

Senate Standing Committee on Education and Employment

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

Outcome 1 - Employment

Department of Employment Question No. EM1637_15

Senator Lines provided in writing.

Question

Long Term Unemployed 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 Long Term Unemployed Wage Subsidy will be introduced on 1 July 2015 as part of the implementation of Employment Services 2015-2020.

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 approximately 87,700 long term unemployed.

The Long Term Unemployed Wage Subsidy is an ongoing measure with funding of \$284.4 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.