do get a couple who are jobless, so a couple jobless family, that it is very encouraging that the men are willing to take up this voluntary service offer.

**Senator ABETZ:** They are willing to man up and step up to it.

**Dr Morehead:** Yes.

**Senator ABETZ:** That is very interesting and thank you for that. These trials, they started on 1 July for three years.

**Dr Morehead:** Over three years, yes.

**Senator ABETZ:** That was most interesting and I look forward to the results over time. Can we move to Building Australia's Future Workforce? Building Australia's Future Workforce wage subsidy for the very long term unemployed, there is an offering of \$94.6 million over four years in the budget. Is that correct?

**Ms Paul:** Yes.

**Senator ABETZ:** And that is designed to incentivise employers.

**Ms Paul:** Yes.

**Senator ABETZ:** Where did that word 'incentivise' come from? It is not 'incentivation'.

**Senator Chris Evans:** A derivation thereof.

**Senator ABETZ:** I think that word has finally caught on.

**Ms Paul:** Part of the Innovation Funding.

**Senator ABETZ:** Yes, it has only taken about two or three decades, but it has caught on. I am delighted that the coalition has made a contribution to the English language. So it is designed to assist employers to hire the very long-term unemployed, which is two years plus, I think we agreed this morning.

**Ms Paul:** That is right, yes.

**Senator ABETZ:** So is there provision for this employment to be part-time or do employers have to hire a person on a full-time basis?

**Ms Kidd:** No, there is provision for it to be part-time.

**Senator ABETZ:** So it would be, what, on a sliding scale percentage basis, would it?

**Ms Kidd:** That is right.

**Senator ABETZ:** Yes. So if employment is part-time the payment is pro-rata and so they do not receive the full wage subsidy for Newstart Allowance. As long as it is only a pro-rata.

**Ms Kidd:** There is a bit of flexibility in how the wage subsidy is delivered, so it has been costed at about \$5700 over six months, which is the average rate of Newstart allowance for that period. But there is flexibility to use that amount, perhaps, over a longer number of months or even a lesser amount over a shorter period or, as we just said, on a partial rate as well.

**Senator ABETZ:** What is the period of time that the jobseeker has to stay with the employer?

**Ms Kidd:** The subsidy covers the six-month period.

**Senator ABETZ:** Just for six months?

**Ms Kidd:** Yes. Ideally the intention would be for a sustainable outcome as a result of that.

**Senator ABETZ:** Of course. But that is the only technical requirement and I assume you cannot keep churning people through.

**Ms Kidd:** No, that is right.

**Senator ABETZ:** You are a business. What happens if an employee during that six-month period were to leave?

**Ms Kidd:** If an employee left they would return to their Job Services Australia provider.

**Senator ABETZ:** The employer does not have to make any refund for that which—

**Ms Kidd:** We would not pay the full amount in advance. The payment arrangements have not been finalised yet but they would be monthly or fortnightly payments.

**Senator ABETZ:** In arrears, one would assume.

**Ms Kidd:** Most likely.

**Senator ABETZ:** Yes, but there will not be a requirement to refund if the employee pulls the plug? What if the employer pulls the plug and says, 'Look, I was hoping there would be room for this person but the business is going bad and we can no longer afford this person'? Will they have to then repay that which they have been provided to date?

**Ms Kidd:** No. It would be a good faith arrangement up front and we would be using employers that have agreed to provide at least six months worth of work with a view to it being ongoing. In the event that that did not come about for reasons that could not have been foreshadowed up front, then the jobseeker would return to JSA, and we would not recover money from the employer.

**Ms Parker:** We do require providers to vet the employer and to make a good match. As you mentioned before, we would not allow employers to churn and to put one jobseeker after another. We will be monitoring that very closely, as we would expect providers to do.

**Senator ABETZ:** Yes. But if the employee decides to walk, then the employer could re-access this?

**Ms Parker:** Yes, that is right.

**Senator Chris Evans:** This is a high disadvantaged group. International experience is that wage subsidy has been one of the most successful ways of giving them an opportunity they otherwise would not get. We will be looking to work with employers of good heart who are prepared to give someone a chance and we are going to help subsidise the fact that they may not be as competitive in the job market that employer in the first place. It is a very targeted program so there is not the potential waste in the program. These are really disadvantaged jobseekers.

**Senator ABETZ:** We will see how it goes. There was \$300,000 in capital funding, I understand. What was that to be used for? The secretary's office or—

**Ms Paul:** No, it is for our system build—our IT system.

**Senator ABETZ:** All right. Are these wage subsidies due to commence from 1 July this year?

**Ms Paul:** 1 January 2012.

**Senator ABETZ:** Who can tell me the difference between National Green Jobs Corp and Green Corps?

**Ms Parker:** We did that last time.

**Senator ABETZ:** I know. Can you just remind me?

**Senator Chris Evans:** I refer you to the *Hansard*, Senator.

**Senator ABETZ:** Thank you. Very helpful.

**Ms Parker:** But Ms McKinnon can do it again if you would like.

**Senator ABETZ:** Yes, just briefly, please.

**Senator Chris Evans:** Just give him the *Hansard*.

**Senator ABETZ:** I understand Green Corps is from the Howard government era and National Green Jobs Corp is the Labor version, but I am just wondering why we run the two in tandem.

**Ms Laker:** Green Corps is a work experience activity under the Job Services Australia model. It is very similar in all aspects to work-for-the-dole type projects; however, it has an environmental focus. On the other hand, National Green Jobs Corp is a program targeted at disadvantaged young people which provides and requires the delivery of a certificate II of training in conjunction with work experience, and is similarly environmentally focused.

**Senator ABETZ:** Do we have two sort of super structures for both these organisations?

**Ms Laker:** National Green Jobs Corp is delivered by nine providers who were selected through a tender process to deliver this program.

**Senator ABETZ:** How many people in the department administer those nine providers?

**Ms Laker:** It ranges, but in terms of full time staffing level over the period of the program it would probably be seven.

**Senator ABETZ:** How many projects are currently being run nationally? You can take that on notice and provide me with those wonderful tables and charts that I have been promised.

**Ms Paul:** Sure.

**Senator ABETZ:** Can you provide a certain date, a breakdown by state and territory, how many participants have completed the program, and what percentage thus far have withdrawn from the program early? Then can you indicate to us the reason, if it is available, they have withdrawn?

**Ms Paul:** Sure.

**Senator ABETZ:** Can you also tell us, over the life of the program, how many have completed 26 weeks in the program, and then how many have exited prior to completing the program or percentage withdrawn early?

**Ms Paul:** That is fine.

**Senator ABETZ:** Can the department provide a breakdown of numbers by the reasons given for jobseekers exiting the program. I will go to Green Corps. I have to ask a parochial question: is there a project on the moment on Mt Wellington in Tasmania?

**Ms McKinnon:** Yes, there is.

**Senator ABETZ:** There is. Look at that. Well prepared. Well prepared. That is good to see.

**Senator Chris Evans:** If there is it would be dead and cold up there. Dead and cold.

**Senator ABETZ:** Track building this time of year would sort you out. I compliment many Green Corps projects. They have really enhanced the amenity of Mt Wellington and it has worked exceptionally well in conjunction with the Hobart City Council and the Mt Wellington trust. I think it has a longer name than that but it seems to have been working exceptionally well. I am sure Senator Bilyk and I would have a unity ticket on this because it has delivered very good results for Tasmanians.

**Ms McKinnon:** Thank you.

**Senator BILYK:** That is spooky.

**Senator ABETZ:** Yes, it is spooky, Senator Bilyk. I was just about to ask how many participants but not in relation to Mt Wellington but overall with the Green Corps. How many projects do we have underway at the moment? Can you give us a table on that, as with the National Green Jobs Corps? In relation to these programs, how much funding is currently provided per participant in a Green Corps program and how does that compare to the amount per participant for the National Green Jobs Corp?

**Ms Paul:** Well, why don't we just add that to the overall tables on each of them?

**Senator ABETZ:** Yes, you could. Minister, you and I might have to declare an interest in this: the productive aging package. Is that in this area? I think the Minister might have the odd year on me.

**Senator Chris Evans:** I have no intention of being productive as I age though, Senator.

**Senator ABETZ:** Well, I would prefer to burn out than rust out, you see, so I am very interested in this. Now, what focus group decided on the title 'Golden Gurus'? And do we call them 'Gillard's Golden Gurus' just to get the three Gs in a row or not?

**Ms Paul:** Golden Gurus was the name that came in the 2020 Summit from the proponent who was a man from Queensland. He had proposed it. He is a citizen. He had proposed it to one of the newspapers up there and had won with his proposal, and that is the proposal that came down.

**Senator ABETZ:** Nice to know that something useful came out of that summit. So that is good. That is good.

**Senator Chris Evans:** Senator, you will find that is a highly popular program. I was quite taken aback at how well received it has been.

**Senator ABETZ:** And given that it is so popular you will be able to tell me how many approved Golden Guru organisations there currently are.

**Senator Chris Evans:** I think I put out a press release with them on when we approved them, didn't we?

**Mr Roddam:** There are currently 53 member organisations.

**Senator ABETZ:** And if you can, on a chart tell us whereabouts those 53 are located.

**Mr Roddam:** I will take that on notice.

**Senator ABETZ:** When was the program started or the package commenced?

**Mr Roddam:** 1 January 2010.

**Senator ABETZ:** For how long is the funding predicated in the budget?

**Mr Roddam:** It finishes on 30 June 2012.

**Senator ABETZ:** Nothing in this year's budget?

**Ms Paul:** It is ongoing at the moment.

**Mr Roddam:** It is ongoing.

**Senator ABETZ:** Minister, has the government made any policy decision as yet as to whether this program is to be continued?

**Senator Chris Evans:** No. I stand to be corrected if the department got further information, but no. But as we only announced the successful applicants towards the end of last year and it started from 1 January, it is too early to make those decisions or assess how it is going. But as I said to you, they were very small grants. I think it was about \$10,000 maximum, as I recall.

**Mr Roddam:** That is correct.

**Senator Chris Evans:** It has been enormously well-received. I think because there is such a sort of need out there, but also I think, to be frank, the recognition of valuing older people and their experience has been really quite enormous. As I say, I have been quite taken aback by the enthusiasm for the project and it was not a huge amount of money we were investing. It is \$10,000 a project so it is really just—

**Senator ABETZ:** What is the total amount for this program?

**Mr Roddam:** There is \$400,000 for administration of the Golden Gurus program and there is also a grants program totalling \$500,000.

**Ms Paul:** Just the linking up of older people, with their experience and wisdom, with younger people seems to be working really well.

**Senator ABETZ:** So in rough terms, it is about, as the Minister said, \$10,000 per—

**Mr Roddam:** Yes.

**Senator ABETZ:** Yes, just in rough terms. Have we developed any KPIs or whatever to determine how we are going to measure the success of this program?

**Mr Roddam:** Not KPIs, but there is an evaluation being undertaken in 2012 of the program which will—

**Senator ABETZ:** By the department?

**Mr Roddam:** Yes.

**Senator ABETZ:** What sort of things do you think you will be taking into account? What was it designed to achieve initially? Is that what you are going to measure it against?

**Mr Roddam:** The program was designed for skilled mature age people to provide mentoring and advice to small businesses in the community, so the evaluation will focus on the effectiveness of that.

**Senator ABETZ:** And the total spent to date on the program?

**Mr Roddam:** In terms of the grants aspect, so far we have allocated \$341,240.52.

**Senator ABETZ:** These grants are just one-off grants for the organisations?

**Mr Roddam:** They are, but we have also sought further proposals from member organisations to spend the remainder of the funding and we are assessing those applications at present.

**Senator ABETZ:** We will watch that with interest. What about Experience Plus? I understand that in March of this year a decision was made to extend the eligibility of the Experience Plus program to those aged 50 plus, as opposed to previously 55. Now, I am sure that was not done for my personal benefit so what was the rationale in lowering the age?

**Ms Kidd:** Experience Plus was a fairly new program and we were interested in looking at the take-up of each of the initiatives. After keeping an eye on that there was capacity to expand the program to a broader category, so we lowered the age.

**Senator ABETZ:** Well, when did Experience Plus start?

**Ms Kidd:** I think it was about March last year. March or May last year.

**Senator ABETZ:** We were satisfied with the success of it within 12 months that we were willing to lower the age and as a result increase the cohort of potential beneficiaries.

**Ms Paul:** That is right.

**Senator ABETZ:** So how many places had been taken up by 30 March 2011? Even 31 March.

**Ms Buffinton:** We had 129 approved workers at 31 March.

**Senator ABETZ:** Given that that is a relatively small number, rather than saying it was a rip-roaring success, did we expand the cohort to in fact try to get a few more people involved and engaged so we could get a better—

**Ms Paul:** Yes. I do not think we ever expected a huge cohort. Clearly, if there had been a great run-on and we had not had the money we would not have been able to expand the cohort. It is quite a big call in a way, given what it is about, and so it is not too surprising that the numbers are fairly small.

**Ms Buffinton:** The changes came in on 1 April for the expansion and the numbers I just gave you were 31 March.

**Senator ABETZ:** Yes, but the program had been operational for 12 month.

**Ms Buffinton:** For the 55 plus, yes.

**Senator ABETZ:** Yes. We only had 129 signed up.

**Ms Buffinton:** That is right.

**Senator ABETZ:** I had previously asked whether it was so successful that we thought we would expand it. It looks more like that, with great respect, 129 is not a great figure. That is not a large number. It makes good sense to increase the catchment to try to get more people

involved, so I am not critical of that but I would have thought possibly the explanation may have been that the take-up was not as great as had been anticipated and therefore the age limit was reduced.

**Ms Paul:** I think we said that the program could allow for it. I do not think we ever particularly expected a huge take-up. But yes, clearly the capacity was there so that is fine.

**Senator ABETZ:** How much money was set aside for Experience Plus in the budget?

**Ms Buffinton:** The appropriation for this year was \$1.75 million.

**Senator ABETZ:** How much was set aside for this current financial year?

**Ms Buffinton:** \$1.75 million; this is the current year having—

**Senator ABETZ:** All right. And for next year?

**Ms Paul:** We have only had one year.

**Ms Buffinton:** \$2.5 million.

**Senator ABETZ:** I am not going to do the maths. If you divide that by 129, there would have been a bit of money left over or not?

**Ms Paul:** No.

**Ms Buffinton:** I think that was part of the reason for both the lowering of the age from 55 to 50 but it was also expanding the coverage of workers. Originally it was for construction and manufacturing in priority employment areas and it has been expanded to cover workers across all industries in priority employment areas since 1 April.

**Senator ABETZ:** So if I were to ask how many people have benefited to date you would say 129?

**Ms Buffinton:** Yes, to 31 March.

**Senator ABETZ:** And if I were to ask how many subsidies have been paid you would say 129 as well; is that correct?

**Ms Buffinton:** Yes.

**Senator ABETZ:** Have they all been paid in full? Because I understand there are two—there is a start up payment and a completion payment.

**Ms Buffinton:** I would have to take that one on notice.

**Senator ABETZ:** All right. If you could, please. I have just now moved on to disability maintenance services.

**Ms Paul:** Yes, sure.

**Senator ABETZ:** And I am hoping that Senator Fifield will return. But can I ask how many people are currently on the Disability Employment Services case load.

**Ms Buffinton:** On the Disability Management Service case load there are 65,946. The Employment Support Service has 78,020. And the total case load at 31 March was 143,966.

**Senator FIFIELD:** I might start with the new enterprise investments scheme, if I may.

**Ms Paul:** Sure.

**Senator FIFIELD:** The government is allocating a \$97.1 million over four years to continue the scheme and also to extend the eligibility to help jobseekers with a disability

establish a small business. So is that the only extension to this scheme, that it is now specifically also intended to target people with a disability helping to establish a small business?

**Ms McKinnon:** DES participants will be eligible for the NEIS scheme.

**Senator FIFIELD:** What proportion of the expenditure under the measure is now intended to support people with a disability seeking to establish—

**Ms McKinnon:** We had not actually done a report. From recollection, it does not commence until 1 July 2012 and we will be discussing that with the panel members.

**Senator FIFIELD:** Okay.

**Ms Parker:** We do estimate 300 to 400 recipients per annum, Senator.

**Senator FIFIELD:** 300 to 400.

**Ms Parker:** That is our early estimate.

**Senator FIFIELD:** Okay. 300 to 400 people with a disability.

**Ms Parker:** That is right.

**Senator FIFIELD:** Has the money allocated been increased to cover that or it is essentially going to trend the way it previously was but just also be open to this cohort?

**Ms McKinnon:** It is the latter.

**Senator FIFIELD:** So 300 to 400 people with a disability—just rough figures anticipating—will access this. Do you have any ballpark figures for the number of businesses that may actually be established as a result? Or it is assuming one per person?

**Ms Laker:** Yes. That is generally the case.

**Senator FIFIELD:** I might just go to Disability Employment Broker projects.

**Senator Chris Evans:** Not to truncate anything today but I am always happy to have the department brief the shadow minister or measures et cetera. So if you and your staff want to organise with the department a time, I am happy to come in and—because I know those sessions are often easier to get your head around and stuff.

**Senator FIFIELD:** Yes. Sure.

**Senator Chris Evans:** So not to stop you doing anything today but—

**Senator FIFIELD:** No, not at all.

**Senator Chris Evans:** I mean, I know our Shadow Minister is actually just getting your head around understanding some of those things and just having an interactive process is sometimes more helpful.

**Senator FIFIELD:** Yes, okay.

**Senator Chris Evans:** So that is a standing offer.

**Senator FIFIELD:** Thank you, Minister, and Ms Paul has conveyed that and we will certainly be taking that up. Now, there is a million dollars being provided in 2012/13 to fund up to 10 Disability Employment Broker projects.

**Ms Buffinton:** Yes.

**Senator FIFIELD:** Have the locations for those been determined or you will have a process for which application can be made?

**Ms Buffinton:** No. It is starting on 1 July next year but we have not stipulated a location at this point.

**Senator FIFIELD:** And that will be something that the department will determine? Or it will be a function of the interest which is expressed?

**Ms Buffinton:** We actually have a disability reference group and in fact our next meeting of the reference group in August—we meet about three times a year and the key topic of that focuses on employer needs, so certainly the reference group will help us inform. We have a concept that therefore some of these brokers may well be within industry associations or sort of industry peak bodies, so we will be consulting a broad range of organisations in order to decide where we should put those 10 brokers.

**Ms Parker:** It is not so much location based as where can we link to national employers, so it is not—

**Senator FIFIELD:** Sorry, where you can—

**Ms Parker:** It is about national employers. So we will not be targeting an area as such or an employer—you know, a national employer who will be able to provide jobs for people with disability.

**Senator FIFIELD:** Yes. Okay.

**Ms Buffinton:** And small to medium.

**Senator FIFIELD:** Yes.

**Ms Parker:** Sorry, small to medium, I meant to say. Small to medium businesses because we already have another employer broker program for the larger employers.

**Senator FIFIELD:** Sure. Yes. It would be an employer that could be providing the service nationwide from wherever the industry association or body is based.

**Ms Buffinton:** That is correct.

**Senator FIFIELD:** Thank you.

**Ms Buffinton:** Yes. So essentially, I guess it is filling the gap of—there is got a lot now where we are activating people with disability and preparing them for the workforce and how we activate the demands side, and certainly in feedback we have had from employers, they are interested and keen to consider taking on somebody with disability but sort of not being quite clear on how. And so these brokers—first and foremost their role is to go out in certain industry sectors or whatever, is to communicate what assistance there is, talking about the good news stories and examples of why people can, and focusing on ability and focusing on ability rather than disability.

**Senator FIFIELD:** Is it intended that this will essentially be 10 full-time brokers, individuals who will be brokers in different organisations?

**Ms Buffinton:** It is, and the concept is that it is 10 for a single year in order for us to test whether this concept really does make a difference of increasing communication and having that increased matching of people with disability into jobs.

**Senator FIFIELD:** Okay. Thank you for that. Just moving to Disability Employment Services. Now, obviously workforce participation and improving that was a significant feature of the budget and the hope we all share is that there will be increasing numbers of people on the DSP entering the workforce. Is it correct to assume that the government's various budget measures will likely lead to an increase in demand for Disability Employment Services?

**Ms Parker:** Yes, we believe so.

**Senator FIFIELD:** All right. And can you flesh out that—

**Ms Parker:** Yes.

**Senator FIFIELD:** How that assumption will manifest itself. I mean, what is the expectation—I do not know if it is an expectation or a hope—as to what the increase in numbers may be?

**Ms Parker:** So with one of them, the people with disability wage subsidies. There is a wage subsidy being provided: \$3000 for an employer who takes on people with disability in a job for 15 hours a week for 26 weeks.

**Senator FIFIELD:** Yes.

**Ms Parker:** We are estimating 1000 jobseekers will be assisted through that program, as well as the \$2,000 supported wage system employer payment for those who employ someone under the supported wage system for 15 hours a week for 26 weeks. So the total of those two wage subsidy measures is, we think, 1,000 jobseekers with disability.

**Senator FIFIELD:** That is a thousand per year or a thousand in—

**Ms Parker:** That is commencing 1 July 2012 and over the forward estimates.

**Senator FIFIELD:** So that is a thousand over the forward estimates.

**Ms Parker:** Yes.

**Ms Buffinton:** Senator, I think you were also asking about the expansion of the employment services as a result of the budget measures.

**Senator FIFIELD:** That is right—what the practical outworking of the various budget measures is in terms of the increased demand for the debts.

**Ms Buffinton:** The Disability Employment Services that came in on 1 March 2010 is now an uncapped service. So we have seen a 39 per cent increase in, if you like, participation of those coming into Disability Employment Services. On top of that, so already in forward estimates—

**Senator FIFIELD:** It is already trending up because of that.

**Ms Buffinton:** It is based on a sort of uncapped—

**Senator FIFIELD:** Then this is on top of that, yes.

**Ms Buffinton:** But, in terms of looking at the numbers flowing in, obviously we are expecting increased numbers coming through—an expanded flow as a result of those budget measures—and there is an additional \$40 million in forward estimates for that expansion.

**Ms Parker:** Senator, the other wage subsidy program I mentioned will also be available to job seekers with a disability—sorry, this was before you came in. People with a disability can access the other wage subsidy for the long-term unemployed as well.

**Senator FIFIELD:** Thank you.

**Ms Parker:** That is the 35,000 job seekers there, for which we do not really have a figure for disability at this stage.

**Senator FIFIELD:** Just coming back to my original question again, is it possible to disaggregate—I know the demand on DES is increasing, and that is partly a function of the uncapping—the expected total increase in demand for DES as a result of the budget measures?

**Ms Parker:** We could do an estimate on notice, Senator. The one we mentioned around the employer broker, for example, is difficult to estimate. While we are funding 10 broker projects, we have not done a specific estimate of them at this stage, but we will.

**Senator FIFIELD:** Thank you for that. In answer to a question I put on notice at the last estimates, DEWR question number EW1015\_11, in relation to how many people accessed the DES in 2010-11, the department's response said:

164,888 people have accessed Disability Employment Services for the 2010-11 financial year to 31 December 2010. 140,799 are currently being serviced and 24,089 have exited from services.

Are you able to provide a breakdown of the reasons behind the exits from DES in 2011 up to—let us start with the period covered by the answer to the last question—31 December.

**Ms Buffinton:** Mostly, it would be because they would be coming forward.

**Ms Paul:** But, if you would like us to take it on notice and try and break it down, we can. We do post-program monitoring, so it is part of that.

**Senator FIFIELD:** I had assumed that was—

**Ms Paul:** It is mainly good news; that is right. I would be happy to have a look at that.

**Ms Buffinton:** So one reason to exit would be that you had taken work.

**Ms Paul:** Why don't we just take it on notice?

**Senator FIFIELD:** That would be good.

**Ms Paul:** A breakdown of how many go off to employment and how many leave for other reasons.

**Senator FIFIELD:** Yes. So if we could have that for all of 2010-11, that would be great. Also, if it is possible—and please take it on notice—I would like a breakdown by category of disability for people who have exited. It would just be interesting to see the proportions of people in particular disability categories who are being employed. That would be useful.

**Ms Paul:** Sure.

**Senator FIFIELD:** And also by gender for that period as well, thank you. Have any DES providers exited over the last year?

**Ms Parker:** One, Senator.

**Senator FIFIELD:** Can you provide the reason for that provider exiting?

**Ms Parker:** We do not normally provide reasons, business reasons for hand-back, and we do not normally name providers, but we can—

**Senator FIFIELD:** I was not asking for the name, unless, if in the most general of categories and if it is not going to cause an organisation any discomfort, that is possible. But I am not looking to—

**Ms Parker:** It is usually for business reasons.

**Senator FIFIELD:** That suffices.

**Senator Chris Evans:** I am happy to have Ms Parker have a chat to you more at afternoon tea, if you want.

**Senator FIFIELD:** That is fine. Yes, I will do that. It was really about whether it was something that was initiated by the department or someone else—but we can chat about that offline.

**Ms Paul:** Usually, it is initiated by them. Usually, it is about their own business future.

**Senator FIFIELD:** Sure.

**Ms Paul:** Both for this employment service and for JSA.

**Senator FIFIELD:** Yes. I do have a number of specific questions on DES. They are largely of a statistical nature, so I will place those on notice, but I also want to follow that up with a briefing from the department on those. I am aware that Disability Employment Australia commissioned a report, I think by the Nous Group, looking at ways of enhancing the efficiency of the DES. I know that has been provided to the department and a number of stakeholders, and I think the organisation is to be commended for putting some of its own money into commissioning work to look at ways of improving efficiency. Rather than just talking about it, they are actually putting their money where their mouth is to provide a document for constructive engagements. What has the department's response been to that document, and what process has been gone through to examine it?

**Ms Parker:** Yes, Senator, we have been working with Nous. Nous also has been working with JSA around the issue of administration, and the department is putting a lot of effort into working with providers at the moment to reduce the administrative burden. Minister Ellis and Minister Evans, at various times, have talked about the need to balance appropriate administration, given the size of JSA and DES, which are enormous, with 700,000 job seekers in JSA alone et cetera. Having said that, we are very open to looking at administrative burdens. So we put in place a number of things, including working with Disability Employment Australia, and that is setting up an employment service administrative review team. We have some business support officers who are going out and working with providers to look at what administrative burden is caused by the contract and what administrative burden they may actually be putting on themselves, if you like, and looking at ways that they can improve their own efficiency. Also, as part of the budget, there was an announcement of an Advisory Panel on Employment Services Administration and Accountability, and their role is to investigate and report on unnecessary administration in employment services.

In regard to the specific report from Disability Employment Australia, we are working with the organisation on their report and working through the actual detail of that report with them so that we can take what is useful from it and apply it.

**Senator FIFIELD:** Thank you. I assume the department welcomes industry groups commissioning their own workers as a basis for discussion.

**Ms Parker:** We do, and we try to work with organisations to that they get the best value for money out of those reviews. So we have provided this organisation with data, as we had Nous with the JSA review. So we work closely together. I have to say we are still working through some of the figures they have around the level of actual savings that is possible, and we do not necessarily agree with some of those findings.

**Ms Buffinton:** As a result, we have had probably three or four meetings now with Disability Employment Australia. They have their conference at the end of this month, and we are taking a double booth at that conference, for a dual purpose. One is to listen to the concerns of providers, which helps to inform our processes. The other is to do with, as we have discussed, the issue of professional development of those in disability employment services: because they tend to be smaller providers, in order to help them to have best practice within their organisations to use our systems, we are also going to have a training and skills segment to that part of the conference.

**Senator FIFIELD:** That is good to hear. To what extent, with this sort of industry commissioned work, is the department able to share data? Is it only publicly available data that the department can share? To what extent are you able to assist in this?

**Ms Parker:** It depends. There are a number of considerations. We get asked for data a lot. We provide regular reports. For example, our quarterly compliance reports are very data rich. We provide a whole range of reports on employment services. If organisations approach us and ask for specific data, we will be as helpful as we can, depending on the amount of resources involved in producing it. Our preference is, obviously, to provide data that already exists, because of the amount of work involved in producing new data, and we would also talk to them about what they are going to use it for and how they are going to interpret the data. Our data is complex and needs to be carefully handled.

**Senator FIFIELD:** I guess you have internal protocols that you have to follow before you release data?

**Ms Parker:** Yes, that is right—and there are privacy issues as well for job seekers, obviously.

**Senator FIFIELD:** Yes. Thank you for that. The government has provided \$18.3 million over four years to continue to deliver employment services to job seekers with a disability, with streamlined administration for non-remote areas. Sorry; is that \$18.3 million for non-remote areas or remote areas?

**Ms Paul:** Are you talking about the procurement?

**Ms Parker:** The procurement is for the non-remote areas, Senator. The one for remote areas is being extended for 12 months while there is a review undertaken, and we will be going back to government on that.

**Senator FIFIELD:** There is a review of the provision for remote areas?

**Ms Parker:** That is right.

**Senator FIFIELD:** How does DES or the department define non-remote areas—or remote areas, for that matter?

**Ms Paul:** It is funny you should say that. That was my question this morning, Senator!

**Senator FIFIELD:** Really, because you do not usually hear about non-remote area programs. It is usually the reverse.

**Ms Parker:** Yes, that is right.

**Senator Chris Evans:** We took out the remote areas because of some of the issues about service delivery that had been occurring.

**Ms Paul:** Yes, that is right.

**Senator Chris Evans:** But we have ended up with the term 'non-remote', which seems a bit odd, I agree.

**Ms Paul:** So, basically, what we have done is extend remote servicing in both—say, in DES for a year to try to work through some of the servicing issues. The way we do it is against some of the common definitions around the place, and I think we actually took on notice this morning the request to spell that out.

**Ms Parker:** In our tenders, we specify which areas are remote—which employment services areas are classified as remote. There are some bits within them that are excised. For example, remote areas that have a labour market are not counted as being remote, if you like. We call them 'excised'.

**Senator FIFIELD:** Thank you. Who is undertaking the evaluation process? Is it the department itself?

**Ms Parker:** Yes, jointly with the Department of Human Services and FaHCSIA.

**Senator FIFIELD:** That is underway?

**Ms Parker:** Yes, it just started.

**Senator FIFIELD:** Just started. When is it proposed to conclude and report to government?

**Ms Parker:** We need to have a time line that fits, that works backwards from next year's budget, so we are looking at later this year. There will be consultations with communities and there will be working up options for government so it will fit into the budget time frame.

**Senator FIFIELD:** Thank you. I guess I should continue from where Senator Abetz left off. I think he asked how many people were currently in the DES caseload, and the answer was 65,946. Was that right?

**Ms Buffinton:** Senator Abetz asked about the Disability Management Service; so, broadening that out to the Disability Management Services, it was 65,946. The Employment Support Service—

**Senator FIFIELD:** Because the Disability Employment Services is the other program, yes.

**Ms Buffinton:** So there are two aspects, the Disability Management Service and the Employment Support Service, and together they come under DES.

**Senator FIFIELD:** Sorry, yes—I meant the Employment Support Service, the two parts of the DES.

**Ms Buffinton:** So, starting off with DES in total, it is 143,966; Employment Support Service, 78,020; and Disability Management Service, 65,946. They are figures for 31 March.

**Senator FIFIELD:** Thank you. I have questions on the breakdown of percentages for the primary disability type of each DES participant, but it is probably more convenient for all if I place those on notice so you can provide a nice table.

**Ms Buffinton:** Sure. We certainly have those and we can provide them.

**Senator FIFIELD:** If you have got them, is it easier for you to table them or to run through them now?

**Ms Parker:** We can take them on notice, if that is all right.

**Senator FIFIELD:** That is fine. We will get a nice table that way, and I will pop the other couple of questions I have in there.

**Ms Parker:** Senator, I need to correct the record, I am sorry. I believe I said there were 1,000 wage subsidies for disabled job seekers over the forward estimates; it is 1,000 per year. I apologise.

**Senator FIFIELD:** A thousand per year. No, that is okay. I did think it sounded like a smallish number. That is better still.

**Ms Parker:** That is better.

**Senator FIFIELD:** Thank you. The program to streamline access to employment assistance, the \$500,000 two-year pilot program which I think was announced in the last budget—how many young people have been referred through the pilot so far?

**Ms Parker:** Senator, given that we have any number of pilots at any given moment in time, have you got anything, like a title?

**Senator FIFIELD:** Yes. I will read it out from Budget Paper No. 2 from 2010-11:

The Government will provide funding of \$0.5 million over two years to pilot new arrangements for certain young people with a disability to access Disability Employment Services. Young people with a disability who access state government transition-to-work programs before entering Disability Employment Services, or who access specialist employment assistance within 12 months of leaving school, will no longer be required to undergo a Job Capacity Assessment before entering Disability Employment Services.

**Ms Parker:** That is it; we have got it.

**Ms Paul:** That was all we needed, thank you very much.

**Senator FIFIELD:** That is okay.

**Senator Chris Evans:** You just proved my case, Senator. I sometimes suggest to the department that there are too many pilots. Thank you for that! I appreciate the question.

**Senator FIFIELD:** That is all right. You need a pilot register, perhaps. So how many young people have been referred through the pilot?

**Ms Parker:** 5,507 are participating in DES—eligible school leavers they are called, Senator.

**Senator FIFIELD:** Five thousand five hundred—

**Ms Parker:** 5,507 at 31 March.

**Ms Buffinton:** That is the total. There were two aspects to the extension of the pilot, which was a trial of 12 months post-school. The extension was so that, instead of having to do it straight after finishing school, you had 12 months after leaving school in which to do it. So

the existing pathway was 4,696; by adding the trial, the pilot part of the 12-month extension, it was 507; and then we also allowed trial transition-to-work programs, and that was 304.

**Ms Parker:** That is the breakdown of the 5,507 who are in this program.

**Ms Buffinton:** But the pilot part of it is those additional two figures, 507 and 304.

**Senator FIFIELD:** Thank you. Have there been any problems with the pilot, or anything learnt?

**Ms Buffinton:** No. As far as we are aware, it is working well.

**Senator FIFIELD:** Given it is working well, I will ask the minister: given your aversion to multiplying pilots, is it something which will now be extended across the board?

**Senator Chris Evans:** Senator, it is not something I have direct responsibility for.

**Ms Parker:** It will be evaluated.

**Ms Buffinton:** The pilot has been extended. What we have announced so far is that, as part of the extension of part of the Disability Employment Services, we are going to be extending that pilot by eight months. So, instead of a finish date of 30 June 2012, that has now been extended to 3 March 2013.

**Ms Parker:** We will evaluate it by the end of the year, Senator, and then government will make a decision on whether to extend further.

**Senator FIFIELD:** When was the extension of that pilot announced?

**Ms Buffinton:** As part of the budget.

**Senator FIFIELD:** It was part of the budget? Okay. Chair, can I ask about the mobility allowance here as well?

**CHAIR:** Yes.

**Senator Chris Evans:** Chair, is Senator Siewert coming back in?

**CHAIR:** Yes, she is. She will take us through definitely between 4 pm and 5 pm, and then we will play it by ear all the way up to 11 pm.

**Senator Chris Evans:** I knew she wanted to come in, so I was just checking.

**CHAIR:** It is in hand.

**Senator Chris Evans:** I knew it would be, Chair. I was just putting that on the record. I knew you had it under control!

**Senator FIFIELD:** How many people are expected to receive the mobility allowance by the end of 2010-11? We are almost there.

**Ms Parker:** I think we have given to March 2011. We have got, as at March 2011, a total of 57,948.

**Senator FIFIELD:** What is the expected growth or otherwise across the forward estimates?

**Ms Parker:** We have had a 4.3 per cent increase in a year. Is it in here?

**Ms Milliken:** We do not have the forecast of recipient numbers over the forward estimates with us, Senator.

**Senator FIFIELD:** Can you take that on notice?

**Ms Milliken:** Yes, we can take that on notice.

**Senator FIFIELD:** But that was a 4.3 per cent increase from—

**Ms Parker:** Yes, from last year.

**Senator FIFIELD:** 2010-11, compared to the previous financial year?

**Ms Parker:** That is in the period up to March.

**Senator FIFIELD:** Up to March.

**Ms Milliken:** It is a point-in-time comparison of March 2011 with March 2010.

**Senator FIFIELD:** Thank you. Of that number, the 57,948, how does that break down between the standard and the higher rate?

**Ms Parker:** 91 per cent of them get the basic rate, so that is 52,761; and nine per cent get the higher rate, so that equates to 5,187 recipients.

**Senator FIFIELD:** Could those numbers be broken down by state and territory overall—for the 57,948 as a whole but also for the basic and the higher rates?

**Ms Milliken:** Could we take that on notice and file a table?

**Senator FIFIELD:** Sure, if you could—and also by gender, the same way.

**Ms Parker:** We do have gender if you would like that now.

**Senator FIFIELD:** Great.

**Ms Parker:** 54 per cent male, 45.7 per cent female.

**Senator FIFIELD:** And you would also have the breakdown by impairment as well, which you can take on notice.

**Ms Milliken:** We would need to take that on notice.

**Senator FIFIELD:** Does the department collect any information on the income levels of mobility allowance recipients? I know they sort of self-define in some respects, depending on the nature of the income support that they have.

**Ms Parker:** Do you mean their income support type or whether they are earning—

**Senator FIFIELD:** Broader than their earning—you would have it by income support type.

**Ms Parker:** Yes, we do.

**Senator FIFIELD:** I would appreciate that. But you would not have anything beyond that?

**Ms Parker:** They need to declare to Centrelink, don't they?

**Ms Milliken:** I would need to check the information we have available. I know that we know how many are not on income support, but, as to whether we have information on the earnings of those folk, I am not sure.

**Senator FIFIELD:** If you could provide the breakdown by type of income support, those who are not on income support and anything else you have on top of that.

**Ms Parker:** About nine per cent are not on income support, so we are not sure—we might be able to find out what that nine per cent are doing.

**Senator FIFIELD:** Thank you. Would you have data on how many mobility allowance recipients are participating in DES services?

**Ms Parker:** No.

**Senator FIFIELD:** If you could take that on notice as well, and also how many mobility allowance recipients are participating in vocational education, how many in tertiary education and how many in secondary education.

**Ms Milliken:** Certainly, Senator—a table with the type of activity the person is undertaking, yes.

**Senator FIFIELD:** That will be great. That will do me for that. What is the department's anticipation of the effect that the government's participation reforms will have on the demand for the mobility allowance, or is that too fine a level of granularity?

**Ms Parker:** At the moment, the definition is about undertaking approved activity, so it may increase, yes. I see what you are saying.

**Senator FIFIELD:** Yes.

**Ms Parker:** I think we would need to take that on notice. It will be a view or an estimate, based on how many people with disability will be coming in and having interviews with Centrelink as a result of the changes, and whether they will need mobility allowance to assist them.

**Ms Milliken:** Because you need to be undertaking an activity for 32 hours every four weeks, like employment—

**Ms Parker:** Job search.

**Ms Milliken:** vocational training or voluntary work, or undertaking job search under an agreement with a provider, the level of take-up will depend on the impact of the reforms to disability support pension and DSP.

**Senator FIFIELD:** Okay. Thank you. Can I also ask here about the school truancy program?

**Ms Parker:** School truancy?

**Ms Paul:** No, that is probably for Thursday, I think—unless it is SEAM.

**Senator FIFIELD:** Sorry, it is SEAM.

**Ms Paul:** This is the School Enrolment and Attendance Measure?

**Senator FIFIELD:** Yes, it is SEAM.

**Ms Paul:** Yes, you can go now; no problem.

**Senator FIFIELD:** I thought it was, but it somehow did not quite look to fit here.

**Ms Paul:** No. Well, it is a tricky little thing, isn't it?

**Senator FIFIELD:** It is.

**Ms Paul:** It is because it is related to income support—because, as you know, the payments for income support are withheld if the child is not enrolled or attending. That is why it rests here.

**Senator FIFIELD:** Okay, thank you. Could the department provide the latest figures on the number of parents who have had their Centrelink payments suspended because their children were not enrolled at school, in each of the six Northern Territory trial sites?

**Mr Roddam:** Yes. In the Northern Territory, the number of enrolment suspensions is six parents.

**Senator FIFIELD:** Over what time frame is that, or that is just six at this point in time who are currently suspended?

**Mr Roddam:** That is since the program commenced in the Northern Territory in January 2009.

**Senator FIFIELD:** So that is six in total.

**Mr Roddam:** That is right.

**Senator FIFIELD:** And what about at the present time?

**Mr Roddam:** Sorry—are any suspended at present?

**Senator FIFIELD:** Yes. Six in total have been suspended, but it may well be that all of those have since been returned.

**Mr Roddam:** Sorry, can you ask that again? I apologise.

**Senator FIFIELD:** Sure. That is okay. The question was whether that is six in total since the program started, or if that is six at the current point in time.

**Mr Roddam:** No, that is six since the program started under the enrolment component in the NT, yes.

**Senator FIFIELD:** Do we know what it is at this point in time?

**Mr Kovacic:** We would need to take that on notice.

**Mr Roddam:** Take it on notice, yes.

**Senator FIFIELD:** Okay. Thank you. I guess, with six—I do not want to say only six parents—suspended over that time, it is hard to ask if there are any particular trends that have emerged. Six does not really—

**Mr Kovacic:** The overall compliance rate is about 97 per cent in terms of the enrolment measure in the Northern Territory, and also in Queensland. So it is a very high sort of compliance rate, and six parents over the period are a relatively small proportion, given that there were 644 parents within the scope of the trial over that period.

**Ms Paul:** What that means really is that the incentive effect is working.

**Senator FIFIELD:** Yes. Do you keep separate figures for those parents who are suspended because their kids are not enrolled at school, as opposed to those who are suspended because their kids have not attended school?

**Mr Roddam:** Yes, we keep separate data for the enrolment and attendance components.

**Senator FIFIELD:** So what is the non-attendance breaching for the Northern Territory?

**Mr Roddam:** For the Northern Territory, 37 parents have been suspended under the attendance component of SEAM.

**Senator FIFIELD:** If we have got 97 per cent enrolled, what is the percentage for kids attending?

**Mr Roddam:** Well, the attendance component works a little differently. Essentially, 490 parents have been issued with an attendance notice, basically with concerns about their children's attendance at school. As a result of that, 169 children demonstrated improved attendance, or their parents had taken reasonable steps to achieve improved attendance.

**Senator FIFIELD:** So that was a hundred and—

**Mr Roddam:** 169.

**Senator FIFIELD:** Have demonstrated improved—

**Mr Roddam:** Yes. And 321 children were either within the 28-day compliance period, awaiting a determination on their case by Centrelink, had moved out of scope, or their parents were subject to an income support suspension. So the 37 parents were a subset of those 321.

**Senator FIFIELD:** How many children are subject to the trial—well, the object of the trial, I should say—at the six sites?

**Mr Kovacic:** In the Northern Territory, there are 644 parents, with just shy of 1,100 children.

**Senator FIFIELD:** Okay.

**Mr Kovacic:** That is 1,084. They are in scope for the enrolment component, in terms of—

**Senator FIFIELD:** Sorry, I just missed that.

**Mr Kovacic:** That is for the enrolment component.

**Senator FIFIELD:** Yes.

**Mr Kovacic:** In terms of the attendance component—

**Mr Roddam:** That is approximately 600 parents under the attendance component.

**Senator FIFIELD:** Okay.

**Mr Roddam:** Just to be clear, to be counted there you need to be receiving a category H income support payment, live in one of the trial locations, have 14 per cent care of a compulsory-school-aged child and be enrolled in a SEAM trial school.

**Senator FIFIELD:** Thank you. Could you provide the same information for the Logan trial sites: firstly, those parents' payments suspended because their kids were not enrolled.

**Mr Roddam:** I do not have the figures just for Logan. I have them for Queensland as a whole. Would you like those? The trial has been run in Queensland as well in a number of sites, one of which is Logan.

**Senator FIFIELD:** Yes. Give me Queensland as a whole, and then if you could take on notice the breakdown by—

**Mr Roddam:** By site?

**Senator FIFIELD:** By site.

**Mr Roddam:** Sure.

**Senator FIFIELD:** Thank you.

**Mr Roddam:** In Queensland, 79 parents have had their income support suspended as a result of the enrolment component of SEAM, and three parents have had their income support suspended as a result of the attendance component.

**Senator FIFIELD:** And the number of kids in Queensland who are—

**Mr Kovacic:** It is 3,974 children, and there are 2,360 parents captured by the enrolment element.

**Mr Roddam:** For attendance, it is 1,700 parents.

**Senator FIFIELD:** How many parents have been breached more than once because their children have not been enrolled or because of attendance issues?

**Dr Morehead:** There do tend to be some parents who require more than one suspension in terms of the attendance component of SEAM. What we tend to find with the enrolment component—because that is a one-off event: is your child enrolled or is it not enrolled?—is that, if the child is not enrolled and you suspend the parents' income support, there is an activity that they have to do, which is to get the child enrolled, and then their money is returned to them.

**Senator FIFIELD:** It comes back.

**Dr Morehead:** With attendance, if the child has low attendance and the parent has their income support suspended, the child may return to school, which then triggers the flow again of the parents' income support. But, for some parents, that attendance is not sustained from their child, and so in 11 cases of the total number of parents who have had their income support suspended because of their child's attendance—

**Senator FIFIELD:** I am sorry; could you say that again? I was just distracted by the senator through the door there for a moment.

**Dr Morehead:** Yes. Of the total number of parents suspended under the SEAM measure due to the lack of attendance of their child, 11 of those have had more than one suspension.

**Senator FIFIELD:** I now refer to page 183 of Budget Paper No. 2. That is SEAM. It says: The Government will also provide \$6.4 million over two years to continue the School Enrolment and Attendance Measure (SEAM) in 12 trial locations across the Northern Territory and Queensland for a further 12 months until 30 June 2012.

What is anticipated to happen after 30 June 2012?

**Mr Roddam:** That is a small amount of money in the following financial year to evaluate the trial. That money is for evaluation.

**Senator FIFIELD:** So is it safe to assume that the SEAM program will stop at 30 June 2012?

**Mr Kovacic:** Certainly, once the evaluation has concluded, that will inform any consideration of whether there is to be an extension or not.

**Senator FIFIELD:** You have provided the committee with the results to date for SEAM. Is there any assessment or evaluation that the department has already undertaken?

**Dr Morehead:** The department, at the moment, is monitoring the results, and we are constantly talking with the state education authorities and Centrelink, who are the two major players in terms of implementing the trial. It is a trial, so, as we go, we are seeing where processes could be finessed or better undertaken. So, in terms of what we know about the trial, we are certainly involved. And we are heading towards collecting various types of information in a monitoring fashion and tweaking the trial where necessary, as we go, in order to head towards being able to have all of that information ready for the final evaluation.

**Senator FIFIELD:** Minister Garrett would be the responsible minister for SEAM?

**Dr Morehead:** That is right.

**Mr Kovacic:** That is correct.

**Proceedings suspended from 3.46 pm to 4.01 pm**

**CHAIR:** We will now continue questioning in outcome 4.

**Senator SIEWERT:** Thank you. I have a whole series of questions. Can we start with disability employment services, and—

**CHAIR:** Yes, we can.

**Senator SIEWERT:** the issues around the measures.

**Ms Paul:** Sure.

**Senator SIEWERT:** For some of them I may not be asking the right areas, so just tell me to go away and come back or whatever.

**Ms Paul:** Some of them would be FaHCSIA's, but yes.

**Senator SIEWERT:** I understand that. I have tried to filter the ones that I know are FaHCSIA's.

**Ms Paul:** No problem.

**Senator SIEWERT:** Some of the questions will just be seeking explanations. Also, I will be following my usual practice of putting a whole series of data collection questions on record. There is no point going endlessly through data. There is a statement in the budget papers somewhere, which I can find if I need to, that talks about removing punitive rules that discourage use of employment services.

**Ms Paul:** Sorry, could you say that again?

**Senator SIEWERT:** There are a whole lot of measures that are titled 'removing punitive rules that discourage use of employment services'. Could you explain what specific measures you are talking about that understand that is to encourage more people with disabilities to engage in employment services.

**Ms Buffinton:** Yes. I am imagining that this might be actually a FaHCSIA one which is—

**Senator SIEWERT:** Okay.

**Ms Buffinton:** And that would be the fact that under the disability support pension there were some recipients who could work up to 30 hours and some who could only work for 15 hours, and that changed to 30 hours. I think it was removing a disincentive.

**Ms Paul:** They have also changed their assessment procedure.

**Senator SIEWERT:** Yes.

**Ms Paul:** So you know about that.

**Senator SIEWERT:** I want to go into that in a bit more detail.

**Ms Buffinton:** Well, that is for them. That is for DSP. That is a DSP change.

**Ms Paul:** And so I think Ms Buffinton is correct. Mind you, there are several measures which are ours which do go to trying to maximise people with a disability being able to take the opportunity to work. We are happy to go through those if you like.

**Senator SIEWERT:** Okay. If we can go through those. Obviously I will be asking those next door tomorrow or I think it is the next day, in fact.

**Senator Chris Evans:** We regard the taper responses as some sort of punitive measure. But they certainly respond to a measure which we think restricted incentive, I suppose.

**Senator SIEWERT:** Yes, you see that is what I was—

**Senator Chris Evans:** But it sounds like the FaHCSIA ones are more of a—

**Senator SIEWERT:** Yes, I figured there would be issues around the taper rate but, as you said, I did not include that as—

**Ms Paul:** My guess is it is the stuff about their assessment procedures because there were seen to be barriers. You could ask them tomorrow what the changes to DSP assessment procedures are.

**Senator SIEWERT:** Through the grandfathering process, through the Welfare to Work initiatives, if you came off to try your hand in employment, you went and then you dropped out of it.

**Ms Paul:** Exactly.

**Senator SIEWERT:** So is that the one?

**Ms Parker:** That is the one that Ms Buffinton mentioned, the 30 hours. So you can now work up to 30 hours for two years and you will not lose your pension.

**Senator SIEWERT:** And then still come back on.

**Ms Parker:** That is right.

**Senator SIEWERT:** So that is probably—

**Ms Parker:** Technically, that is FaHCSIA's measure.

**Senator SIEWERT:** Is it here I talk about—sorry if I am boring you—the issues around what is here and what is there with new applicants being on Newstart first and then with the provider basically proving you cannot—I am using my words—work so then you go on to DSP and it can be up to 18 months.

**Ms Parker:** It is FaHCSIA's as well, I am afraid.

**Senator Chris Evans:** We would say that, wouldn't we?

**Ms Parker:** We would say that, yes.

**Senator SIEWERT:** I am going to pin down someone if they say, 'You have to ask DEEWR those questions tomorrow.'

**Ms Parker:** Issues around access to DSP are to do with FaHCSIA.

**Senator SIEWERT:** Okay. What I am looking for then is what it determines from a provider's point of view. How will that process work with the provider saying, 'No, you are dropping through the system. You have not found work' or 'You do not meet the work requirements'? How is that going to operate?

**Ms Parker:** If one is a jobseeker with a disability before they are going on to DSP, they will be required to test whether they can get a job through Employment Services. So part of that is that the provider will work with them up to their capacity to try and find work for them. Now, clearly if genuinely they cannot and they are not able to work, then the provider will not

be able to assist them to find work. Then they will be able to reapply for DSP. They need to make a really genuine effort to try and see if they can work.

**Senator SIEWERT:** I understand that there will be fast-tracking of people that manifestly have a severe disability.

**Ms Buffinton:** Yes, so they will not need to prove—

**Senator SIEWERT:** So manifestly—

**Ms Buffinton:** They do not need to come to an employment service, and they go straight to DSP.

**Senator SIEWERT:** So where is the cut-off where you say, 'Okay, well, now you have to go to an employment service first'—and who makes that decision?

**Ms Buffinton:** It is where they have gone through an assessment. Centrelink by this stage will have done an assessment and will assess that they have a work capacity of eight hours or more. Then they will be referred to the Disability Employment Service. So if they manifest or have less than eight hours they will not have to come.

**Senator SIEWERT:** So I walk through the door of Centrelink and they do the assessment.

**Ms Parker:** Yes, through an allied health professional.

**Senator SIEWERT:** I have got less than eight hours and I am straight into the DSP process. If I am assessed to have greater than eight hours, I then go to—

**Ms Parker:** Disability Employment.

**Senator SIEWERT:** So you are still being streamed to a Disability Employment Service provider.

**Ms Parker:** Yes, that is right.

**Senator SIEWERT:** And then they go through the process of trying to find you a job.

**Ms Parker:** Yes.

**Senator SIEWERT:** And you are on Newstart for that process.

**Ms Parker:** You could be on youth allowance.

**Senator SIEWERT:** Yes. So you could be on some form of income support.

**Ms Parker:** That is right.

**Senator SIEWERT:** But I am on that lower payment for up to how long? It is 18 months, isn't it? How long am I on Newstart for?

**Ms Parker:** It depends. If you are capable of working and are assessed as capable of working through Employment Services you will stay in Employment Services.

**Senator SIEWERT:** Yes, I appreciate that. And under the new taper system; is that—

**Ms Parker:** I do not think that is—

**Senator SIEWERT:** This is actually Newstart.

**Ms Parker:** I do not think that—

**Senator SIEWERT:** No, because it is—

**Ms Parker:** You are not coming off the disability support pension and going on to Newstart.

**Senator SIEWERT:** No, this is if I am new.

**Ms Parker:** Yes. If you are brand new you will never have been on DSP. So you will not be on the taper rate. You will be on one of those allowances. So you might be on youth allowance; you might be on parenting payment.

**Senator SIEWERT:** But there are new tapering rates for parenting payment.

**Ms Parker:** Not for this cohort. With the tapering rates I think you are talking about, they are for those on parenting payment single who are moving on to Newstart earlier than they would otherwise have been if they were pre 2006. So we can talk about that as well.

**Senator SIEWERT:** Okay.

**Ms Parker:** Sorry, it is complicated.

**Senator SIEWERT:** It is complicated, yes. And I apologise if I am being slow to follow through on each of the streams.

**Ms Parker:** No, that is fine.

**Senator SIEWERT:** Say I am on one of the various payments.

**Ms Parker:** Are you 'disabled'?

**Senator SIEWERT:** Yes. I have got 'a disability'. I have got over eight hours capacity. Obviously I have got a disability if I am with a disability employment service. I am on a lower payment rather than being on the DSP.

**Ms Parker:** Yes.

**Senator SIEWERT:** Say I am working 15 hours. Just say I am on Newstart. I am on Newstart and I am on 15 hours, and that is where I stay.

**Ms Parker:** Yes.

**Senator SIEWERT:** If I can maintain that 15 hours.

**Ms Parker:** That is right, yes.

**Senator SIEWERT:** So what is the maximum level on that that I could be expecting to earn with a capacity of 15 hours and on Newstart without the new taper rate?

**Ms Parker:** What can I earn?

**Senator SIEWERT:** Yes. Because I am still on Newstart, not on DSP, aren't I?

**Ms Parker:** So you are on Newstart. So you can earn up to a certain amount. You are not on the disability pension; you are just on Newstart.

**Senator SIEWERT:** But I have got a disability.

**Ms Parker:** Yes, that is okay. There are many people on disability who are not on DSP. So it depends on the extent of your disability. If you are on Newstart and you are in Employment Services, either DES or JSA even, you can actually work. You can earn up to \$62 per fortnight, full allowance, if you are single with no children, and there are various—

**Senator SIEWERT:** So I can earn \$62 per fortnight.

**Ms Parker:** Yes.

**Senator SIEWERT:** On top of my Newstart.

**Ms Parker:** Yes, for full allowance. And for part allowance less than \$884.84 per fortnight if you are single with no children.

**Senator SIEWERT:** I can earn less than \$884.84 per fortnight?

**Ms Parker:** Yes, that is right. It is if you are single with no children and it is for part allowance. So you are working as well, yes.

**Senator SIEWERT:** If I am this person, can I access the new schemes and packages that are contained in the budget? Can I access those as well?

**Ms Parker:** Things like wage subsidies and—

**Senator SIEWERT:** Yes, wage subsidies and some of the other support packages that are coming in.

**Ms Parker:** Yes.

**Senator SIEWERT:** I can?

**Ms Parker:** Yes.

**Senator SIEWERT:** So that is not restricted to existing—

**Ms Parker:** No.

**Senator SIEWERT:** Because I am potentially not long-term unemployed.

**Ms Parker:** If you are not long-term unemployed then you cannot access the long-term unemployed measures.

**Senator SIEWERT:** Okay.

**Ms Parker:** But you can access the skills places, you can access—

**Ms Buffinton:** There are wage subsidies.

**Ms Parker:** There are whole range of other things you can access.

**Ms Buffinton:** With the exception of the very long-term unemployed. There is a specific one for over two years but there is a range of—

**Ms Parker:** Other wage subsidies.

**Senator SIEWERT:** Okay.

**Ms Parker:** So there is no restriction on that.

**Senator SIEWERT:** Okay.

**Ms Paul:** The nature of the budget measures is to help these people maximise their employment opportunities. So maybe they will go from 15 hours to full time with a bit more assistance or whatever. There is also a measure in the budget to extend the Disability Employment Broker projects to link—

**Senator SIEWERT:** I was going to come to that. Can I come to that in a minute?

**Ms Paul:** Of course.

**Senator SIEWERT:** That is so that I do not get distracted from a couple of other questions I want to ask about this specific area. So I have kept up my 15 hours and I am surviving. If I have not been able to find employment or I have dropped in and out of employment because of my disability, how long do I remain on Newstart or youth

allowance—the other income support measures—until I am flicked over into the DSP process?

**Ms Parker:** You can only be flicked over, if you like, into DSP if you actually meet the criteria for DSP. Taking the worst case, you would be with Disability Employment Services and unemployed but you would be training and doing other things. But if you are assessed as being able to work more than eight hours, the job services provider will be required to help you get to that work. So you will not go to DSP just because you cannot find a job. You go to DSP because you actually have been assessed as having a disability that is manifest, long term; you are unable to work.

**Ms Buffinton:** It might help to give you an indication of allowance type. In fact, as for Disability Employment Services, only 23.4 per cent—so just over 23 per cent of those going through Disability Employment Services—are, in fact, are on DSP, so, if you like, the vast majority are on Newstart or youth allowance.

**Ms Paul:** That is not to say people do not move from, say, Newstart to disability support pension; they do. But to do that they have to go through the assessment process for their disability, which may have worsened with age or with a mental condition worsening or whatever.

**Senator SIEWERT:** Yes. That is what I wanted to come to.

**Ms Paul:** And that is not uncommon and it would require a reassessment by Centrelink through the allied health professional and so on.

**Senator SIEWERT:** Well, there are a couple there. One is the issue about this: I have a chronic illness that is progressive.

**Ms Paul:** Yes, it is a degenerative, for example; that is right.

**Senator SIEWERT:** MS, for example. So I get to a certain point and I would then meet the criteria for 'manifestly'—

**Ms Paul:** For DSP.

**Senator SIEWERT:** Yes, for DSP. What happens if I have a cyclic or episodic illness, such as a mental illness?

**Ms Parker:** That would be taken into account. Taking the assessment for DSP, and FaHCSIA can take you through the specifics, it is measured on physical, intellectual or psychiatric impairment causing functional incapacity of 20 points as measured by the impairment tables and a continuing inability to work.

**Senator SIEWERT:** That is the impairment tables that come in on 1 September?

**Ms Parker:** Yes. They already exist but they are being reviewed. It is basically the view that you cannot work for at least the next two years or you cannot do any training that would enable you to work within the next two years or you would be permanently blind, for example. So it is quite specific, but I am sure FaHCSIA can take you through a number of scenarios there, particularly with 'episodic' and how they handle that.

**Senator SIEWERT:** I will go through that with them. Thank you for that. Can we go to this aspect. As I understand it, with the DSP the eligibility is not going to change, as we have just been through, but they will be required to provide sufficient evidence they are unable to work independently, even with assistance and support. I presume that means where I have got

a capacity over eight hours but I have not been able to work without assistance and support. What is the evidence that will be used?

**Ms Parker:** That you need support?

**Senator SIEWERT:** Yes.

**Ms Parker:** I am told it is a FaHCSIA assessment.

**Senator SIEWERT:** That will go back to DSP.

**Ms Kemp:** It will, yes. They would have another job capacity.

**Ms Parker:** In terms of Employment Services, the assessment is done through job capacity assessment and then determining how much support you need. Providers then will provide that support.

**Senator SIEWERT:** So if I had been assessed as having over eight hours capacity but I have not been able to find employment or I keep dropping in and out, when does the provider say, 'Okay, it is because of the disability that people are not being able to hold a job or find a job as there are a lot of barriers there'?

**Ms Parker:** The system is set up that way now. We have specialist providers within Disability Employment Services. Their job is to do exactly that. Their job is to tailor the support to specifically meet the needs of that jobseeker, including episodic drop-out behaviour or all of the other things that go with certain disabilities. That is what they are required to do. At some point they may say, 'This jobseeker clearly is manifestly unable to be supported,' but that jobseeker does need to go back and do the assessment.

**Senator SIEWERT:** So this process has been operating and the new process has been in for—

**Ms Buffinton:** Since 1 March 2010.

**Senator SIEWERT:** So have you got figures in terms of how many people have been able to find employment through the new process?

**Ms Parker:** Yes.

**Senator SIEWERT:** Compared to?

**Ms Parker:** Through Disability Employment Services.

**Senator SIEWERT:** Compared to the old process?

**Ms Parker:** Yes.

**Ms Buffinton:** So just while we are looking up the numbers, since the start of Disability Employment Services and now that it is uncapped, we have had a 39 per cent increase in volume of participation now that it is uncapped, and at March we had had a 50 per cent increase in 13 week outcomes.

**Senator SIEWERT:** Sorry, how much percentage of it?

**Ms Buffinton:** It was 50 per cent. So while increasing by 39 per cent, it has increased even more with the 13 per cent outcomes. That is particularly significant because under Disability Employment Services to get an employment outcome in the past you used to be able to get those 13 weeks over many, many weeks. It might have taken half a year or whatever. We have tightened it much more. This is so that it is attractive to employers as well. When somebody comes in to work in the work place there is a predictability that they will

come in, so to get those 13 week outcomes, in addition to, say, normal leave, they can have up to four weeks of a permissible break if there is an episodic issue or something. It has been harder to get and it was a concern of Disability Employment Services that these may be quite hard to get.

**Ms Parker:** They are doing very well.

**Ms Buffinton:** Yes, what is really reassuring is that they are doing really well. As far as 26 week outcomes, the only reason we are not quoting those—but they are looking good as well—is purely that it takes the first six months. In the next few months we will start reporting on those outcomes as well. So it is looking positive.

**Ms Paul:** And of course there is no waiting list anymore. That is the huge thing about the new system, because it was made uncapped. It was capped before so a whole lot of people were just sitting in a queue. It has gone up by waiting to be supported, so it is sensational actually.

**Senator SIEWERT:** In terms of the under-35 process, can you take me through as there are many more regular interviews required.

**Ms Buffinton:** I know we keep saying it is FaHCSIA's, but that actually is a FaHCSIA measure that they can take you through.

**Senator SIEWERT:** Because of the—

**Ms Parker:** focus on young people to. It is focusing on young people who are at risk of going on the pension and staying on the pension and not being supported.

**Senator SIEWERT:** Yes. So anything to do with the under-35 process is to do with—

**Ms Parker:** Yes, it is because it is DSP. In short, just reading from the fact sheet:

For the first time, from 1 July 2012, DSP recipients under the age of 35 with some capacity to work will be required to attend regular participation interviews to engage with Centrelink to develop participation plans, tailored to their individual circumstances.

And then they might come into Disability Employment Services, which is ours.

**Senator SIEWERT:** Yes.

**Ms Parker:** But the actual process—

**Senator SIEWERT:** Is theirs.

**Ms Parker:** To do with DSP is FaHCSIA's.

**Senator SIEWERT:** Okay.

**Ms Parker:** And it will be voluntary entering into Employment Services.

**Senator SIEWERT:** The issue that I was trying to come to—and it probably is a DSP one also—is this. I am a little bit confused about the reassessment process. We have tried to seek further information and I have read some of the detail, but I am confused about whether reassessment will be required.

**Ms Parker:** For DSP?

**Senator SIEWERT:** For DSP.

**Ms Parker:** I would ask that you ask FaHCSIA because they will talk about how the measure will actually work. We are not sure.

**Senator SIEWERT:** Okay. And so they are on DSP and their participation is voluntary but they will also then access Disability Employment Services the same way as anybody else.

**Ms Parker:** Yes, and they are volunteering if they are in this measure.

**Senator SIEWERT:** Yes, thank you. Can we talk about the brokers now, please?

**Ms Parker:** Sure.

**Senator SIEWERT:** How is it envisaged that process will work?

**Ms Buffinton:** As for the employer brokers, we are looking at 10 brokers for a year from 1 July 2012. They are going to have a particular focus on potentially small to medium enterprises. It is in effect a pilot. We have already got the national disability recruitment coordinator that is focused on national employers. We are very aware that we have got an uncapped disability employment service and we have talked about that 39 per cent increase of people coming in—if you like, that is the supply side. So we have got more people who are preparing and are keen to seek employment. We know from a lot of feedback that we get that employers are keen and interested but they just do not know how to go about employing somebody with disability and about what is available to them in support. There are also a lot of negative myths about people with disability. So we see these 10 brokers. First and foremost, their role is to go out and get that information out, so some may work with some peak bodies—certain industry associations in certain industries, or they could be in certain areas, where they can go out and have a major communication campaign. One of their roles is also to work with Disability Employment Services and get them matching so it is right. As for Disability Employment Services, given traditionally the sectors where they have come from, they are very good at working with a person with disability. One of the areas of professional development on which we are going to be working with them is how you make the pitch to an employer. So that is that role of those brokers. So it is 10 initially for a year, to see if these really can make a difference in terms of communication, understanding and an increase in the numbers going into employment.

**Senator SIEWERT:** And potential locations?

**Ms Parker:** It depends on the employers and what is possible—

**Ms Buffinton:** Yes, and it is rather more than just purely location. So we are going to be going out and talking to some of the major industry associations. We talked in one of the earlier sessions here about how we actually have a disability employment reference group, which is a high-level reference group to give advice to government. We meet three times a year and our topic for the next meeting in August is purely about employment and getting feedback. We have got people from ACCI and the unions and so forth on that to get ideas as to where and how we might target those 10.

**Senator SIEWERT:** So you are not going to go, 'Okay'—

**Ms Parker:** No. They are not place based at this stage.

**Senator SIEWERT:** You are not going to just base the 10 in Canberra, for example.

**Ms Buffinton:** No.

**Senator SIEWERT:** But you have not decided where to put them?

**Ms Parker:** Yes. Usually you would look for bids. So if it was on one of the peak bodies they would say, 'Well, we think we can broker in three different industries and we think we

can get jobs across here—and they will be in Perth, South Australia and Tasmania.' And if they can do that then we would say, 'Well, that looks pretty good.' We would set targets, draw up contracts and they would get on with it.

**Senator SIEWERT:** So the idea then is to locate them potentially in peak groups. Is that—

**Ms Parker:** Yes. It could be by industry, it could be by—

**Senator SIEWERT:** Peak industry groups.

**Ms Parker:** Yes, by actual employers.

**Senator SIEWERT:** And with the trial you are doing it for a year?

**Ms Parker:** Yes.

**Senator SIEWERT:** Presumably you would therefore have an evaluation process—

**Ms Parker:** We will.

**Senator SIEWERT:** Already built in or will you do it before it starts?

**Ms Parker:** We will, yes. We have not at this stage a target. Given what we normally do in these kinds of pilot projects, we would say to the peak body bidding or somebody else, 'What are you capable of doing? Tell us what you think is possible. It is not a huge amount of money so what is it that you are able to do for us?' And then we would assess to see whether that is feasible, and then clearly we would assess them against that. So we would ask them to tell us because they are the experts.

**Senator SIEWERT:** Thank you. I refer to the DSP wage subsidies. I keep getting the figures wrong on this. It is 3,000?

**Ms Parker:** Yes, that is right.

**Ms Buffinton:** And 1,000 subsidies.

**Senator SIEWERT:** And there are 1,000 subsidies. And how is the process for that going to work? And 1,000 subsidies is quite small compared to the size of the 130,000 DSP recipients, isn't it? How does it work?

**Ms Buffinton:** First of all, the wage subsidies are quite specifically not for where somebody was going to get a job—

**Senator SIEWERT:** Anyway.

**Ms Buffinton:** Yes, anyway. So we in fact already have a smaller wage subsidy system in place and so for Disability Employment Services it is really targeting employers that perhaps have not thought about using somebody with a disability. It is where we feel that they certainly need just sort of coaxing. So 1,000 does not sound like a lot but that is probably appropriate. Obviously, we looked at the numbers and thought that was an appropriate number.

**Ms Parker:** So the provider will do so—if the Disability Employment Services provider believes they can find the job—and the rules are that there has to be a minimum of 26 weeks at 15 or more hours a week, which is a bit of an ask for a jobseeker with disability. So if they can find employers who are willing to take on jobseekers with disability for that period then this subsidy of \$3,000 is available. Obviously, we hope that the employers will have a great experience with that and they will keep them on. And we have quite a bit of evidence that

subsidies are a strong incentive for employers when they are reluctant to take on jobseekers. That is the reason why the government has introduced the broader wage subsidy program for very long-term unemployed. The very long-term unemployed are in the same category, with employers being nervous and reluctant to take them on.

**Senator SIEWERT:** It is one of those barriers.

**Ms Parker:** Exactly.

**Senator SIEWERT:** So how did you determine the \$3,000? How do you know that is going to be enough?

**Ms Buffinton:** Currently we have a wage subsidy that operates at \$1,500 for those that are working at eight hours or more and in order to push employers to take on people for 15 hours more—which is effectively double, and instead of over 13 weeks it is for 26 weeks, so it is double the time period. We have set the wage subsidy at \$3,000. And part of it will then be evaluating, as we are evaluating the current system—

**Senator SIEWERT:** Whether that works or not.

**Ms Parker:** You know we have got a contribution to the employer who has to pay them at the actual certified agreement or award rate.

**Senator SIEWERT:** Yes.

**Ms Parker:** But it provides a decent contribution to that to say, 'Well, you will top it up but this is an'—

**Ms Paul:** Incentive.

**Ms Parker:** 'This is an incentive for you to take.'

**Ms Paul:** And we have got quite a lot of experience with wage subsidy so we have drawn on that too obviously. We have got quite a lot of experience in running those things.

**Senator SIEWERT:** Yes, I understand.

**Ms Paul:** And the evidence is quite positive, as Ms Parker was saying.

**Senator SIEWERT:** So in terms of the capacity to, there is eight hours at 1500; that is correct, isn't it? Is that a capacity in terms of the number of places that are available?

**Ms Buffinton:** It is not. There are a thousand places and—I will look up the number but it is about 750 at the moment that have been taken up.

**Senator SIEWERT:** So that will still continue, that program? So this is in addition to; is that correct?

**Ms Parker:** Yes, with specific rules around the number of weeks and the number of hours.

**Senator SIEWERT:** So is that how you determine the number of places that are available?

**Ms Buffinton:** Yes. And can I just clarify, sorry, because there are wage subsidies and wage subsidies. So we actually have two wage subsidy schemes operating at the moment. One is a disability pilot. The wage subsidy that we have currently is one. There are two. The first one I will describe is one which came in on 1 March 2010. It is a wage subsidy of \$3,000. It commenced on a pilot basis as an incentive to get DSP recipients into employment. There are 1,000 subsidies for that. We currently have about 750. I will have to find that. In addition, we

have an ongoing subsidy that is \$1,500 for at least eight hours of work, and at the moment we have 6,954 on that wage subsidy.

**Senator SIEWERT:** That is the \$1,500 one?

**Ms Buffinton:** That is the \$1,500 one.

**Ms Parker:** And that is when they have reached 13 weeks of employment.

**Senator SIEWERT:** Did you say 6,500?

**Ms Buffinton:** 6,954.

**Senator SIEWERT:** And there are 750 on the other one?

**Ms Buffinton:** Yes, I will have to get you the number, but it is about 750.

**Senator SIEWERT:** Thank you. I think that is all my disability questions. I think all the rest belong next door.

**Ms Buffinton:** Senator, I can give that final number. It is 758.

**Senator SIEWERT:** The other questions are for Centrelink. Can I move on to the participation requirements in the new processes for the long-term unemployed?

**Ms Buffinton:** Sure.

**Senator SIEWERT:** There is \$133.3 million for more intensive obligations for the very long-term unemployed job seekers. Can you just provide me, please, with a breakdown of the expenditure for that program?

**Ms Kidd:** The funding for that program is primarily for a \$1,000 credit to the Employment Pathway Fund, so that will be credited for each job seeker that has this new requirement.

**Senator SIEWERT:** As I understand it, for those long-term unemployed there is going to be an adjustment to their employment pathway plan?

**Ms Parker:** Pathway.

**Ms Paul:** That is right. Just to be precise this is the very long-term unemployed.

**Senator SIEWERT:** Yes.

**Ms Paul:** It is two years or more. And you are absolutely correct, there will be an adjustment to the Employment Pathway Fund that their Job Services Australia provider receives, of \$1,000, to bring their participation requirements up from six months out of a year to 11 months out of a year for work experience.

**Senator SIEWERT:** So that means actually helping them to find—

**Ms Paul:** Correct.

**Senator SIEWERT:** Develop the plan and find the work.

**Ms Parker:** Do work experience, so that can be training or part-time work or there are a whole range of activities.

**Senator SIEWERT:** So it is the same activities that apply for the six months—

**Ms Parker:** Yes.

**Senator SIEWERT:** now apply for 11 months.

**Ms Parker:** That is right. About two days a week. And the aim is, of course, to get them ready to get a job. So it is to basically up their requirements, to keep them activated, to keep them engaged and hoping they will get a job.

**Senator SIEWERT:** I am aware that the *Much obliged* report from 2003-04 looked at the competing requirements about looking for work and then higher expectations of work experience. Did you look at that report or have you looked at how much increased work experience requirement then affects the ability to find work?

**Ms Parker:** Certainly we know that activation is better for job seekers and gets better employment outcomes, so under the previous system there would be a six-month requirement, but then there would be six months off. And during that period job seekers tend to get disengaged, lose motivation and have very minimal requirements. So, I guess, the philosophy behind this is about engagement, activation and installing those philosophies.

**Ms Paul:** We know from the evidence, whether it is from that report or evaluations and so on, that activation makes a difference in terms of job outcomes. So we do expect that this will make a positive difference.

**Senator SIEWERT:** We are down to the level of unemployment now where we know we are dealing with those that have the most barriers.

**Ms Parker:** Absolutely right.

**Ms Paul:** Yes.

**Senator Chris Evans:** Senator, that is why we are going to make a concerted effort. It actually seems to me—and this is part of the philosophy behind the package; it is certainly something I have argued very strongly—that when you have got low unemployment this is your best opportunity to actually give these people a chance.

**Senator SIEWERT:** I am not arguing that. I may be arguing with the techniques.

**Senator Chris Evans:** That is right. I just want to put it on the record, I suppose, that when we have got high demand for labour and—I will try and put this positively—employers are not spoilt for choice then it seems to me if we provide positive assistance with things like wage subsidies we might be able to assist some of these people who are otherwise marginalised and not going to get a chance. So the activation and the wage subsidy are directed at trying to seize the day, if you like. Low unemployment provides an opportunity. Quite frankly, all the support in the world would not help if you have got 10 per cent unemployment and a huge pool of people to choose from. And that may be any of the disadvantaged job seeker groups. I regard it as a bit of a once in an economic cycle chance to actually make a difference. As you know, the very long-term unemployed group has increased as a result of the lag effect of the GFC, so it is very much our attempt to try and give them an opportunity to participate.

One of the interesting things we have experienced in the last few weeks is my office being approached by a number of large employers, not just about the wage subsidy but about the participation agenda, and they are actually interested in how they might engage in the participation agenda. Partly you can see that as them being good citizens, partly you could see it as they know they are going to have labour shortages, but they are focused on the actual participation agenda, which is a good thing. I want to take up that challenge and see how we partner with those employers, some of whom are already involved with disability and other

employment initiatives. I just want to make it clear: this is not about punishing people; this is about deliberately trying to give them a chance, knowing that if they do not get a chance now, once you slip into three, four, five years as unemployed, the reality is it is very hard to come back.

**Senator SIEWERT:** I appreciate your comments.

**Senator Chris Evans:** We will have discussions about the detail, but that is really one of the strong motivators, which is why we argued for the wage subsidy to try and give it the kick.

**Senator SIEWERT:** So we will go on to that while we are there. There are 35,000 that is of \$10,000. That is correct, isn't it? 35 new under this package, the new package?

**Ms Paul:** The wage subsidy fund is 35,000 over three months.

**Senator SIEWERT:** And the way somebody accesses that is through their job service provider, under similar sorts of circumstances that we are talking about for DSE?

**Ms Paul:** It is either through your JSA provider or your DES provider.

**Senator SIEWERT:** Yes.

**Ms Parker:** So similar, yes.

**Senator SIEWERT:** In terms of this 35,000 how was that figure determined and how do we know that that is going to match requirements?

**Ms Parker:** It is our best estimate. It is 10,000 places a year and there is a half-year in there. It is our best estimate looking at the job seeker pool, but more importantly looking at the employer demand side of things. It was our best estimate of what employers would be able to take up in terms of subsidised disadvantaged job seekers.

**Senator Chris Evans:** Senator, with all due respect to the department and its best endeavours with these sorts of things, from the government's point of view if we only fill half of it I would be happy if those half got jobs. But equally if we found there was a huge take-up I would be arguing for us to increase the size of the program. It is an attempt to assist a very disadvantaged group. We have made provision for what we think is a generous number given the need to get employers to take it up. Whether we hit those targets we will have to wait and see. But equally if it were working well there would be a predisposition among the government to put more money into it, because it would be money well spent.

**Senator SIEWERT:** If I am on a single parent PPS and I am looking for work can I access the wage subsidies?

**Ms Parker:** It depends whether you are very long-term unemployed and registered with Job Search.

**Ms Paul:** You just have to be very long-term unemployed, so two years.

**Senator SIEWERT:** Okay.

**Ms Parker:** They are not excluded, no.

**Senator SIEWERT:** In terms of the long-term unemployed, are you able to differentiate the numbers—I am looking at the numbers of people that have moved off parenting payment single under Welfare to Work that are still long-term unemployed? Can you differentiate those figures? And, if you can, do you have them?

**Ms Paul:** We would have to take it on notice.

**Ms Parker:** We will take it on notice.

**Ms Paul:** You are asking us to look back in time, so we will take it on notice for you.

**Senator SIEWERT:** Thank you. I am interested in whether that process has worked.

**Ms Paul:** Coming off parenting payments?

**Senator SIEWERT:** Yes. I have got a whole lot of data figures. I will make sure that one is included in that.

**Ms Paul:** Okay.

**Senator SIEWERT:** In terms of the \$4.7 million to test innovative approaches to provide employment services to disadvantaged job seekers, can you take me through how that is going to operate? Is it going to be a competitive process? Is it going to be open to wider than just the Job Services providers?

**Ms Kidd:** Yes. It is going to be for Job Services Australia providers. The point of the project is to look at how Job Services Australia providers can work better with the most disadvantaged cohort, particularly the stream 4 cohort and also the interaction with long-term and very long-term unemployed. So it will not be an open competitive grants process. It is likely to be an approach to providers in a specific category. So we would be looking at the performance of providers with stream 4 job seekers and making some approaches, possibly also looking at disadvantaged locations.

**Senator SIEWERT:** Which takes me to this issue of the 10 locations. And I know you are going to say you need to ask next-door for some of this.

**Ms Parker:** No, no, that is us—most of it.

**Senator SIEWERT:** I will just come out of that one for a minute and I will come back to it. How did you pick those 10 areas?

**Ms Paul:** Actually we went through that this morning too, so there is something on *Hansard* already.

**Senator SIEWERT:** I can read the *Hansard*.

**Ms Paul:** In short, we used the similar sort of indicators that we used originally to advise government on the 20 priority employment areas. And there are a whole number of indicators like, obviously, unemployment rate, but also things like the rate at which local industries are going down or retrenchments, the proportion of the population in that area dependent on income support of any type et cetera. There are a whole range of variables. What is happening inside these 10 areas is that almost all of them are kind of regional subsets of the larger local employment areas and are particularly disadvantaged. These are the sites where the government has decided to trial some particularly intensive focuses for jobless families, especially teenage parents and so on, so really quite expensive but quite personalised support of very, very disadvantaged job seekers in these areas.

**Senator SIEWERT:** I want to ask about the personalised support.

**Senator Chris Evans:** Could I just add one point? I made it earlier to support what the secretary said, but, as you know, those services are quite expensive; if we had the money we would have done 20, but we are going to do 10, which is better than five. It is partly a cost

thing, because these are expensive. But the knowledge and experience will help inform what we do in the future. They are not per se pilots, although a couple of them have elements of that. It is really about more intense support to entrenched disadvantage and the areas people select themselves; when you go through the list it is not counterintuitive.

**Senator SIEWERT:** I am wondering how they match up against the postcodes of disadvantage?

**Ms Paul:** Yes, they would be reasonably close, although our indicators go mainly to employment. Naturally we are focusing on where we can make a difference to employment, whereas Vinson goes beyond that to a range of other indicators. But, of course, there would be overlap. For example, one of the areas is Playford in South Australia, an absolute classic area for intervention, which has had attention for a long time—12 per cent unemployment, et cetera—and it is absolutely in Vinson as well.

**Ms Parker:** There are nearly 30 per cent of people on income support.

**Senator SIEWERT:** Again, I am not disagreeing with the intensive support.

**Senator Chris Evans:** No.

**Senator SIEWERT:** What I would like to know is: how intense is intense support? There are the wage subsidies. There is the teen mum program. There is the jobless families program. Teen mums I know is contact. I think I understand that pretty well know. The jobless families, every 12 months you have the contact on top of your regular participation requirements. That is correct, isn't it? So what else do I get if I am a jobless family? I have got the increased participation requirements. I have got my enhanced employment pathway plan. What other support am I going to get?

**Ms Parker:** If you are a single parent you will be getting additional services through Job Services Australia once you are coming off parenting payment. And you will be getting access to training places.

**Senator SIEWERT:** So I have come back from 16 to 12?

**Ms Parker:** Yes.

**Senator SIEWERT:** My youngest child has turned 12. I am now going on to Newstart. So I am also getting an increased taper rate.

**Ms Paul:** That is right. On Newstart you are able to earn more.

**Senator Chris Evans:** You are getting a long phase-in, in terms of warning.

**Senator SIEWERT:** Yes. It is 13 January.

**Senator Chris Evans:** So you get the capacity to work with providers before you hit the cut-off date.

**Ms Paul:** You are getting access to training places which are quarantined for you.

**Senator SIEWERT:** So how many training places are quarantined and how do I know I have got them in my location?

**Ms Paul:** Because the Job Services Australia providers will be linking in to the training places and in the locations you may well be getting childcare assistance of particular types, either through an extension of Communities for Children, which is FaHCSIA, or through

extended support under JET. I do not know if Dr Morehead wants to add more on the place based measures.

**Dr Morehead:** I guess to put it into context for what we are doing for the jobless families and particularly as a result of the measure: as you know, before your youngest child is school aged then you are on parenting payment and then you have the two years when your child does start school.

**Senator SIEWERT:** This is assuming you are not in a grandfathered group.

**Dr Morehead:** Yes. In terms of what we are doing, that jobless family trial is targeted at the parents in 10 locations who are on parenting payment with a youngest child who has not yet reached six. Then we have the grandfathered parenting and the changes that are happening to them when they have got children of a particular age. And then we have the relaxing of the taper rate for the parents when they are on Newstart, which, of course, is all the parents on Newstart. Principal carer parents on Newstart—there are around 28,000 of them at any one point in time who are on Newstart, so that covers the whole range of parents there.

So you can see the grandfathered parenting payment measure just affects a slice of those parents, and so we have got supports beforehand—there is that measure—and then the supports afterwards. Of course, in the budget, we have a specific measure there for parents for training, where we have some \$80 million targeted at single parents. That measure is really targeted at parents who would like to do a cert II or above. A lot of the other measures that we have put in are about helping parents with their foundation skills, because we know that a lot of the jobless families, particularly the ones headed by single parents who have been unemployed for a long time, either have very low skills to start with or need to have their skills refreshed.

So, taking a sort of life cycle view of a parent once they have a baby, you can see that at each stage of the way there are measures targeted at them and that the trial is designed to take a new, quite intensive approach. It is different to the teen parent trial. It is more expensive. It is a \$71 million measure for the jobless families, as opposed to the \$47 million teen parent measure. That one targets a lot more parents, because there are a range of age groups encompassed there. So the government is putting a lot of money into trialling this innovative approach, both for the teen parents and the older parents who are in those 10 locations and who are on parenting payment. They do not have workforce requirements yet.

**Mr Kovacic:** The other dimension in terms of the benefit, particularly in the early years of childhood, is access to the Communities for Children services, which are designed to help parents with parenting skills. That is both for teen parents and for the jobless families place based measures.

**Senator SIEWERT:** The Communities for Children I have to ask about next-door tomorrow, don't I?

**Dr Morehead:** Yes. The Communities for Children is a FaHCSIA measure, but it comes within the trial measure overall, so, in terms of the funding for the extra input to both Communities for Children and the DEEWR programs such as Youth Connections, they are part of that trial and they, of course, will work together on the ground.

**Mr Kovacic:** So the logic is, if you assume a parent, either a teenage parent or a jobless family, has a newborn as of tomorrow, certainly the initial two, three years or four years in

terms of jobless families is a focus on supporting the parent in terms of parenting skills but also, particularly with teen parents, support for education, particularly achieving a year 12 qualification or an equivalent. Then, as the child gets closer to six, the focus of the interviews with Centrelink focus on the importance of schooling, education, but also assisting the parent prepare to move to work if he or she wishes to do so.

**Senator SIEWERT:** Once you are coming off parenting payment onto Newstart, the new taper rates apply, don't they? Do I understand that correctly?

**Dr Morehead:** Yes, they do.

**Mr Kovacic:** The changes to the taper rates apply to single principal carer Newstart recipients, which I think are from when the youngest child is eight, and they apply to all recipients of that Newstart payment.

**Senator SIEWERT:** Sorry to jump around, but the taper rate applies to DSP, parenting payment single?

**Dr Morehead:** There are different taper rates associated with each income support.

**Senator SIEWERT:** But the more generous changes—

**Ms Paul:** The more generous change which we are talking about now is one which will allow single parents to earn more. That is a change to the taper rate in the Newstart for principal carers,

**Mr Campbell:** But not DSP.

**Senator SIEWERT:** But there is another change to DSP?

**Mr Kovacic:** Yes.

**Ms Paul:** Yes.

**Senator SIEWERT:** It doesn't have to be the same. I won't go into the detail of the same, but that applies, doesn't it, to—

**Senator Chris Evans:** It would be nice if it was the same, but that was too hard.

**Ms Milliken:** Senator, if I could also clarify, the change to the Newstart taper rate for single principal carer parents applies both to people who are moving off parenting payment single onto Newstart, but also people who are claiming Newstart directly without coming off another payment.

**Senator SIEWERT:** So if I am a single parent on Newstart I still get it as well.

**Ms Milliken:** Yes.

**Senator SIEWERT:** Any single parent on Newstart, whichever way you are coming in, that applies to you.

**Ms Milliken:** Single principal carers, yes.

**Mr Kovacic:** In short, those changes to the taper rates enable a single principal carer Newstart allowance recipient to earn up to \$400 a fortnight more before their income support payment cuts out.

**Senator Chris Evans:** It is a very substantial—

**Senator SIEWERT:** \$200 a week.

**Mr Kovacic:** Yes. And I think the total figure they can now earn per fortnight before it cuts out is \$1,346.50, which is sort of up to \$400 a fortnight, as I mentioned a moment ago.

**Senator Chris Evans:** It is very much a change in the structure, from a suggestion that you go from being on the allowance to full-time work to a structure which says, 'Recognising the care and responsibility we want to reconnect you with the workforce.' If that is a part-time job then that is of value as well. Because, you know, the lower taper has basically made anything but a couple of hours work prohibitive.

**Senator SIEWERT:** Yes.

**Senator Chris Evans:** This is really designed to say: 'You can pick up 20 hours a week work. There is a real financial incentive for you to do that which reconnects you to work, which means when your caring responsibilities are less or when the child is older you have actually got work experience and the capacity to be in the workforce in a way that you are not going to have if you have been out for 10 years'. That is some of the thinking behind it, anyway.

**Senator SIEWERT:** Thank you. I know you did job compliance things this morning. I don't want to travail through that again. I do want to know, though, that the new process applies to all these people, though, doesn't it, in terms of the new bill when it comes in? It will apply across the board.

**Ms Parker:** In terms of compliance?

**Senator SIEWERT:** In terms of compliance.

**Ms Parker:** Yes.

**Senator SIEWERT:** So they still meet these new compliance requirements as well.

**Ms Milliken:** Yes. It applies to individuals on activity-tested payment or with participation requirements.

**Senator SIEWERT:** I just wanted to clarify that. I think I am just about finished. I need to ask Centrelink some questions, but, as I understand it, there has been more funding provided to Centrelink in order to provide the more intensive approach.

**Ms Milliken:** Yes.

**Mr Kovacic:** Yes.

**Senator SIEWERT:** I ask them about their recruiting process and how that happens. Is that correct?

**Ms Paul:** Yes. I wouldn't be to us. It would be to DHS.

**Senator SIEWERT:** Will you be putting requirements on the number of people that are required to case manage et cetera? These are new people that are coming on board specifically to do this activity in both the areas of disadvantage and the other Centrelink areas, because you are still going to need people with the skills for the other jobless programs. They just do not apply to the areas of disadvantage, do they, the trial areas?

**Dr Morehead:** Yes. In the 10 locations where we are running the two parent trials, the teen parent trial and the jobless family trials, Centrelink has been given money to put on much more intensive servicing for the people who are eligible for that trial. So they are doing a new training package for those staff. The staff will be working with those parents so that the extra

money from the trial budget measures that is earmarked for the Department of Human Services goes into Centrelink into those 10 areas.

**Senator SIEWERT:** So if I am a young person, single parent, teen parent et cetera, in areas that are not subject to the trials, what services do I get?

**Dr Morehead:** You get the Youth Connections program if you have dropped out of school early in order to have the child. That Youth Connections program is really very well suited to those types of young people.

**Senator SIEWERT:** Anywhere in Australia?

**Dr Morehead:** That has a very good national reach. We have put more money into Youth Connections just in the 10 areas, but because there are going to be more people doing more intensive activities specifically in the 10 areas Youth Connections is available there. Teen parents also, if they are engaged in a study activity, for example, are able to access JET child care fee assistance. That would mean that for 24 months, if they are engaged in a study activity, the most that the child care will cost them is 10c an hour, so the parents are able to use that almost 100 per cent government subsidised care.

**Senator SIEWERT:** I don't have to be in that location to access that?

**Dr Morehead:** No. JET child care for the 24 months of the study is available to parents all around the country. Obviously the childcare rebate and the childcare benefit are all tied in there to make it so that it is only 10c an hour for those parents. Within the 10 trial areas, however, we have given some extra money to JET child care to extend its availability if you get a job and you are a jobless family. Currently it is available around the country for 26 weeks, and we are extending that to 52 weeks just in the 10 locations. That is where that extra money comes in there. But if you are a teen parent in another area on the parenting payment and the family tax benefit et cetera then you can also, if you are interested in doing, say, a foundation skill course or something to get you thinking about employment, volunteer and get access to the full suite of Job Services Australia if you so desire. Job Services Australia will assess what level of support you need. The other thing, as I said earlier, is that we have in the budget \$80 million to specifically target single parents in their training endeavours. That will provide 31,000 extra places.

**Senator SIEWERT:** That is not restricted to those 10 locations?

**Dr Morehead:** No, that is not restricted to the 10 areas—that is around the country—and that will be developed through a national partnership with the states.

**Senator SIEWERT:** Thank you. I have one other question. The fund that is available specifically, as I understand it, for each of the 10 locations—sorry, I cannot remember, but the disadvantaged locations, is that what it is called?

**Mr Kovacic:** I think it is the Connections for Communities.

**Ms Milliken:** There is a local solutions fund that has been included as part of the package for the 10 locations, so \$25 million is available across the 10 locations. We are still obviously scoping the use of that, but really it is about capturing innovative practice, connecting up and looking at joint service delivery models on the ground, and trialling different approaches for these targeted groups.

**Senator SIEWERT:** How is that going to work? There are 10 locations, so presumably that is \$2.5 million each.

**Ms Milliken:** The details are still to be sorted and DHS will manage the fund, so it will sit with the coordinators that were mentioned earlier.

**Senator Chris Evans:** Senator, that is Human Services and Minister Plibersek will be driving that, but the theory is that—as you know—good local ideas often fail for want of a bit of seed funding or access to a little bit of money to make things work. So the idea is to connect with all the non-for-profits and the government agencies and if someone has a thing that says, 'For want of \$300,000 we could really make this work,' someone can find the \$300,000 to make it work. It is about making sure that we do not have all these funding silos that stop good stuff happening.

**Senator SIEWERT:** Yes. So I think you have answered one of my questions. It is envisaged that not-for-profits will be able to put up their hand and say, 'We have a really good idea'—

**Senator Chris Evans:** They would be partnering, as I would say, but you are probably best directing the questions to Human Services.

**Senator SIEWERT:** I will ask DHS tomorrow.

**Senator Chris Evans:** That is my view of how it works, but you better check.

**Senator SIEWERT:** I will compare to hear the answers I get on Thursday night from DHS.

**Senator Chris Evans:** That is why I support it anyway. We will see what they say. They will say it is their money and tell me to keep my nose out of it, probably.

**Senator SIEWERT:** I am going to be asking FaHCSIA. I have been here, DHS, there is a lot of—

**Senator Chris Evans:** Senator, I remember you and I doing the estimates about the indigenous COAG trials, and I mention this to the department every time we have an opportunity, and they are sick of hearing it. My experience of that was horrific, and the experience of well-meaning officials, including Dr Shergold who sought to drive it, was that it was a complete—as I am told, it wasn't a complete disaster, the secretary maintains one of them worked, which was hers.

**Ms Paul:** Exactly so.

**Senator Chris Evans:** She has not convinced me of that, but it is fair to say we do not have a unity ticket on that issue. But as you know, with the best will in the world and all the talk about coordinated services, it turned out to be another failed experiment on Indigenous people. So I am absolutely focused on the fact that we do not want a lot of well-meaning people running around and experimenting on people, rather than assisting them to take opportunities.

**Senator SIEWERT:** So on this one, where will the buck stop when I come looking?

**Ms Paul:** That will be the minister, sorry.

**Senator SIEWERT:** Which minister.

**Senator Chris Evans:** We are—

**Senator SIEWERT:** How are these trials being coordinated?

**Ms Paul:** It is DHS and Minister Plibersek that are taking the coordination for the team, yes.

**Senator SIEWERT:** It is DHS.

**Senator Chris Evans:** It is true, and I am probably being too frank, that we have some arrangements in place, but all the ministers are conscious that we really need to nail those down tight, and we are in the process of having more discussions about making sure we get that right, because it is a key component of the place based initiative and it is a key focus. So we have answers for you about coordination now, but it is equally the case that that there is an ongoing discussion about how we absolutely make sure that works.

**Senator SIEWERT:** I will put this on notice, but I am presuming for each of the 10 locations, you have the demographics et cetera all mapped out.

**Ms Paul:** Yes.

**Senator SIEWERT:** Can I get that on notice, please?

**Ms Paul:** To the extent it is easy to get, of course.

**Senator SIEWERT:** Thank you.

**Senator Chris Evans:** Most of this department are able to get stats that are already available. We can pull them together for you.

**Senator SIEWERT:** I understand there will be an evaluation process.

**Ms Parker:** Yes.

**Senator SIEWERT:** How are you going to develop that, and is it going to be tendered?

**Ms Parker:** The evaluation will be run out of our department, and we will have a process whereby we will require all the relevant agencies to contribute to the evaluation. At the moment we are developing a strategy for that. We received \$9.4 million over forward estimates for that evaluation.

**Senator SIEWERT:** \$9.4 million?

**Ms Parker:** Yes. That will be for Building Australia's Future Workforce, not just place-based; place-based will be a component of that. So within that we will need to develop measures. What are we trying to measure, what are the milestones and how do we know whether they have been achieved? We will be working on that from now.

**Senator SIEWERT:** In each of these locations you will have major not-for-profits working, and I am presuming you have scoped that and you are scoping out of these areas.

**Ms Parker:** Yes.

**Senator SIEWERT:** There will be big not-for-profit service providers and smaller ones. How are you engaging them in this process?

**Ms Parker:** At each of the locations there will be a small place based advisory group which will comprise not-for-profits, local government, state government, a range of stakeholders and the Commonwealth government. The overseeing organisation will be DHS. They are responsible for getting those groups together and getting their ideas and ensuring their involvement and buy-in to the actual project. Then we feed-up through that to a

national approach—a national advisory group and a national officials group. It is staggered through in the place-based context.

**Senator SIEWERT:** There is a national advisory group that has been established or will be established?

**Ms Parker:** It will be established.

**Senator SIEWERT:** That will involve, if I understood you correctly, not just government.

**Ms Parker:** That is right.

**Senator SIEWERT:** There will be an officials group, but there will be an advisory group made up of community stakeholders.

**Ms Parker:** Yes, that is the expectation.

**Senator SIEWERT:** Including consumers?

**Ms Parker:** I am not sure if that has been decided.

**Mr Kovacic:** I think that is still an issue.

**Ms Parker:** Yes, the government has not decided yet.

**Mr Kovacic:** I think the intention is to very much engage with local communities in each of the 10 locations, and also to, as Ms Parker has indicated, have a national group which has that sort of broad representations. It just reinforces the point that the minister made before—it is really about tapping into ideas of how you get people into jobs in those local communities. As the minister put it, for want of \$300,000 someone might be able to do something really good. This is part of how we are thinking about those sorts of opportunities.

**Senator FIFIELD:** I have some questions about the Newstart allowance. I refer to page 125 of the PBS for this budget, specifically the line item for the Newstart allowance, and I also refer to page 120 of the previous year's PBS?

**Ms Parker:** That will be tricky.

**Senator FIFIELD:** Stretching the friendship?

**Ms Parker:** You might have to help us with that.

**Senator FIFIELD:** Which should also be table 2.4.4 I think.

**Ms Parker:** Yes.

**Senator FIFIELD:** On my calculation there appears to be about a \$384-odd million cut or a lower amount over the upcoming financial year in the forward estimates to 2014.

**Ms Paul:** It is because of the revision of unemployment rate downwards.

**Senator FIFIELD:** That was going to be my question. Is that a reflection of that?

**Ms Paul:** Yes, that is Treasury's parameter applied to the estimates. Treasury is responsible for the estimates of—

**Senator Chris Evans:** I think next year's forecast is at 4.75 per cent unemployment, and the next year 4. I forget what the forecasts were, but they were at least a quarter to a half a per cent above that in the previous budget, so as employment has recovered more quickly, we can save, if you like.

**Senator FIFIELD:** Yes. I assumed that was the case. Is there any change to the criteria for recipients of Newstart allowance that would also impact there?

**Ms Paul:** Not that would impact on this.

**Senator Chris Evans:** There was one.

**Ms Paul:** This is driven by the—

**Mr Kovacic:** One of the budget measures for the Building Australia's Future Workforce was to extend the eligibility for youth allowance over to 21-year-olds. That means that the age at which youth allowance recipients move onto Newstart allowance now is age 22 and so that would have impacted in terms of Newstart allowance projections as well, though it is a relatively minor—

**Ms Paul:** A small effect.

**Senator Chris Evans:** I just did not want to mislead you by saying there was not any, but it is quite minor.

**Senator FIFIELD:** It is marginal, yes.

**Ms Paul:** The change that you see here would be absolutely mainly driven by the change in unemployment rate.

**Senator FIFIELD:** There also appears to be a downward revision in the revised numbers for 2010-11 of 9.6 million in Newstart.

**Ms Paul:** Yes, it would be for the same reasons.

**Senator FIFIELD:** The same reasons.

**Ms Parker:** Treasury estimate.

**Mr Kovacic:** In terms of the eligibility in terms of income support payments, the others that I mentioned too were the changes affected the grandfather parenting payments of recipients which come into effect on 1 January 2013 which will see progressively a number of those people move on to Newstart allowance once their child turns 12 or 13 on or after 1 January 2013, and in subsequent years, as their youngest child turns 12. So again, that would have impacted on the balance of some of the numbers reflected in that particular table that people use.

**Senator FIFIELD:** But again marginal?

**Senator Chris Evans:** Certainly not a large part, we will get to the figures if you like, but it is not the main driver.

**Ms Parker:** So just to be really clear, the youth allowance extension, YAO extension to age 21 will impact to a tiny extent on Newstart estimates, but only from 12-13 and the parenting payment single changes, which will impact on Newstart would only have an impact from 13-14.

**Senator FIFIELD:** What is the current number of recipients on Newstart?

**Ms Milliken:** As at the end of March 2011 there were 539,471 recipients.

**Ms Paul:** Sorry, I should say too, on that parenting payment single measure, the start date is 1 January 2013, so that the financial year of impact is 2012-13, not 2013-14 as I said, but the first full year of impact is 2013-14.

**Senator FIFIELD:** In some of the forward years there is an increase, not a significant increase, of maybe 11-odd per cent in the amount expended on Newstart. That reflects Treasury parameters as well.

**Ms Paul:** Treasury, yes.

**Senator FIFIELD:** What other change in the Treasury parameters are they forecasting? Any movement in unemployment up or is Treasury taking into account other variables?

**Ms Paul:** Population increases, they take into account those factors, but my understanding is they are not forecasting an increase in unemployment, no.

**Senator FIFIELD:** No. So it is other variables.

**Ms Milliken:** And the expenditure also reflects changes to the rate, so CPI indexation over the forward estimates as well.

**Senator FIFIELD:** I thought that was the case. I did not think there was anything tricky in there, but it is always worth asking. So factored in there—again, I appreciate that these would be Treasury's parameters—there are increases in inflation, so they are factoring an increased cost of living.

**Ms Parker:** Yes.

**Senator FIFIELD:** I guess if we want to dig into that further we would need to ask Treasury.

**Ms Parker:** It is Treasury's parameters, that is correct.

**Senator FIFIELD:** Thank you. You have given me those on Newstart, I think as of March. Could you give me the number of people on Newstart for 2008-09, if you have them to hand?

**Ms Parker:** Only 2009-10.. We can provide that but on notice, 08-9.

**Senator FIFIELD:** Okay, 2008-09 and 2009-10, you can, you said?

**Ms Milliken:** No, as at 30 June 2009-10, there were 553,893 recipients.

**Ms Paul:** As at 30 June 2010.

**Ms Milliken:** 2010, sorry.

**Senator FIFIELD:** Thank you. How many Newstart recipients have transitioned into full-time work in 10-11? Would you have that?

**Ms Paul:** No, I think that is an on-notice one.

**Senator FIFIELD:** If you could also take on notice for 09-10 and 08-09, thank you.

**Ms Paul:** Yes.

**Senator FIFIELD:** Again, you may need to take on notice, but how many Newstart recipients have transitioned into the disability support pension in 10-11?

**Ms Milliken:** If we could take that on notice.

**Senator FIFIELD:** And 2009-10 and 2008-09. How many Newstart recipients have had their payments suspended due to participation failure in 2010-11?

**Ms Milliken:** You mean a complaints payment, yes, we will take it on notice.

**Senator FIFIELD:** Okay. And for 2009-10 and 2008-09, that as well, thank you.

**Ms Milliken:** Yes.

**Senator FIFIELD:** I have just got some other questions about indexation but again, I guess that should be directed to Treasury, shouldn't it? They have responsibility for indexation issues?

**Ms Milliken:** In what sense, Senator?

**Senator FIFIELD:** How the indexation of Newstart is determined, what the sort of cost of living measure is, CPI?

**Ms Milliken:** It is us.

**Senator FIFIELD:** It is you?

**Ms Milliken:** Yes.

**Senator FIFIELD:** Is it CPI?

**Ms Milliken:** It is CPI, yes, and I could take on notice describing for you the relevant quarters that apply to the indexation. Indexation of Newstart occurs on, with effect, 20 March and 20 September each year.

**Senator FIFIELD:** If you could, thank you. Also, for Newstart recipients who have their payments suspended, are you able to provide a breakdown for the financial years that you have taken on notice, also the reasons for the failure?

**Ms Milliken:** Yes.

**Senator FIFIELD:** If I could just move to the parenting payment single, if I could refer to the same table on page 125, the item parenting payment single, and also to the previous line in the previous PBS, and the answer, no doubt, will be similar to the previous question, but there appears to be a \$359, 360 million increase over the upcoming financial year in the forward estimates to 2014, and also an upward revision in the revised numbers for 2010-11 of \$171 million in expenses for parenting payment single.

**Ms Parker:** Yes.

**Senator FIFIELD:** I assume that is due to commencement of compulsory participation plans and the support for teen parents program, is it?

**Dr Morehead:** No, because the people who are in the trials are already on parenting payment single, so they are not new people coming on or being on it for longer or anything like that.

**Senator FIFIELD:** So this is Treasury parameter changes.

**Ms Parker:** Yes.

**Dr Morehead:** What we have generally found over the last few years is less people are actually on that payment, particularly as the economy improves and the policy settings that are working, and so the amount that is spent on the payment may or may not directly reflect the projections in terms of the actual individuals on the payment, for the reasons that have been discussed, with indexation and different changes to various payments.

**Senator FIFIELD:** Thank you. Did you have a question there?

**Senator CASH:** I have some questions on income support teenage parents. What is the average payment for a single, 18-year-old mother on income support with one child?

**Dr Morehead:** I can say that if a parent has two children and they are on income support, sometimes half their payment comes from family tax benefit and so the family payment side

of it kicks in so that, for example, I have got a cameo that we regularly refer to so that if you are a single parent with a four-year-old and a nine-year-old you would actually be on the parenting payment, but the income from all the sources that the government provides to you, assuming that you are also getting rent assistance if you are renting a house, comes to close to \$34,000 a year of direct government income. So that is for someone who does not have any earnings, so a mother on income support with a four-year-old and a nine-year-old gets \$34,000 income.

**Senator CASH:** Is there a difference if there is only the one child?

**Dr Morehead:** With the one child, the actual—say, for example if you are a teen parent on parenting payment single you would get \$16,273 just from that parenting payment single a year. Then you would get a family tax benefit of several thousand dollars for the child. If the child was born that year you would also get the equivalent of the baby bonus type measure. Then you would also get, on top of that, rent assistance which can substantially go towards your rent.

**Senator CASH:** Just in relation to the pilot program in relation to teenage mothers having to go back to school, will this pilot program be modelled on the school enrolment and attendance measure with parents providing Centrelink with proof of their school attendance? Is that how you see it working?

**Dr Morehead:** No. In fact, it is more closely modelled on a voluntary trial that we have going at the moment, that we talked about earlier today, called the Family Centred Employment Project, which is a trial along similar lines, where we are giving intensive support to jobless families. So it is not to do with the school enrolment and attendance measure.

**Senator CASH:** It is more about the teenage mother getting back to school, too, of course, if you are talking about teenage mums.

**Dr Morehead:** Yes, exactly.

**Ms Parker:** Getting her to finish her year 12.

**Senator CASH:** Absolutely. But what is the proof to Centrelink that she has gone back?

**Dr Morehead:** I see what you mean. So the way that the trial will work is that the teen parent will be called into Centrelink every six months.

**Senator CASH:** Centrelink will initiate that.

**Dr Morehead:** Yes. So Centrelink—if you are a parent, if you meet certain criteria, which for a teen parent is that you are on parenting payment, and you are up to the age of 19 and you have at least one child, then you will be called into Centrelink for an interview. If you have got a young baby you will not be called in until the baby is six months old, but you will be called in for an interview. At that interview, Centrelink will determine whether or not you already have year 12.

**Senator CASH:** Right.

**Dr Morehead:** If you already have year 12, you can, if you like, voluntarily continue on in the trial, but if you do not already have year 12 then you will be in the trial.

**Senator CASH:** How would you voluntarily continue on with the trial if you have already got year 12?

**Dr Morehead:** If you have already got year 12, a lot of the focus of the teen parent trial is on the major two roles that the parent is pursuing, which would be their own human capital development, such as education for themselves and the parenting role. So if you have already got year 12, you might say to Centrelink, 'I think my education is a bit sorted, or I don't want to pursue that too much now, but would you please help me with my child. I'm not aware of things that are available here or I would like to participate in Communities for Children or something.' Then Centrelink will basically give them a lot of support to do that and they might need to access a social worker for personal problems and then Centrelink will provide them with a social worker.

**Senator CASH:** If I have not completed year 12, what then happens to me?

**Dr Morehead:** If you have not completed year 12 or equivalent, you will, at the six-month mark just discuss with Centrelink what your plans are until your youngest child goes to school. So it is basically looking forward, going, 'What do you want to do?' That is all you do in that interview, but then six months later Centrelink will call you back in for another interview and at that interview you will work up and develop a plan with Centrelink about what you are going to do, and then every six months Centrelink will call you in to monitor that plan and the Centrelink staff will be trained. The interviews go, you know, for half an hour or an hour. The Centrelink staff will be trained up to make sure that they are aware of everything that the teen parent is available in the local community. I mean, part of the measure is about empowering the teen parent to know that this is their community. There are services. They are completely entitled to use them. Sometimes with a teen parent, it is a confidence issue or it is a cultural issue where they think, 'I have had a baby. That is the end of my education.' We find that with teen parents, for example, 80 per cent of them do not have year 12. Most of them have their baby, and at the point of having the baby they stop their education. So what this trial is about, is empowering the teen parent to keep going with their education, and in fact saying that—to try and show them that they have a right to take responsibility to continue their own education.

**Senator CASH:** How will you actually confirm attendance at school?

**Dr Morehead:** Of the teen parent? So at the 12-month mark, if—the idea is that the teen parent does say a course through TAFE without getting year 12. They may not return exactly back to the classroom. They may say, "I don't want to go back to the classroom with the baby."

**Senator CASH:** So there will be various options available in terms of furthering the education?

**Dr Morehead:** Yes. In fact—and this is one of the main focuses on the trial, because what happens with teen parents, they drop out of school and think, 'I can't go back to school,' so the trial will very carefully explain to the parent everything that they are entitled to in order to complete their education. One of those will then be chosen by the teen parent, and then Centrelink will arrange access to that program for that teen parent. So the role of Centrelink there is to say, 'I will help you get access to whatever path we have decided is right for you to continue with your education.' The parent might say, 'I don't think I can do year 12. I dropped out of school in year 7.' In fact, we find that 30 per cent of teen parents haven't got year 10. So it may be that they need some foundational skills or along a pathway towards—they may do a certificate at TAFE rather than year 12. They may do year 12 or equivalent. So if that is the case, Centrelink will arrange it. So you can see it is quite complicated for a teen parent to

understand how they can finish their education once they have had a child, and that is the major focus of the trial. Once that is decided and Centrelink has arranged that with them, the parent will come back in six months time and Centrelink will ask them how it is going, and they will go from there. It will be a constant monitoring of what is happening. They might come back in six months time and decided that, actually, they have some issues with their child, and then Centrelink would go, 'Well, that's all'—the plan would be about the child and the parent. They might wish, then, to focus on things looking forward for the child.

**Senator CASH:** Just in relation to the pilot, will the pilot commence immediately for a parent whose child is already one year old as at 1 January 2012?

**Dr Morehead:** Yes. From 1 January 2012 teen parents living in the locations, if they already have a child, yes, they will be called into Centrelink and asked to get going. It is seen as a window of opportunity for these parents. It is a trial. It is not funded for too many years, and so the idea is to really make—

**Senator CASH:** How long does it go for?

**Dr Morehead:** It goes for four years. If you think of a teen parent having a child, say, at 17, then the idea is that, over that time, you would really work with that parent. Now, they might exit the trial once they have year 12. As I have said, they may choose then not to continue. They will not exit the trial until their youngest child turns six, unless they are already off income support, or if they get a job or something like that. The idea is to really use that window of opportunity, because what we find with the parents on parenting parent is they then go onto Newstart, and then they have to look for work, and they have had this whole period where there is a bit of hole in their education and training. That is what the trial is focused on. In terms of the participation package as a whole, it is about elevating, learning and earning. It is about saying that the whole package has measures in there to allow you to keep more of the money you earn with a lot of the measures, like with Youth Allowance and with Newstart for single parents. At the same time, it is also offering an enormous amount of emphasis on training, and supplying a lot of money towards making sure that training is available for parents, both within the trial and also around the country.

**Senator CASH:** Thank you very much. Thank you, Chair.

**CHAIR:** Senator Fifield.

**Senator FIFIELD:** Thank you, Chair. How many recipients are there currently of the parenting payment single?

**Ms Milliken:** As at the end of March 2011 there were 328,443, Senator.

**Senator FIFIELD:** How does that compare to the previous two financial years?

**Ms Milliken:** I might have a figure for June 2010, but not 2009. June 2010 was 333,512.

**Senator FIFIELD:** If you could take the other on notice.

**Ms Milliken:** Yes, Senator.

**Senator FIFIELD:** Thank you. If you can go back to table 2.4.4, in relation to parenting payment partnered and also refer to the previous years 2.4.4 table, I have the same time period that we were discussing before, namely the upcoming financial year and the forward estimates to 2014. There appears to be an \$843 million decrease, and also a downward revision for 10-11 of \$121 million. What is the explanation for that?

**Ms Milliken:** A declining number of parenting payment partnered customers, or recipients, is the reason for the reduction in the expenditure.

**Ms Parker:** I think our answer is the same as before, Senator, on these numbers and projections.

**Senator FIFIELD:** How many recipients are there currently of the parenting payment partnered payment? Try saying that three times quickly.

**Ms Parker:** One hundred and twenty thousand, one hundred and seven.

**Senator FIFIELD:** One hundred and twenty—

**Ms Parker:** Thousand one hundred and seven. The previous year there was 6.7 per cent less. Sorry, let me repeat that. The previous year, 128,672, March 2010.

**Senator FIFIELD:** If you can go to the Partner Allowance benefit, looking at the same two tables and the same time period going forward, it looks like a \$6 million decrease.

**Ms Parker:** There were fewer people on the payment.

**Senator FIFIELD:** Why fewer people?

**Ms Milliken:** The Partner Allowance is a closed payment. There are no new claimants for that allowance, so as the population shifts potentially to another payment, like an Age Pension or off income support, they move off the payment, so it is a prediction of what will be, their experience in terms of moving off the payment.

**Senator FIFIELD:** Just take me through the derivation of the Partner Allowance.

**Ms Milliken:** The Partner Allowance is an income support payment for older parents of income support recipients who previously faced barriers to finding employment because of their limited experience in the workforce. It has been closed to new entrants since 20 September 2003. It generally payable to existing recipients who were born before 1 July 1955, so they are 56 years or more of age.

**Senator FIFIELD:** Reflecting the changing nature of—

**Ms Milliken:** The workforce.

**Senator FIFIELD:** How many recipients are there currently?

**Ms Milliken:** For the Partner Allowance altogether I have 18,703 as at March 2011, and that is a combination of the recipients of two payments, Partner Allowance benefit and Partner Allowance pension.

**Senator FIFIELD:** And a few years beyond the forward estimates it will be getting very small indeed and we will not see that further.

**Ms Milliken:** Yes.

**Senator FIFIELD:** If you go the Utilities Allowance and the same two tables, and over the same timeframe, there appears to be a \$5.25 million increase going forward, and a \$2.1 million increase in 10-11 on the revised numbers. Is that Treasury parameter changes again?

**Ms Milliken:** The Utilities Allowance is paid to recipients of the Partner Allowance and the Widow Allowance. It reflects the experience of those payments in terms of recipient numbers.

**Senator FIFIELD:** Does the Utilities Allowance only apply to those two groups?

**Ms Milliken:** Yes. It will disappear eventually.

**Senator FIFIELD:** Because what used to be called the Utilities Allowance more generally is now called the supplement or something.

**Ms Milliken:** There is a Pension Supplement, which is a FaHCSIA payment for its older income-support recipients, and we have retained the Utilities Allowance for the groups that are in the DEEWR portfolio.

**Ms Parker:** Some DSP—

**Senator FIFIELD:** The same name, but for a restricted group now.

**Ms Parker:** I was going to say, some DSP recipients receive it as well, where they have no dependent children.

**Senator FIFIELD:** Just tell me again, the Utilities Allowance goes to people who are on the Partner—

**Ms Milliken:** Partner Allowance or Widow Allowance, and who are under Age Pension age. If they are Age Pension age or above it—

**Senator FIFIELD:** Partner Allowance and Widow Allowance in those categories are declining.

**Ms Milliken:** Yes.

**Senator FIFIELD:** You would expect to see a decline, but there is an increase in—

**Ms Parker:** There are some DSP recipients who receive it.

**Senator FIFIELD:** That would be accounted for by an increase in the number of DSP recipients.

**Ms Parker:** Young recipients.

**Senator FIFIELD:** Young?

**Ms Parker:** Young recipients of DSP who have no dependent children may receive Utilities Allowance.

**Senator FIFIELD:** Are these numbers reflecting an increase in the young DSP recipients?

**Ms Milliken:** We do not have that information.

**Senator FIFIELD:** So it could be that, or it could be a change in Treasury parameters.

**Ms Milliken:** Treasury parameters do not particularly apply to these payment types. Treasury parameters are particularly for Youth Allowance Other and for the unemployment payments

**Senator FIFIELD:** I was just thinking in terms of is the Utilities Payment indexed, whether it was factoring in changes to indexation?

**Ms Milliken:** Yes, it is indexed in March and September each year.

**Senator FIFIELD:** That would be something that the Treasury would factor—would that be a Treasury variation or would that be a variation that you would anticipate and feed in?

**Ms Milliken:** It would be an arrangement that we would anticipate and feed into the appropriation forecast.

**Ms Parker:** So just to confuse things, Senator, in 2009 the Pension Supplement replaced Utilities Allowance, Pharmaceutical Allowance and Telephone Allowance for recipients over Age Pension age.

**Senator FIFIELD:** I was surprised to see the Utilities Allowance because I thought that supplements had replaced that. You have filled gaps in my knowledge, yet again. That increase of 5.25, it would be a bit of CPI, it would be a bit of an increase in the number of young people.

**Ms Milliken:** Yes.

**Senator FIFIELD:** If you could take on notice what the breakdown is, if it is CPI or increase in numbers of—

**Ms Paul:** I would imagine the main driver would be DSP because DSP is the only payment that is growing. The other two, of course, are ceased. Just off the top of my head, commonsense I think would suggest it is the DSP growth, but we will check that for you.

**Senator FIFIELD:** Thank you for that. How many people are currently getting the Utilities Allowance in each of those three categories of recipients?

**Ms Milliken:** I have figures for Partner Allowance and Widow Allowance. For Partner Allowance, at the end of March it was 22,660, and for Widow Allowance it was 33,777.

**Senator FIFIELD:** And if you could take on notice for the young DSP recipients.

**Ms Milliken:** Could I clarify—

**Senator FIFIELD:** Are there any other of these sort of legacy allowances, such as the Partner Allowance and Widows—that will disappear over time?

**Ms Milliken:** Could I clarify the number of DEEWR recipients I just referred to. They were recipients paid to date in this financial year because the Utilities Allowance is paid as a quarterly payment. You are not on a continuous receipt of that. I think, of those that are closed payments, it is essentially the Partner Allowance, Widow Allowance and Utilities Allowance in DEEWR working age payment.

**Senator FIFIELD:** Ms Parker, you mentioned the telephone allowance, I think.

**Ms Parker:** A pension supplement has sort of rolled them in.

**Senator FIFIELD:** So there is no separate—

**Ms Parker:** No.

**Ms Milliken:** That is only for people over Age Pension age.

**Ms Parker:** Sorry, I am confused. Ms Milliken will explain. It is only for the Age Pension age ones.

**Ms Milliken:** There continues to be access to telephone allowance. Separate estimates are not prepared in terms of the number of recipients and the dollar amount. It is rolled into the base payment.

**Senator FIFIELD:** So there is still a telephone allowance. Just curiosity, the telephone allowance, that amount is just given. There does not have to be a credit. You do not have to demonstrate you have spent it on a telephone.

**Ms Milliken:** No, you do not have to.

**Senator FIFIELD:** I am not suggesting you should have to.

**Ms Milliken:** No, there is not a direct link between spending the money you receive on the telephone account and actually having a telephone.

**Senator FIFIELD:** I am not suggesting there should be.

**Ms Milliken:** Although—it does not apply to our recipients. The rate of—if you have the higher rate of telephone allowance—it is paid a two rates—it is for having a demonstrated internet connection, but the basic rate of telephone allowance is a quarterly payment to assist with the cost of maintaining a telephone service. You would normally need to be a telephone subscriber, so there is a connection.

**Senator FIFIELD:** Does it have to be a land line, or could it be a mobile?

**Ms Milliken:** Do we have the information on that?

**Ms Parker:** I do not think it says that.

**Senator FIFIELD:** Do you count as a subscriber if you have a pre-paid mobile, or only if you have a—

**Ms Parker:** 'Subscribers of a telephone service.'

**Senator FIFIELD:** Again, this is just curiosity, what constitutes a subscriber?

**Ms Parker:** It is having an account, so it is a quarterly payment of \$24.20, so it is only a contribution. If you wanted a mobile and you paid more, then you are still only getting \$24.20.

**Senator FIFIELD:** It does not matter if it is pre-paid or if it is a—

**Ms Parker:** No.

**Ms Milliken:** It is a FaHCSIA-administered payment which is paid to our recipients, so we will find the detail out for you and take that on notice, unless you would like to ask—

**Senator FIFIELD:** If it is no problem. It is just curiosity.

**Ms Milliken:** That's fine.

**Senator FIFIELD:** Thank you. If we could just move to the Widow Allowance and you have answered the question already, I think. Any decrease, going forward, is because it is closed.

**Ms Paul:** An ageing issue.

**Senator FIFIELD:** How many recipients are there—is the number of recipients of the Utilities Allowance who are on the Widows Allowance the same number of people as there are on the Widows Allowance?

**Ms Milliken:** It will not be so because what we talked to you about in terms of Utilities Allowance was recipients paid to date this year—

**Senator FIFIELD:** Whereas the Widows—

**Ms Milliken:** And so some people will have already moved off Widow Allowance so far. As at the end of March there were 30,507 Widow Allowance recipients.

**Senator FIFIELD:** The pensioner education supplement.

**Ms Parker:** Pensioner?

**Senator FIFIELD:** Education supplement, how many people received that in 10-11?

**Ms Parker:** How many recipients? Fifty thousand two hundred and sixty, end of March.

**Senator FIFIELD:** Do you have any figures for the previous two financial years?

**Ms Parker:** We have the previous financial year: 50,025, but March again. Very similar.

**Senator FIFIELD:** Very similar. What does the Pensioner Education Supplement actually do?

**Ms Milliken:** It is a fortnightly payment paid to eligible recipients, and I will go into that, to help them with the ongoing costs of education to assist them to gain qualifications that would make them more competitive in the labour market. They need to be receiving a payment that attracts Pensioner Education Supplement that includes the Disability Support Pension, parenting payment single and Carer Payment, as well as some people who—single parents who move from parenting payment single to Newstart, and if they are continuing on a course, for example, they can continue to receive it. It also includes some recipients of DVA pensions, so it is quite a broad arrangement. They need to be undertaking qualifying study. There are two rates of the payment, and that depends on the study load the individual is undertaking: either \$62.40 a fortnight or \$31.20 a fortnight.

**Senator FIFIELD:** How many recipients of the supplement have transitioned into part-time or full-time work in 2010-11?

**Ms Milliken:** I do not have that information available to me, but we could take that on notice.

**Senator FIFIELD:** And for the previous two financial years.

**Ms Milliken:** Yes.

**Senator FIFIELD:** Thank you. If we can just go to the Sickness Allowance, how many people received that in 10-11?

**Ms Milliken:** As at the end of June 2010 there were 6,703 recipients. It is a point in time figure, rather than a number of people who have received it during the year.

**Senator FIFIELD:** Do you have it for the previous two financial years?

**Ms Milliken:** We would need to take that on notice, Senator.

**Senator FIFIELD:** Is the Sickness Allowance indexed?

**Ms Milliken:** Yes, it is paid at the same rate as Newstart, so it is—when Newstart is in next.

**Senator FIFIELD:** It is the same.

**Ms Parker:** March and September.

**Senator FIFIELD:** I think you had a follow-up question, Senator Cash.

**Senator CASH:** Could I just follow up, Dr Morehead. In relation to the single teen returning to school, if they choose to further their education, but they have a poor attendance record, what then happens? What is the monitoring that is going to be put in place to ensure that this person actually is attending school as they are required to?

**Dr Morehead:** If they have reached the minimum school leaving age in the country—

**Senator CASH:** Which is 15.

**Dr Morehead:** Which is actually 17.

**Ms Paul:** It varies—

**Senator CASH:** Is it year 12?

**Ms Paul:** Some states are—they are all at either 16 or 17, on the whole.

**Dr Morehead:** Yes. So we have that sort of obligation and, of course, that is what we do with SEAM. The child is legally required to be at school during the day. With these teen parents, the plan is based on making sure that the parent can continue to be educated while they have a child and, indeed, does continue their education while they have a child. As I said before, there are a number of pathways. It may not mean going to a place where they have a roll that they tick off every day to see if you are there. It is more you are on the way to being responsible for attending the course. For example, with a TAFE course, you may have a TAFE course that goes for, say, six months, and then when you next go into Centrelink, Centrelink will be asking you to show what you have done over that time, how is it going. They may make a phone call to the education institution to see what has been happening, et cetera. So Centrelink will be monitoring the participation, and will keep seeing the parent until that qualification is achieved. If the parent, as I said before, is struggling with the course or is finding that they are having problems managing, that is exactly where Centrelink steps in and provides service providers to come and fix the problems that the parent is experiencing. That is why we have that six monthly monitoring and their coming into Centrelink so that Centrelink can see what is happening. Often someone will try to participate in a course, and then there will be various reasons why they might struggle with it. These are people who have already dropped out. They have already dropped out once and so the expectation is that everything is there so that their problems are being solved with Centrelink's assistance.

**Senator CASH:** Has the monitoring for this particular program been finalised yet, or is it still a flawed process?

**Dr Morehead:** The monitoring has been finalised in terms of what the government has allocated to pay for the measure, so we have paid for Centrelink to bring the parents in and to do interviews, as required. Obviously we have an architecture of every six months—

**Senator CASH:** But in terms of actually confirming the school attendance, the TAFE attendance, et cetera, there does not quite seem to be a concrete monitoring process.

**Dr Morehead:** Yes, it is not like SEAM where there will be an exchange of education data because, as I said, it is the parents—

**Senator CASH:** It is going to be different, yes.

**Dr Morehead:** Yes. These parents, you do not have a school where you are ticked off every day necessarily. I mean, you may go back to school and some teen parents, indeed, I am sure, will actually go back to perhaps even the school that they dropped out of, but it will not be the case for everyone. So the architecture for the measure is to have these six-monthly interviews. If Centrelink feels that more monitoring is necessary or whatever, they will bring the parent in more often and will really closely follow that parent.

**Senator CASH:** Thank you very much.

**CHAIR:** Can someone tell me about the Pacific Seasonal Workers Pilot Scheme and where we are at with that?

**Ms Kidd:** We have been operating what is called the Pacific Seasonal Worker Pilot Scheme for a couple of years now. We have a range of countries that are involved in the pilot scheme. Those countries are Kiribati, Papua New Guinea, Tonga and Vanuatu, and the objective of the scheme is to bring seasonal workers from those countries in to help with seasonal work in the horticultural industry. The pilot has dual objections: it has a foreign aid assistance objective as well as a labour-market support objection.

**CHAIR:** Ms Paul, earlier today there was some discussion about tabling details of the detention centre improvement notice; that was during Comcare questions. Have we made any progress on that document?

**Ms Paul:** It was a question of Comcare, was it, yesterday?

**Senator CASH:** I think it was Eric Abetz. He has left a note saying that either the minister or the secretary would be tabling the—

**Ms Paul:** Was it the detention centre notice?

**Senator Chris Evans:** Yes.

**Ms Paul:** That was Comcare, yes.

**Senator Chris Evans:** I have just been advised my office was trying to chase them for it, but I have not got an advice. I am not saying we have not made contact, but my last advice was—because they did undertake to provide a copy. I will report back in the morning, I suspect, where we are.

**Senator CASH:** It is still a live issue.

**Senator Chris Evans:** It is not the secretary's responsibility, but my office will chase up where we are at.

**CHAIR:** Thank you. I have run out of questions, and I understand that does, in fact, conclude our questions tonight. We will adjourn until 9 am in the morning.

**Committee adjourned at 17:59**