

Senate Standing Committee on Education and Employment

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

Outcome 1 - Employment

Department of Employment Question No. EM1665_15

Senator Lines asked on 14 November 2014 on proof Hansard page 6

Question

Academic research regarding employment services model

Senator LINES: Was the 40 per month based on evidence from other countries or analysis or research?

Ms Leon: Australia has a fairly unique job services system which most other countries come here to learn from us about. It was more looking at the current regime and seeking to increase the activation from what was, at the time, applicable to job seekers under the old model.

Senator LINES: So no academic research?

Ms Leon: I would have to take that on notice. I am not sure that it was an academic question. It is more a practical question about what works and what had not worked in the old model.

Answer

It is broadly recognised, including by the OECD¹, that activation policies which seek to integrate unemployed people into the labour market, particularly by requiring some form of compulsory job search, training or other activity to improve their employability, can more readily support an individual's transition back into employment. Since its 1994 Jobs Strategy, the OECD has recommended strengthening the emphasis on active labour market policies.

Under the Job Services Australia model, job seekers with full-time participation requirements are required to undertake 10 job search contacts per fortnight, or six per fortnight for those with part-time requirements, with providers having the flexibility to adjust the level of fortnightly job search based on a job seeker's circumstances. The average number of job searches for those with full-time requirements who have a compulsory job search requirement in their Employment Pathway Plans is currently seven per fortnight.

The new employment services model to operate from 1 July 2015 sets clear expectations for active participation by job seekers. Its key objective is to promote stronger workforce participation by people of working age and help more job seekers to move from welfare to work.

1

OECD (2006), *Boosting Jobs and Incomes – Policy Lessons from Reassessing the OECD Jobs Strategy*
OECD (2012), *Activating Jobseekers: How Australia Does it*, OECD Publishing.

In response to the Exposure Draft for Employment Services 2015-2020 Purchasing Arrangements released on 24 July 2014, feedback was received about the proposed job search requirements for job seekers. After careful consideration of that consultation, the Government decided to keep job search requirements at the current 20 jobs per month for most job seekers while allowing flexibility for Employment Providers to adjust these requirements to individual job seeker circumstances, such as conditions in their local labour market.