



Australian Government
Department of Jobs and Small Business

Committee Secretary
Senate Standing Committees on Education and Employment
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

Correction of fact in Question on Notice EMSQ18-000511

The Department of Jobs and Small Business provided an incorrect figure to a question taken on notice at the October 2018 Supplementary Budget Estimates hearing by the Senate Standing Committees on Education and Employment, which I would like to correct.

In response to Question on Notice EMSQ18-000511, the department stated that jobactive providers had committed \$315,343,755 of Employment Fund credits as at 31 October 2018. I wish to make a correction to this number. The correct number is \$541,235,761 as at 31 October 2018.

I apologise for this oversight and attach a corrected copy of the Question on Notice.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Smyth', written over a horizontal line.

Nathan Smyth
Deputy Secretary, Employment
Department of Jobs and Small Business

19 February 2019

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Supplementary Budget Estimates 2018 - 2019

Outcome 1 - Employment

Department of Jobs and Small Business Question No. EMSQ18-000511

Senator Doug Cameron provided in writing.

Question

Employment Fund

1. To what extent are wage subsidies being funded from the Employment Fund? In a dollar figure?
2. How much of the Employment Fund has been spent? On what?
3. Since the significant underspend identified in 2017, how much of the Employment Fund has been re-allocated to other programs or initiatives?
4. NESAs (National Employment Services Association) reports that the employment fund is not that flexible and reimbursements are not processed in a timely manner. What is being done to speed up this reimbursement process?
5. If a jobactive participant required additional support for a program, are they entitled to more funds than someone who did not require additional support but still undertook the same program?

Answer

1. No wage subsidies have been funded from the Employment Fund, as this change comes into effect from January 2019.
2. From 1 July 2015 to 31 October 2018, \$856,579,516 was credited to the Employment Fund. jobactive providers have committed \$541,235,761, or 63.2 per cent of the credits. The Employment Fund is demand driven and is credited as new participants enter the caseload.

The Employment Fund is used to purchase a range of goods and services, including work-related items, training courses or other types of support that meet the needs of individuals and employers. The top five expenditure categories are accredited training, professional services, clothing and presentation, work-related licensing and targeted pre-employment preparation training.

3. No funds from the Employment Fund have been re-allocated to other programs or initiatives. Over time, changes have been made to the Employment Fund to give jobactive providers more choice in the way they support participants; however, funding has not moved out of the Employment Fund.
4. jobactive providers purchase goods and services to support participants and then submit a claim for reimbursement. Reimbursements are usually paid within three days.
5. The Employment Fund is designed to be a flexible pool of funds and jobactive participants do not receive specific amounts. Instead, jobactive providers use their

discretion to determine the level of Employment Fund assistance for each participant based on the skills, experience and support that the person may need.