

Senate Standing Committee on Education and Employment

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2014-2015**

Outcome 1 - Employment

Department of Employment Question No. EM1612_15

Senator Lines provided in writing.

Question

Changes to employment regions

Under the new model, the employment regions will be different than the current regions used.

- Why has the Government decided to use these new regions?
- Are the new regions larger in geographical area than the areas used under current arrangements?
- Does this then mean that providers will be expected to service larger areas, and therefore customers, than they do currently?
- Given that providers are already dealing with a large number of job seekers, will services suffer as a result of providers being forced to take on more job seekers?

Answer

(1). The new Employment Regions more closely align to natural labour markets and will enable Employment Providers to better service employers and assist job seekers. Larger regions will provide greater efficiency and viability through economies of scale. The changed boundaries reflect feedback that in some areas there are currently too many providers servicing a region and the business share is too small.

(2). There are 51 Employment Regions under the new contract, compared with 110 non-Remote Employment Service Areas currently. Accordingly, the new Employment Regions are, in the main, larger than the Employment Service Areas used under the current contract.

(3). Employment Regions will generally cover a larger geographical area than in the previous contract. These larger regions will generally have larger numbers of job seekers that providers will be required to service. Organisations that do not wish to cover an entire Employment Region are able to tender for only a proportion of a new Employment Region or can partner with other providers.

(4). Providers tender for Employment Services contracts on the basis that they can accommodate the business. Prospective Employment Services organisations that tender to deliver services will be assessed against their capacity to deliver services in each region under the new contract arrangements. Funding is based on job seeker numbers, not geographical size, with the amount of funding to reflect the caseload size. More than half of the Employment Regions have been identified as being eligible for a regional loading in recognition of the additional cost of servicing job seekers across dispersed geographic areas.