

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-004287

Senator Marshall provided in writing.

Question

Wage Subsidies

(Relates to SQ17-004278, SQ17-004280, SQ17-004283, SQ17-004285, SQ17-004295, SQ17-004296, SQ17-004297, SQ17-004298)

- Doesn't the fact that all four categories are under-utilised by a total of \$86.9 million (65 per cent of the total \$132 million budgeted!) show that the jobactive program hasn't delivered better engagement with businesses and that fewer people than forecast are finding jobs through the government's employment services network?
- Doesn't this huge shortfall show the government's wage subsidy program – designed to entice businesses to hire jobseekers – is woefully underperforming?

Answer

It is inappropriate to use wage subsidy expenditure to assess business engagement in jobactive. The Department's 2015-16 survey of employers' recruitment experiences with jobactive organisations showed that 84 per cent of employers were satisfied with the assistance provided by jobactive.

This engagement and satisfaction of employers is reflected in the strong employment outcomes experienced by jobactive participants. In the first year of jobactive (between 1 July 2015 and 30 June 2016), 48.1 per cent of participants were in employment three months later. This is stronger than under the previous employment services model. In the last twelve months of Job Services Australia (between 1 July 2014 and 30 June 2015), 42.8 per cent of participants were in employment three months later.

Further to this, it is more appropriate to look at the take up of wage subsidies, rather than expenditure, as expenditure rates can be affected by timing issues.