

## Senate Standing Committee on Education and Employment

### QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

#### Outcome 1 - Employment

Department of Employment Question No. EMSQ17-004336

Senator Kakoschke-Moore provided in writing.

#### Question

##### New Mutual Obligation Rules

- What evidence was used to support the decision to change the activity requirements for all people aged between 30 and retirement age?
- Specifically, is there any evidence that shows that these changes to activity requirements will improve employment outcomes?

#### Answer

The decision to change the activity requirements for job seekers aged between 30 years and the Age Pension age was based on international evidence that shows that the best way to reduce welfare dependency is to engage welfare recipients to search for work and undertake activities that increase their chances of finding work. Increasing the activity requirements for this cohort will increase the amount of time they spend looking for work or undertaking activities that will increase their competitiveness in the labour market.

Most recently, the March 2017 OECD report *Connecting people with jobs: key issues for raising labour market participation in Australia*, recommended increasing participation requirements for several groups of job seekers, including older Australians. This includes the suggestion to align mutual obligations for older job seekers with those for younger job seekers as a way to boost their labour market prospects. The report built on experiences in providing effective employment assistance to job seekers in other countries. The Treasury 2015 Intergenerational Report also raised the need to encourage older workers to stay in or re-enter the workforce.