

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Employment in achieving government outcomes.

**Outcome 1: Foster a productive and competitive labour market through employment policies and programmes that assist job seekers into work, meet employer needs and increase Australia’s workforce participation.**

#### Outcome 1 strategy

Through this outcome, the department assists the Australian Government to help more Australians to gain paid employment, delivering benefits for individuals, their families and the community. Strategies for achieving this outcome during 2015–16 include:

- implementing a new employment services system, jobactive, from 1 July 2015. The new model has a clearer focus on payment for results to ensure jobactive organisations better meet the needs of job seekers and employers
- the national roll-out of a new mutual obligation framework and new Work for the Dole arrangements to ensure that job seekers remain active and engaged while looking for work
- implementing the employment related elements of the government’s growing jobs and small business package to increase employment opportunities for job seekers, especially young job seekers
- continuing to reduce red tape for employment services, including simplifying and streamlining processes, making more efficient use of technology and increasing collaboration and use of data across government agencies
- monitoring labour market conditions in Australia and providing policy advice to the government to enable employment services to: respond to emerging labour market and economic developments; work collaboratively with other agencies and a range of external parties to bolster Australia’s

productive capacity; and ensure a consistent approach to government delivery of employment services

- maintaining collaborative relationships with relevant international organisations including the OECD, APEC and the G20 and progressing the outcomes of the 2014 G20 Leaders Summit.

## Outcome expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1 by programme.

**Table 2.1: Budgeted expenses for Outcome 1**

	2014–15 Estimated actual expenses \$'000	2015–16 Estimated expenses \$'000
<b>Outcome 1: Foster a productive and competitive labour market through employment policies and programmes that assist job seekers into work, meet employer needs and increase Australia's workforce participation.</b>		
<b>Programme 1.1: Employment Services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,435,833	1,523,012
<b>Total for programme 1.1</b>	<b>1,435,833</b>	<b>1,523,012</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,435,833	1,523,012
Departmental expenses		
Departmental appropriation <sup>1</sup>	254,739	262,768
Expenses not requiring appropriation in the Budget year <sup>2</sup>	26,638	29,760
<b>Total expenses for Outcome 1</b>	<b>1,717,210</b>	<b>1,815,540</b>
	2014-15	2015-16
<b>Average staffing level (number)</b>	1,212	1,294

<sup>1</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

<sup>2</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

## Contributions to Outcome 1

### Programme 1.1: Employment Services

#### Programme objective

The Australian Government's new employment services system, known as jobactive, commences on 1 July 2015 and replaces the Job Services Australia programme. It contributes to the government's overall commitment to build a strong and prosperous economy that promotes stronger workforce participation by working age Australians and helps more job seekers move from welfare to work.

The objectives of the jobactive programme are to help job seekers:

- find and keep a job
- move from welfare to work.

There are five services delivered as part of jobactive:

- jobactive employment services assist job seekers to find and keep a job and ensure employers are provided with job seekers who meet their business needs
- Work for the Dole Coordinators, which started on 1 May 2015, are responsible for sourcing suitable Work for the Dole activities in not-for-profit and government organisations to help prepare job seekers for the work environment
- New Enterprise Incentive Scheme assists eligible job seekers to start and run their own small business
- Harvest Labour Services and the National Harvest Labour Information Service support the requirements of growers in the horticulture industry for harvest workers.

Features which will contribute to the jobactive programme achieving its objectives include:

- new payment and performance frameworks to ensure jobactive organisations are focused on better meeting the needs of job seekers and employers
- new outcome payments at 4, 12 and 26 weeks to ensure jobactive organisations help job seekers to take up all available work opportunities including short term and seasonal work. Higher outcome payments will be made for longer term job opportunities
- wage subsidies to encourage employers to hire young job seekers under 30 years of age, job seekers over 50 years of age, indigenous job seekers, parents and the long term unemployed

- a streamlined Employment Fund for work-related items, professional services, support and targeted training that will help job seekers obtain and stay in work
- modern online and self-help facilities for job seekers and employers
- a stronger mutual obligation framework to ensure job seekers remain active and engaged while looking for work, including the national roll-out of Work for the Dole for most job seekers under 50 years of age
- the establishment of new Work for the Dole Coordinators to work with not for profit organisations and government agencies to identify suitable Work for the Dole activities
- new indigenous outcome targets to ensure jobactive organisations are helping indigenous job seekers into work at the same rate as other job seekers in their region
- the establishment of 51 new Employment Regions to promote economies of scale
- reduced service prescription and red tape in the administration and delivery of employment services
- the new employment services contract is for five years instead of three years, as was offered in the past
- a mid-contract price adjustment paid to ensure employment providers can deliver the service for the life of the contract
- a new regional loading for providers in selected regions in recognition that labour market conditions vary across Australia
- greater emphasis on service quality including compulsory certification under the Quality Assurance Framework for jobactive organisations.

Other key features of jobactive are:

- the Relocation Assistance to Take up a Job Programme began on 1 July 2014. The programme encourages labour mobility by assisting long-term unemployed people to relocate to take up ongoing work. The government provides job seekers who have been unemployed for 12 months, and meet other eligibility requirements, up to \$6000 if they move to a regional area or up to \$3000 if they relocate to a metropolitan area from a regional area to take up a job (or from a capital city with high unemployment to a capital city with lower unemployment). An additional \$3000 may also be made available for families with dependent children.
- the Job Commitment Bonus encourages long-term unemployed young Australians to find and keep a job by offering a payment for remaining in work and off income support. From 1 July 2014, job seekers aged 18 to 30 who have been receiving Newstart Allowance or Youth Allowance (other) for 12 months or more will be eligible for a \$2500 payment if they get a job and remain completely off welfare for a continuous period of 12 months. A further \$4000 will be available if they remain in a job and completely off

welfare for a continuous period of 24 months. First payments are expected from July 2015.

- the Tasmanian Jobs Programme is a two year trial programme which provides a one-off payment of \$3250, increasing to \$6500 from 13 May 2015, to any Tasmanian business that employs eligible job seekers for a period of at least six months. The programme began on 1 January 2014. To be eligible, job seekers must have been a resident in Tasmania for the preceding six months, receiving an eligible income support payment for the same period and have participation requirements.
- New Enterprise Incentive Scheme (NEIS) provides job seekers with accredited small business training (Certificate IV in Small Business Management or Certificate III in Micro-business Operations), which includes the development of business plans. Once their business plan is approved and their business is up and running, participants receive business mentoring and other support for up to 52 weeks, as well as ongoing income support via NEIS Allowance, for up to 39 weeks. NEIS supports up to 6300 NEIS business start-ups per financial year.
- Harvest Labour Services (HLS) helps growers to supplement local labour with out-of-area workers. Services delivered by HLS providers include:
  - mobilising job seekers from locations outside harvest areas and placing them into harvest jobs
  - liaising with growers and supporting their harvest labour needs
  - marketing harvest work opportunities.
- the National Harvest Labour Information Service (NHLIS) provides national coordination and dissemination of information regarding harvest-related work opportunities across Australia, including those areas not serviced by the HLS. NHLIS services include:
  - producing and distributing an electronic National Harvest Guide – a comprehensive Harvest Trail information booklet maintaining information on harvest job opportunities around the country on the [harvesttrail.gov.au](http://harvesttrail.gov.au) website
  - providing a national free-call telephone information service.
- Structural adjustment programmes – support workers who are retrenched from eligible companies in particular industries. Eligible workers receive a higher level of support through jobactive.

**Table 2.1.1 Budgeted expenses for Programme 1.1**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Annual administered expenses:					
jobactive	6,756	1,459,566	1,778,210	1,772,123	1,793,512
Job Services Australia	1,423,988	-	-	-	-
Job Commitment Bonus	10	32,885	62,483	64,718	64,379
Intensive Support for Vulnerable Job Seekers	-	12,466	27,309	31,553	17,602
Transition to Work	-	13,545	59,290	62,006	60,000
Seasonal Worker Programme	1,259	1,277	1,705	1,732	1,759
Mature Age Employment	3,820	3,273	3,335	3,388	3,442
<b>Total programme expenses</b>	<b>1,435,833</b>	<b>1,523,012</b>	<b>1,932,332</b>	<b>1,935,520</b>	<b>1,940,694</b>

Linked to: Department of Human Services, Programme 1.1 Services to the Community – Social Security and Welfare and the Department of Prime Minister and Cabinet, Programme 2.1 Jobs, Land and Economy.

## Programme 1.1 Performance measures

The new jobactive programme is designed to help more job seekers to find and keep a job and move from welfare to work.

Performance against the objective of helping people to find and keep a job will be measured in terms of the proportion of job placements that last 4, 12 and 26 weeks, in keeping with the new outcome payment structure.

Performance against the objective of helping people move from welfare to work will be measured in terms of the proportion of job seekers who move off income support or reduce their reliance on income support, six months following participation in jobactive.

The programme's cost efficiency will be measured by the total programme cost per employed job seeker.

Targets have been set for each performance measure based on 2014–15 labour market conditions and caseload composition. Many performance measures are affected by external factors, particularly labour market conditions and the level of disadvantage of the job seekers taking part in the programme. These factors will be considered in conjunction with reporting on the programme's performance in the Department of Employment's Annual Report 2015–16.

Many job seekers will not have participated in jobactive for a sufficient period of time for their outcomes to be measured during 2015–16. Therefore, some performance measures for 2015–16 will relate to a smaller proportion of job seekers than in future years.

Performance measures for the jobactive programme are described in tables 2.1.1A to 2.1.1C.

Job Services Australia will conclude on 30 June 2015. Performance results for Job Services Australia for 2014–15 are unavailable at the time of Budget and will be reported in the Department of Employment’s Annual Report 2014–15.

**Table 2.1.1.A Objective 1: Help job seekers find and keep a job**

<b>Performance measure</b>	<b>2014–15 Revised budget</b>	<b>2015–16 Budget</b>	<b>2016–17 Forward Estimate</b>	<b>2017–18 Forward Estimate</b>	<b>2018–19 Forward Estimate</b>
Count of job placements	- <sup>1</sup>	380,000	380,000	380,000	380,000
Proportion of job placements sustained to four weeks <sup>2</sup>	-	68%	68%	68%	68%
Proportion of job placements sustained to 12 weeks <sup>2</sup>	-	44%	44%	44%	44%
Proportion of job placements sustained to 26 weeks <sup>2</sup>	-	24%	24%	24%	24%

<sup>1</sup> Around 350,000 job placements are expected to be recorded in the final 12 months of the Job Services Australia programme in 2014–15.

<sup>2</sup> Only job placements which are eligible for a paid 4, 12 and 26 week outcomes will be included in the respective sustainability measures.

**Table 2.1.1.B Objective 2: Help job seekers move from welfare to work**

<b>Performance measure</b>	<b>2014–15 Revised budget</b>	<b>2015–16 Budget</b>	<b>2016–17 Forward Estimate</b>	<b>2017–18 Forward Estimate</b>	<b>2018–19 Forward Estimate</b>
Proportion of job seekers moving off income support, or with reduced reliance on income support, six months after participation in jobactive	-	40%	40%	40%	40%

**Table 2.1.1.C Overall programme summary**

<b>Performance measure</b>	<b>2014-15 Revised budget</b>	<b>2015-16 Budget</b>	<b>2016-17 Forward Estimate</b>	<b>2017-18 Forward Estimate</b>	<b>2018-19 Forward Estimate</b>
Cost per employment outcome <sup>1</sup>	-	\$2500	\$2500	\$2500	\$2500

<sup>1</sup> Programme costs take into account expenditure such as Employment Fund expenditure, service fees and paid outcomes. The number of employment outcomes is taken from the estimated number of job seekers who are employed three months following participation in the programme.

### **Outcome 1 Departmental outputs**

The department supports the objectives of this outcome through policy development, programme design and management. The department provides an administrative framework that includes quality and programme assurance, purchasing and contract management, information technology and evaluation.

The department undertakes a range of reporting to evaluate the performance of programmes administered under Outcome 1.

### **Performance information for Outcome 1 departmental outputs**

**Table 2.1.1.D Client satisfaction**

<b>Performance measure</b>	<b>2015-16 estimate</b>
Level of satisfaction of service providers with contracted information and support	80%