

## Senate Standing Committee on Education and Employment

### QUESTIONS ON NOTICE Supplementary Budget Estimates 2016 - 2017

#### Outcome 1 - Employment

Department of Employment Question No. EMSQ16-000941

Senator Marshall asked on 19 October 2016 on proof Hansard page 47

#### Question

##### Wage subsidy program design

Senator MARSHALL: You have made a list of assumptions to get to that calculation. Are you able to provide that to us? I am trying to understand the design of the program.

Ms Leon: The estimate we have made is that it will be about 17,000 young jobseekers per year who go into a subsidised job. That is essentially based on looking at take-up of subsidies across history and across the labour market, rather than making assumptions about the number of interns who will get a subsidy, the number of non-interns who will get a subsidy and the number of interns who will not.

Senator Cash: We will go through what you have asked, and I will get the department to provide anything further to you and, ultimately, a brief.

#### Answer

The Department estimates that an average of around 17,000 young job seekers (Under 25) per year will enter into a wage subsidy agreement over the forward estimates. This estimate, which is shown below, does not differentiate between interns and other young job seekers.

	2016-17	2017-18	2018-19	2019-20	Total
Youth - Wage Subsidy Agreements	10,805	19,470	19,081	19,246	<b>68,603</b>

Note the Youth Bonus wage subsidy is demand driven and forward estimates will vary depending on broader economic factors, such as unemployment. The assumptions used to model Youth Bonus wage subsidies take up include the:

- Total number of eligible participants;
- The number of job seekers who are employed in an eligible job;
- Previous take up rates of wage subsidies;
- Increased take up by employers due to the increased wage subsidy amount for certain cohorts; and
- Streamlined wage subsidy arrangements for employers and jobactive providers.