

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2016 - 2017

Outcome 1 - Employment

Department of Employment Question No. EMSQ16-000792

Senator Cameron asked on 06 May 2016 on proof Hansard page 58

Question

Methodology used for decision to increase wage subsidy

Senator CAMERON: Minister, what led to the decision to increase them from \$6½ thousand to \$10,000?

Ms Leon: I could probably answer that for you: it was departmental research. We conduct surveys of employers on a range of matters, and the feedback that we have from research with employers was that they expressed some reluctance, as I think we have been canvassing, to hire inexperienced young people. That reluctance was more considerably alleviated at the \$10,000 mark, especially for job seekers who were relatively disadvantaged, as our Stream B and C are. It was surveys of employers, plus drawing on the international experience, about the level that subsidies had been successful in comparable countries.

Senator CAMERON: Can you provide me of details of the methodology that was used to come to this conclusion?

Ms Leon: Yes, Senator.

Answer

In 2015 the department commissioned Taylor Nelson Sofres to conduct research on a range of issues relating to recruitment and employment services, including wage subsidies.

The department also conducted an international review, gathering information about Government-funded wage subsidy schemes in other developed countries.