

**Senate Standing Committee on Education and Employment**

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

**Outcome 1 - Employment**

**Department of Employment Question No. EM1636\_15**

**Senator Lines provided in writing.**

**Question**

**Youth Wage Subsidy**

When will this subsidy be introduced? What research/analysis/consultation was done prior to deciding on this subsidy? What does the Government expect will be number of eligible job seekers receiving the subsidy over the 5 years of the contracts? How much is the subsidy expected to cost over the five years?

**Answer**

The Stronger Participation Incentives for Job Seekers aged Under 30s measure is scheduled to be implemented on 1 January 2015, subject to the passage of legislation. The Youth Wage Subsidy forms part of this measure and is available to job seekers once they have completed their first period of Work for the Dole (approximately after 12 months of unemployment).

International and internal evaluation of wage subsidy schemes has found them to be cost effective in helping disadvantaged job seekers to move into ongoing employment. The Exposure Draft for the Employment Services 2015-2020 included information and invited feedback on the proposed wage subsidies.

Over three years from 2015–16, it is expected that employers would receive the subsidy for hiring around 34,300 young job seekers.

The Youth Wage Subsidy is an ongoing measure with funding of \$56.0 million over three years to 2017–18. 2018–19 and 2019–20 are outside the current forward estimates period and forecast costs for those years will be determined once the forward estimates includes each of those financial years.