



Request for budget analysis

Expenditure on employment services	
Person/party requesting the analysis:	Select Committee on Workforce Australia Employment Services
Date analysis completed:	2 November 2022
Expiry date of the analysis:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period
	<input type="checkbox"/> Confidential <input checked="" type="checkbox"/> Not confidential
<p>Summary of request:</p> <p>The request sought information on:</p> <ul style="list-style-type: none"> the Australian Government's expenditure on employment services for the below programs between 2017-18 and 2022-23, both at the aggregate in dollar terms and as a share of gross domestic product (GDP) and in dollar terms at the program level: <ul style="list-style-type: none"> <i>jobactive, Workforce Australia (which replaced jobactive in 2022), Transition to Work, Time to Work, ParentsNext, Skills and Training Incentive, Entrepreneurship Facilitators Program, Career Revive Initiative, Reboot, Community Development Program and Disability Employment Services.</i> the comparison of this expenditure, both in dollar terms and as a share of GDP over the period from 2017 to 2020, with the Organisation for Economic Co-operation and Development (OECD) average and selected OECD countries, including the United Kingdom, the United States, Canada, the Netherlands, Germany, Korea and Japan funding implications from ceasing <i>jobactive</i> at the end of 2021-22 and commencing <i>Workforce Australia</i> from 4 July 2022, including: <ul style="list-style-type: none"> how the savings from expanding the Online Employment Services (OES) that operated under <i>jobactive</i> were reallocated in the 2020-21 Budget to support jobseekers with higher needs what efficiencies have been achieved? <p>The request also sought the following information, if available:</p> <ul style="list-style-type: none"> identification of programs which are intended to support people who are, or who are at risk of becoming, long-term unemployed any relevant documents underpinning the analyses outlined above. <p>Note: Expenditure on income support programs (e.g. Newstart allowance/ <i>Jobseeker Payment</i>) is not requested and should not be included in any of the aggregate measures of employment assistance.</p>	

Overview

The requested information, as well as the additional analysis by the Parliamentary Budget Office (PBO) to assist better understanding of Australia's expenditure on employment services, is set out at:

- Attachment A, which details the Australian Government's expenditure on employment services programs as specified and outlines if programs are intended to support long-term unemployed
- Attachment B, which compares Australia's expenditure on employment services with specified OECD countries and the OECD average
- Attachment C, which outlines funding implications from ceasing *jobactive* and commencing *Workforce Australia*
- Data sources, which set out documents underpinning the analyses outlined above.

Australian Government expenditure on employment services programs

Over the period 2017-18 to 2022-23, aggregate expenditure by the Australian Government on employment services as a share of GDP has been and is projected to be in the range of 0.16% to 0.19% of GDP (Table A1). The services were delivered by 3 agencies: the Department of Employment and Workplace Relations (DEWR), the Department of Social Services (DSS) and the National Indigenous Australians Agency (NIAA) (Table A2). Most employment services programs, with 99.5% of the expenses estimated for 2022-23, are designed to support the long-term unemployed (Table A3).

OECD comparison

The OECD metrics take a broader view of employment services programs, and include a portion of employment support payments, such as Newstart allowance (now *JobSeeker Payment*), as well as service payments. Accordingly, the OECD reports show Australia's expenditure on employment services as a share of GDP averaged 0.29% over the period from 2004 to 2020 (Table B5). This compares with an OECD average of 0.50% of GDP over the same period.

Comparison of *jobactive* and *Workforce Australia*

Excluding the transitional periods for *jobactive* in 2015-16 and *Workforce Australia* in 2022-23, where rollover of significant caseloads from previous programs occurred, Australia's total expenditure on employment services has been and is expected to remain relatively stable at around \$1.2 billion – \$1.3 billion in most years. The average cost per new job seeker outside the transitional periods increased from \$3,000 pre-Covid-19 to around \$5,000 during the Covid-19 period under *jobactive*; and is expected to fall back to around \$3,500 under *Workforce Australia*.

- The average cost per new job seeker is expected to be very different for *Workforce Australia Online* at less than \$500 and for *Workforce Australia Employment Services Provider* at around \$14,000. The difference in average costs reflects the cost structure of respective services. It is also consistent with the key principle of *Workforce Australia*, to let the most job ready self-manage their job search online, while allowing resourcing to be concentrated on the more disadvantaged job seekers through provider services.
- The increases in average cost per new job seeker during the Covid-19 period reflect policy changes announced in the *2020-21 Budget* involving the expansion of OES.

Sensitivities regarding data and policy implication interpretation

The OECD statistics underpinning this analysis may not be directly comparable to the employment services expenditure reported in Australia's budget papers. This is mainly due to scope differences. For example, the OECD employment services expenditure for Australia includes some Newstart allowance (now *JobSeeker Payment*) spending.

It is also important to note that the financial implications of the policy change from *jobactive* to *Workforce Australia* may not be straight forward given how the policy reforms evolved and funding re-allocations occurred in this process.

These sensitivities are explained in more detail below.

OECD statistics

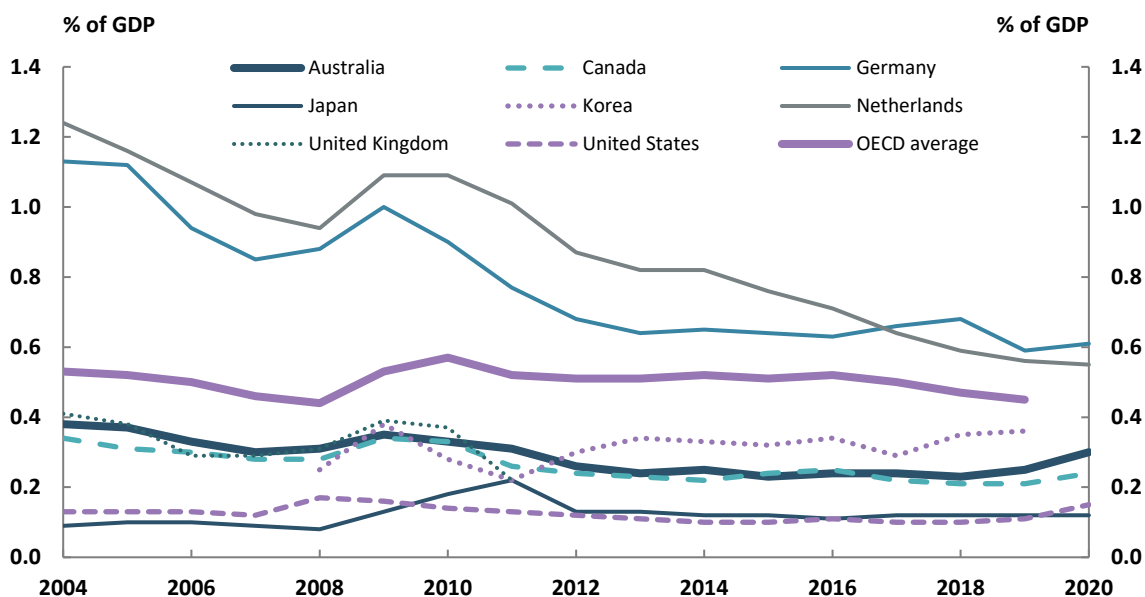
Attachment B contains financial tables based on data we sourced from *OECD. Stat* to compare Australia's expenditure on employment services against OECD countries from multiple perspectives.

- Table B1 shows spending without the Covid-19 short-term policy responses to highlight the longer-term trends across the selected countries and the OECD average.
 - To provide a fuller comparison through history, we extended our analysis for the share of GDP to cover the period from 2004 to 2020 in Table B5 and Figure 1.
- In response to the Covid-19 pandemic, several countries supported their people with employment maintenance incentives. In Australia, we put in place *JobKeeper* which ran between April 2020 and March 2021.
 - Table B2 reports spending on programs of this nature for all requested countries, whilst Table B3 provides total spending on all active programs.
- Table B4 provides an in-depth comparison between Australia and the OECD average on a share of GDP basis at the active program level. It also reconciles Australia's numbers shown in the OECD statistics with those shown in Attachment A by aligning data scopes.

It is important to note that these financial figures are not directly comparable to figures contained in Attachment A which were sourced from Australia's budget papers or the relevant administering agencies, primarily due to scope differences.

- The OECD statistics on employment services capture active programs, which include public employment services, training, employment incentives, integration of the disabled, direct job creation and start-up incentives.
 - In particular, the OECD figures for Australia contain a portion (1/20th) of Newstart Allowance (now *JobSeeker Payment*) spending and 1/8th of the Department of Human Services departmental expenses for social security and welfare, which is not in scope for the analysis contained in Attachment A. If this component is excluded, the figures for Australia broadly align with those in Attachment A.
- The OECD statistics are calendar-year based. For Australia, this means that, for example, data in 2019 are for the 2019-20 financial year.

Figure 1: Comparison with OECD countries and OECD average



Source: Table B4 ; PBO analysis of data from OECD.Stat.

Funding implications from ceasing *jobactive* and commencing *Workforce Australia*

Attachment C provides financial information to inform understanding of the financial implications from ceasing *jobactive* at the end of 2021-22 and commencing *Workforce Australia* from 4 July 2022. *Workforce Australia* has 2 components: online tools (OES) and face-to-face services.

The Department of Employment and Workplace Relations (DEWR) advised that obtaining a clear measure of the savings from introducing OES is difficult because:

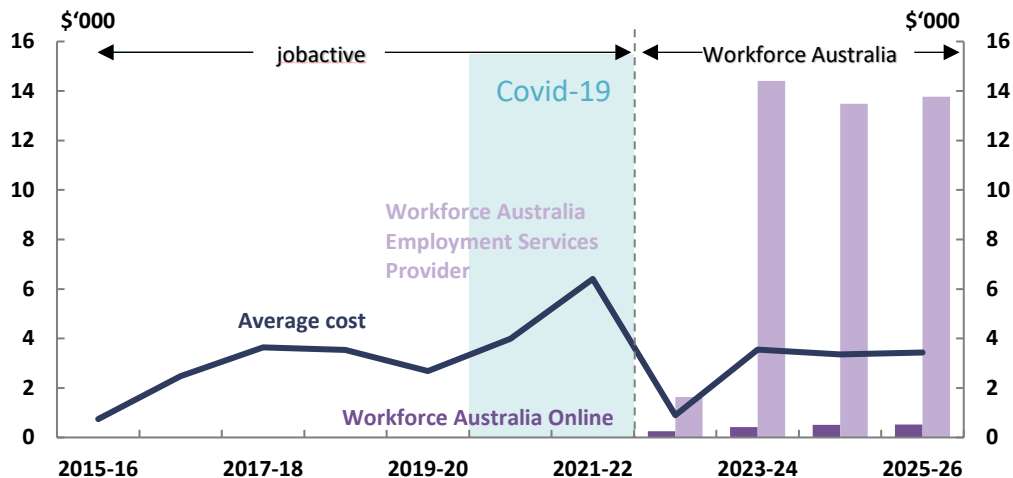
- there were different iterations and trials before the OES was expanded and enhanced in the 2020-21 Budget
- any 'savings' taken from the budget baseline for *jobactive* at the 2020-21 Budget were reallocated to other programs.

An informative measure is the average cost per job seeker commencement over time under *jobactive*, *Workforce Australia Online* and *Workforce Australia Employment Services Provider*.

- This is set out in Table C1 and depicted in Figure 2, which shows that the average cost increased significantly during the Covid-19 period. This reflects the implementation of policy changes announced in the 2020-21 Budget involving the expansion of OES.
 - DEWR have advised that the commencement data only includes those people being managed by a service provider and excludes those using OES.
- As shown in Table C2 and Figure 3, the overall funding allocated to *Workforce Australia* is similar to the funding allocated to *jobactive*, despite significant changes in economic parameters.
- However, the number of new job seekers receiving provider services is much lower due to digital servicing. This results in much higher funding per new job seeker receiving face-to-face services through provider services under *Workforce Australia* than under *jobactive*. This would allow more intensive support to job seekers who are in greater need (Table C3).
 - This is consistent with the key principle of *Workforce Australia*. That is, for the most job ready to self-manage their job search through *Workforce Australia Online*, allowing resourcing to be

concentrated on the more disadvantaged job seekers through *Workforce Australia Provider Services*.

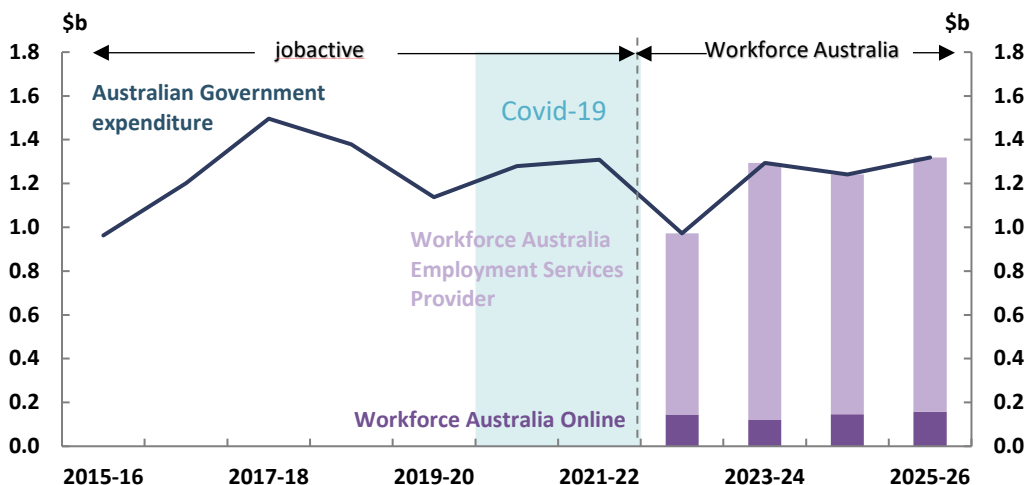
Figure 2: Average cost per job seeker commencement on selected employment programs



Source: Table C1 ; data from the Department of Employment and Workplace Relations.

Note: The average costs per commencement in 2015-16 and 2022-23 are particularly low as commencements for those 2 financial years include significant caseloads transferred from previous programs.

Figure 3: Total expenditure on selected employment programs



Source: Table C2 ; data from the Department of Employment and Workplace Relations.

Sequencing of policy reforms and funding re-allocation

Under *jobactive*, the OES was started as a trial in July 2018 with 10,000 participants. The trial was expanded in July 2019 to 95,000 job seekers. The COVID-19 lockdowns started in March 2020 and caused an unprecedented influx of out of work Australians. The trial’s remit was amended and expanded to manage this change in the employment services landscape.

The *2020-21 Budget* expanded the delivery of online services to all job-ready job seekers. DEWR advised that this resulted in a saving of around \$1.1 billion. Table C4 shows how these funds have been re-directed.

- \$810.2 million (74%) of the savings were redirected to employment-related measures.

The 2021-22 Budget officially announced the start of the 2 streams – online and provider services – under *Workforce Australia*, replacing *jobactive*. According to the budget papers, implementing the *New Employment Services Model*¹ delivered efficiencies of \$658.2 million over 4 years from 2021-22.

- \$699.4 million were reinvested to expand and strengthen a range of specialist employment services (see Table C5), exceeding the efficiencies achieved by the transition to introducing digital servicing for the most job ready.
- The 2021-22 Budget also included 2 additional measures that were not related to the *New Employment Services Model*:
 - \$191.6 million in income support savings from aligning rules regarding payment commencement arrangements
 - \$202.2 million in savings from allowing job seekers in Disability Employment Services to opt into digital servicing.

Other relevant programs

In Australia, the *JobSeeker Payment* is also an important source of Australian Government assistance for the unemployed, including the long-term unemployed. The *JobSeeker Payment* is Australia's main income support payment for people aged 22 years through to age-pension age who are looking for and have the capacity to work. With a typical total rate currently ranging between \$651.50 and \$898.40 per fortnight (depending on the claimant's status), the Australian Government's expenditure on *Jobseeker Payment* was around \$14.8 billion (0.7% of GDP) in 2021-22.

Almost a quarter of all JobSeeker recipients were on the payment for 5 or more years as of June 2022 (Figure 6). More information about the *Jobseeker Payment* can be found on the website of Services Australia² and PBO publication no 03/2020 [JobSeeker Payment: Understanding economic and policy trends affecting Commonwealth expenditure](#).

Jobseeker Payment expenditure during Covid-19

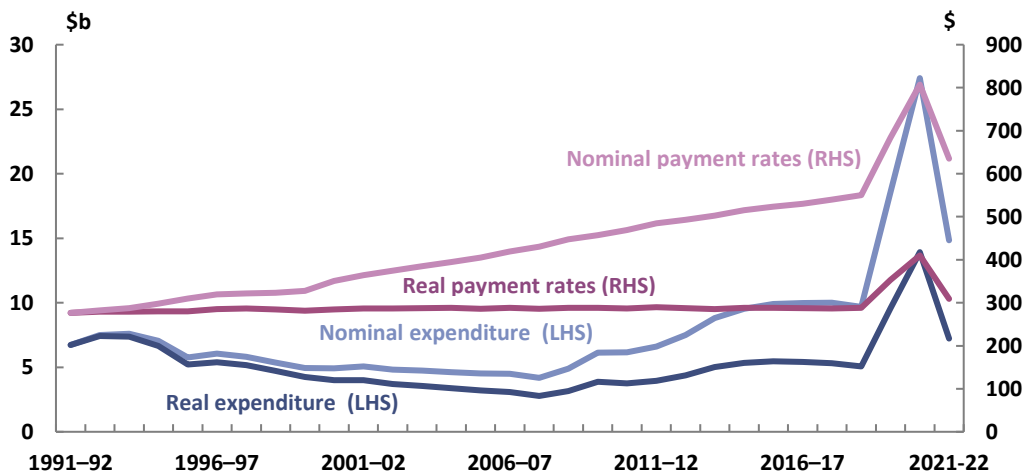
The expenditure on the *JobSeeker Payment* almost tripled from \$9.7 billion in 2018-19 to \$27.4 billion in 2020-21 before falling to \$14.8 billion in 2021-22. The significant increase in 2020-21 was driven by:

- temporary increases in average single payment rates from \$550 in 2018-19 to \$810 in 2020-21, reflecting additional supports for recipients under the coronavirus supplements between March 2020 and March 2021 (Figure 4).
 - While these impacts have subsided with the expiry of the temporary measures, payment rates have stayed higher than the pre-Covid level as a result of a 2021-22 Budget measure to raise base rates by \$50 per fortnight permanently and indexation.
- significant increases in the number of recipients from 674,031 in August 2019 to 1,463,900 in May 2020 before falling to 772,674 in September 2022 (Figure 5).
 - It is worth noting that 57% of the JobSeeker recipients in 2020 were from outside the social welfare system, as compared to 25% in 2019, indicating a sharp impact from Covid-19 and the associated policy responses.

¹ 2021-22 Budget, [Budget Paper No. 2](#), p 92 -93

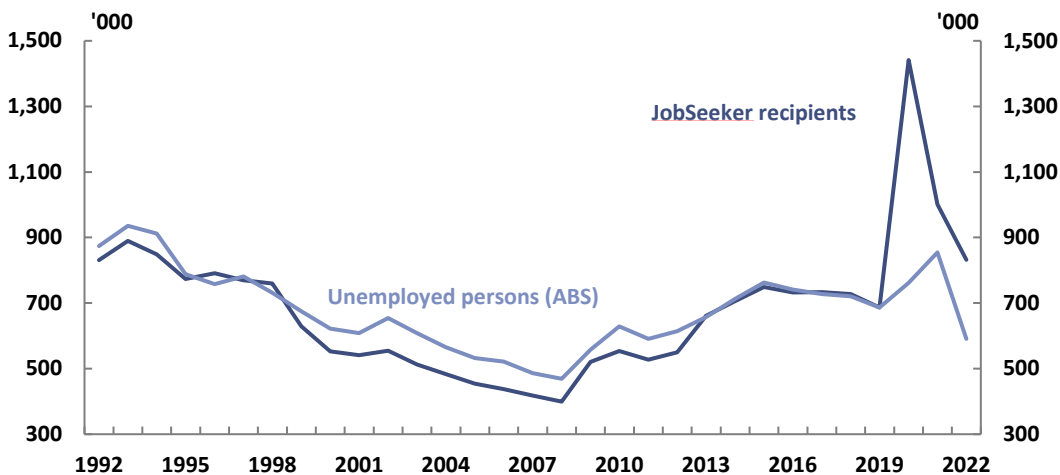
² [JobSeeker Payment - Services Australia](#)

Figure 4: Expenditure on JobSeeker Payment payments



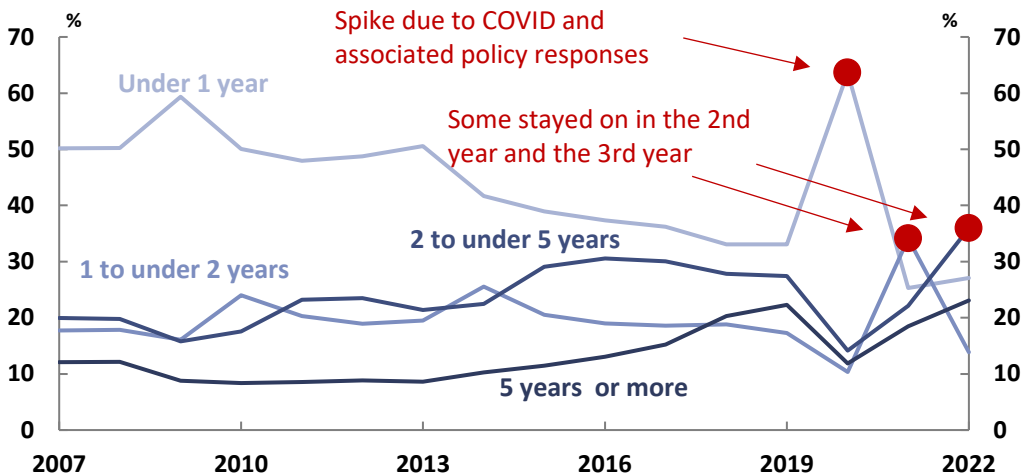
Source : The Department of Social Services Annual Report 2021-22, DSS’s historical publications of a guide to Australian Government payments

Figure 5: JobSeeker recipients and unemployed persons



Source : The Department of Social Services Annual Report 2021-22 and Australian Bureau of Statistics employment figures

Figure 6: Distribution of recipients by duration on JobSeeker Payment



Source : The Department of Social Services’ blue book

Methodology

The financial information shown in the attachment tables is calculated based on data provided by DEWR, DSS and the NIAA or sourced from the OECD data portal.

Data sources

The DEWR provided information on their employment services programs as at the March *Budget 2022-23* and provided insight into the history of and current state of the OES model and Workforce Australia.

The DSS provided information on Disability Employment Services as at the March *Budget 2022-23*.

The NIAA provided information on the Community Development Program as at the March *Budget 2022-23*.

Australian Bureau of Statistics, [Labour Force, Australia](#), Australian Government.

Australian Government, [Find and use public data | data.gov.au](#), Australian Government.

Australian Government, various [Portfolio Budget Statements](#), Australian Government.

Australian Government, [2021-22 Budget – Budget Paper No. 2](#), Australian Government.

Department of Education Skills and Employment (2019), [New Employment Services Model - Regulation Impact Statement](#), Australian Government.

DSS, various annual reports including [Annual Report 2021-22](#), Australian Government.

OECD (2022), [Public expenditure and participant stocks on LMP](#), OECD.

Services Australia (2022), [JobSeeker Payment](#), Australian Government.

Attachment A – Expenditure on employment services – financial impacts

Table A1: Expenditure on employment services – aggregate expenditure (level and as a share of GDP)^(a)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total expenses (\$m)	3,157.1	3,197.4	3,491.6	3,812.6	4,197.1	4,287.8
Total expenses (share of GDP)	0.17%	0.16%	0.18%	0.18%	0.18%	0.19%

(a) Figures were provided by the DEWR, the DSS and the NIAA. Figures for the 2022-23 financial year are as at the March *Budget 2022-23*.

Table A2: Expenditure on employment services – expenditure for selected programs (\$m)^(a)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Administered expenses						
Employment services administered by DEWR						
<i>jobactive</i>	1,593.140	1,480.145	1,257.435	1,425.327	1,508.306	124.632
<i>Workforce Australia</i>	-	-	-	-	3.249	1,310.350
<i>Career Revive Initiative</i>	-	-	0.500	0.498	0.937	1.073
<i>Empowering YOUTH Initiatives</i>	17.430	4.175	-0.660	-0.086	0.003	-
<i>Entrepreneurship Facilitators</i>	-	2.710	4.915	5.002	4.831	-
<i>Job Commitment Bonus</i>	0.004	0.003	-	-	-	-
<i>Jobs Communication Campaign</i>	5.454	14.709	0.323	-	-	-
<i>ParentsNext</i>	20.880	79.427	86.679	93.750	111.089	110.998
<i>Regional Employment Trials</i>	-	3.267	7.795	2.264	-0.033	-
<i>Seasonal Worker Programme</i>	0.419	-	-	0.250	0.500	-
<i>Skills and Training Incentive</i>	-	0.178	3.103	5.221	5.646	17.424
<i>Time to Work</i>	0.375	1.165	2.461	2.917	3.134	2.681
<i>Transition to Work</i>	109.321	118.042	116.996	244.798	208.945	290.148
<i>Local Jobs - COVID-19 Recovery</i>	-	-	-	4.127	23.147	49.072
<i>ReBoot</i>	-	-	-	-	-	5.260
Total - DEWR administered expenses	1,747.022	1,703.820	1,479.547	1,784.068	1,869.754	1,911.638

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Other employment services						
<i>Disability Employment Services administered by DSS</i>	765.461	862.980	1,201.118	1,229.380	1,317.640	1,375.802
<i>Other employment services administered by DSS ^(b)</i>	31.341	28.301	30.288	28.650	30.232	35.801
<i>Community Development Program administered by NIAA</i>	305.325	269.486	296.510	357.815	388.805	408.329
Total - other administered expenses	1,102.127	1,160.767	1,527.916	1,615.845	1,736.677	1,819.932
Total - administered expenses	2,849.149	2,864.587	3,007.463	3,399.913	3,606.431	3,731.570
Departmental expenses						
<i>Departmental expenses for DEWR ^(c)</i>	307.902	332.769	369.229	408.942	486.296	459.228
<i>Departmental expenses for DSS ^(d)</i>	93.426	108.103	111.474	72.621	100.527	93.033
<i>Departmental expenses for NIAA</i>	n/a	n/a	3.425	3.755	3.830	3.965
Total - departmental expenses	307.902	332.769	484.128	412.697	590.653	556.226
Total expenses	3,157.051	3,197.356	3,491.591	3,812.610	4,197.084	4,287.796

(a) Figures for 2017-18 to 2021-22 were provided by the DEWR, the DSS and the NIAA and based on portfolio budget statements. Figures for the 2022-23 financial year are as at the March *Budget 2022-23*.

(b) Figures comprise the *Employer Assistance and Other Services* component under employment services within Program 3.1.1.

(c) The departmental total is for the equivalent employment services outcome for each financial year, noting the scope of the outcome differs across each financial year. Further information can be found in the relevant financial year's Annual Report for Program 4.1. For the 2022-23 financial year, departmental appropriation splits and totals for are indicative estimates by the Department of Employment and Workplace Relations and may change in the course of the budget year as government priorities change. Figures are provided at the outcome level and include corporate resourcing and corporate overheads, including depreciation, property, leasing and IT costs. In addition, these disclosures include impairments and actuarial adjustments to the department's balance sheet in accordance with applicable accounting standards.

(d) Departmental expenses for DSS are estimates by the PBO, informed by the administered to departmental expenses ratios for all Outcome 3 programs after subtracting the administered funds for the National Disability Insurance Scheme as published in the DSS 2022-23 Portfolio Budget Statements and actuals from earlier years.

- Indicates nil.

Table A3: Expenditure on employment services – Selected Australian Government employment programs and whether they are intended to support the long-term unemployed^(a)

Programs intended to support people who are, or who are at risk of becoming, long-term unemployed	Generic employment programs
<i>jobactive</i>	<i>Seasonal Worker Programme</i>
<i>Workforce Australia</i>	<i>Skills and Training Incentive</i>
<i>Career Revive Initiative</i>	
<i>Empowering YOUTH Initiatives</i>	
<i>Entrepreneurship Facilitators</i>	
<i>Job Commitment Bonus</i>	
<i>Jobs Communication Campaign</i>	
<i>ParentsNext</i>	
<i>Regional Employment Trials</i>	
<i>Time to Work</i>	
<i>Transition to Work</i>	
<i>Local Jobs - COVID-19 Recovery</i>	
<i>ReBoot</i>	
<i>Disability Employment Services</i>	
<i>Community Development Program</i>	

(a) Data was provided by the DEWR, the DSS and the NIAA.

Attachment B – Expenditure on employment services – comparison with OECD average and selected OECD countries

Table B1: Australian Government expenditure on employment services comparison with OECD average and selected OECD countries – Active programs excluding employment maintenance incentives (in local currencies and as a share of GDP)^(a)

OECD countries	Local currency	2017		2018		2019		2020	
		Millions	% of GDP	Millions	% of GDP	Millions	% of GDP	Millions	% of GDP
Australia	Australian Dollar	4,431.0	0.24	4,400.2	0.23	4,976.9	0.25	6,123.9	0.30
Canada	Canadian Dollar	4,846.8	0.22	4,737.6	0.21	4,858.6	0.21	5,343.4	0.24
Germany	Euro	21,529.8	0.66	22,933.4	0.68	20,608.9	0.59	20,503.0	0.61
Japan	Yen	650,745.5	0.12	671,071.8	0.12	640,942.9	0.12	641,440.4	0.12
Korea	Won	5,272,617.0	0.29	6,656,264.0	0.35	6,884,574.0	0.36	n/a	n/a
Netherlands	Euro	4,711.6	0.64	4,551.2	0.59	4,589.8	0.56	4,435.9	0.55
United Kingdom	Pound Sterling	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
United States	US Dollar	20,907.0	0.10	21,698.0	0.10	23,424.3	0.11	32,536.0	0.15
OECD average		n/a	0.50	n/a	0.47	n/a	0.45	n/a	n/a

(a) Employment data sourced on 25 October 2022 from the [OECD online portal](#).

n/a Not available.

Table B2: Australian Government expenditure on employment services comparison with OECD average and selected OECD countries – Employment maintenance incentives only (in local currencies and as a share of GDP)^(a)

OECD countries	Local currency	2017		2018		2019		2020	
		Millions	% of GDP	Millions	% of GDP	Millions	% of GDP	Millions	% of GDP
Australia	Australian Dollar	-	-	-	-	31,764.0	1.60	57,053.0	2.76
Canada	Canadian Dollar	-	-	-	-	4,556.0	0.20	78,249.0	3.49
Germany	Euro	-	-	-	-	-	-	-	-
Japan	Yen	182,344.4	0.03	184,492.6	0.03	188,440.5	0.03	3,378,745.3	0.63
Korea	Won	182,122.0	0.01	199,831.0	0.01	202,178.0	0.01	n/a	n/a
Netherlands	Euro	-	-	-	-	-	-	13,184.0	1.65
United Kingdom	Pound Sterling	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
United States	US Dollar	-	-	-	-	523,324.0	2.50	278,259.0	1.24
OECD average		n/a	0.01	n/a	0.01	n/a	0.26	n/a	n/a

(a) Employment data sourced on 25 October 2022 from the [OECD online portal](#).

n/a Not available.

Table B3: Australian Government expenditure on employment services comparison with OECD average and selected OECD countries – Active programs including employment maintenance incentives (in local currencies and as a share of GDP)^(a)

OECD countries	Local currency	2017		2018		2019		2020	
		Millions	% of GDP	Millions	% of GDP	Millions	% of GDP	Millions	% of GDP
Australia	Australian Dollar	4,431.0	0.24	4,400.2	0.23	36,740.9	1.85	63,176.9	3.06
Canada	Canadian Dollar	4,846.8	0.22	4,737.6	0.21	9,414.6	0.41	83,592.4	3.73
Germany	Euro	21,529.8	0.66	22,933.4	0.68	20,608.9	0.59	20,503.0	0.61
Japan	Yen	833,089.9	0.15	855,564.4	0.15	829,383.4	0.15	4,020,185.8	0.75
Korea	Won	5,454,739.0	0.30	6,856,095.0	0.36	7,086,752.0	0.37	n/a	n/a
Netherlands	Euro	4,711.6	0.64	4,551.2	0.59	4,589.8	0.56	17,619.9	2.20
United Kingdom	Pound Sterling	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
United States	US Dollar	20,907.0	0.10	21,698.0	0.10	546,748.3	2.61	546,748.3	1.39
OECD average		n/a	0.51	n/a	0.48	n/a	0.72	n/a	n/a

(a) Employment data sourced on 25 October 2022 from the [OECD online portal](#).

n/a Not available.

Table B4: Australian Government expenditure on employment services comparison with OECD average – at the active programs level (as a share of GDP)^(a)

	2017		2018		2019		2020	
	Australia	OECD average	Australia	OECD average	Australia	OECD average	Australia	OECD average
Active programs								
Public employment services - placement and related services	0.08	0.06	0.08	0.06	0.07	0.05	0.09	n/a
Public employment services - other	0.03	0.04	0.02	0.04	0.03	0.04	..	n/a
Training	0.01	0.12	0.01	0.11	0.01	0.10	0.03	n/a
Employment incentives - recruitment incentives	..	0.08	..	0.08	..	0.07	..	n/a
Employment incentives - job rotation and job sharing	n/a
Integration of the disabled ^(b)	0.05	0.09	0.05	0.09	0.06	0.10	0.07	n/a
Direct job creation	..	0.07	..	0.05	..	0.05	..	n/a
Start-up incentives	..	0.01	0.01	0.01	..	0.01	..	n/a
Total - active programs that compare roughly with the services captured in Tables A1 and A2	0.17	0.47	0.17	0.44	0.17	0.42	0.19	n/a
Public employment services - benefits administration ^(c)	0.05	0.03	0.05	0.03	0.07	0.03	0.10	n/a
Other	0.02	..	0.01	..	0.01	..	0.01	n/a
Total - active programs without employment maintenance incentives	0.24	0.50	0.23	0.47	0.25	0.45	0.30	n/a
Employment incentives - employment maintenance incentives ^(d)	..	0.01	..	0.01	1.60	0.26	2.76	n/a
Total - active programs	0.24	0.51	0.23	0.48	1.85	0.72	3.06	n/a

(a) Employment data sourced on 25 October 2022 from the [OECD online portal](#).

(b) For Australia, the data include *Disability Employment Services*.

(c) For Australia, the data are estimated as 1/20 of expenditure on Newstart Allowance (now *JobSeeker Payment*) plus 1/8 of Department of Human Services departmental expenses for social security and welfare.

(d) For Australia, the 2019 data include the first 3 months (April 2020 to June 2020) of the *JobKeeper* program and the 2020 data include the final 9 months (July 2020 to March 2021) of the *JobKeeper* program, which ran between April 2020 and March 2021.

n/a Not available.

.. Not zero but rounded to zero.

Table B5: Australian Government expenditure on employment services comparison with OECD average and selected OECD countries – Active programs excluding employment maintenance incentives – historical time series (as a share of GDP)^(a)

OECD countries	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Australia	0.38	0.37	0.33	0.30	0.31	0.35	0.33	0.31	0.26	0.24	0.25	0.23	0.24	0.24	0.23	0.25	0.30
Canada	0.34	0.31	0.30	0.28	0.28	0.34	0.33	0.26	0.24	0.23	0.22	0.24	0.25	0.22	0.21	0.21	0.24
Germany	1.13	1.12	0.94	0.85	0.88	1.00	0.90	0.77	0.68	0.64	0.65	0.64	0.63	0.66	0.68	0.59	0.61
Japan	0.09	0.10	0.10	0.09	0.08	0.13	0.18	0.22	0.13	0.13	0.12	0.12	0.11	0.12	0.12	0.12	0.12
Korea	n/a	n/a	n/a	n/a	0.25	0.38	0.28	0.22	0.30	0.34	0.33	0.32	0.34	0.29	0.35	0.36	n/a
Netherlands	1.24	1.16	1.07	0.98	0.94	1.09	1.09	1.01	0.87	0.82	0.82	0.76	0.71	0.64	0.59	0.56	0.55
United Kingdom	0.41	0.38	0.29	0.29	0.31	0.39	0.37	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
United States	0.13	0.13	0.13	0.12	0.17	0.16	0.14	0.13	0.12	0.11	0.10	0.10	0.11	0.10	0.10	0.11	0.15
OECD average	0.53	0.52	0.50	0.46	0.44	0.53	0.57	0.52	0.51	0.51	0.52	0.51	0.52	0.50	0.47	0.45	n/a

(a) Employment data sourced on 25 October 2022 from the [OECD online portal](#).

n/a Not available.

Attachment C – Expenditure on employment services – funding implications from ceasing *jobactive* and commencing *Workforce Australia*

Table C1: Expenditure on employment services – Cost per commencement – selected programs (\$)^(a)

Programs	Actuals					Covid-19 years		Estimates			
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Cost per commencement^(b)											
<i>jobactive</i>	742.1	2,479.9	3,643.5	3,535.4	2,679.4	3,995.9	6,405.9	-	-	-	-
<i>Workforce Australia Online</i>								252.0	423.3	505.3	524.7
<i>Workforce Australia Employment Services Provider</i>								1,636.0	14,642.9	13,481.7	13,767.3
Average cost	742.1	2,479.9	3,643.5	3,535.4	2,679.4	3,995.9	6,405.9	899.5	3,543.6	3,352.8	3,430.6

(a) Data for 2015-16 to 2021-22 are actual, data for 2022-23 to 2025-26 are estimates. Data was provided by the DEWR.

(b) The costs per commencement are particularly low for 2015-16 and 2022-23 as commencements for those 2 financial years include caseloads rolled over from previous programs.

- Indicates nil.

Table C2: Expenditure on employment services – Australian Government expenditure – selected programs (\$m)^{(a)(b)}

Programs	Actuals					Covid-19 years		Estimates			
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<i>jobactive</i>	962.9	1,201.2	1,496.0	1,378.4	1,136.8	1,278.9	1,308.5	-	-	-	-
<i>Workforce Australia Online</i>	-	-	-	-	-	-	-	144.9	120.6	146.1	157.3
<i>Workforce Australia Employment Services Provider</i>	-	-	-	-	-	-	-	826.9	1,173.3	1,095.9	1,160.8
Total expenses	962.9	1,201.2	1,496.0	1,378.4	1,136.8	1,278.9	1,308.5	971.8	1,294.0	1,242.0	1,318.1

(a) Data for 2015-16 to 2021-22 are actual, data for 2022-23 to 2025-26 are estimates. Data was provided by the DEWR.

(b) Data only includes expenditure and forecasts related to participation in *jobactive* and *Workforce Australia*. Expenditure and forecasts exclude New Business Assistance with New Enterprise Incentive Scheme (NEIS), Harvest Trial Services, Self-Employment Assistance and other small non-demand driven programs. Forecasts for *Workforce Australia* will not align to the most recent DEWR Portfolio Budget Statements.

- Indicates nil.

Table C3: Expenditure on employment services – Caseload transfers and new job seeker entrants – selected programs (number)^(a)

Programs	Actuals					Covid-19 years ^(b)		Estimates			
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Caseload transfers into the programs^(c)											
<i>jobactive</i> - as at 30 June 2015	772,508										
<i>Workforce Australia Online</i> - as at 30 June 2022/PEFO 2021-22								277,796			
<i>Workforce Australia Employment Services Provider</i> - as at 30 June 2022/PEFO 2021-22								421,924			
New job seeker entrants											
<i>jobactive</i>	525,022	484,375	410,609	389,893	424,281	320,057	204,259	-	-	-	-
<i>Workforce Australia Online</i>	-	-	-	-	-	-	-	297,157	285,031	289,137	299,907
<i>Workforce Australia Employment Services Provider</i>	-	-	-	-	-	-	-	83,540	80,131	81,285	84,313
Total commencements	1,297,530	484,375	410,609	389,893	424,281	320,057	204,259	1,080,417	365,161	370,422	384,220

(a) Data for 2015-16 to 2021-22 are actual, data for 2022-23 to 2025-26 are estimates as at 30 June 2022. Data was provided by the DEWR.

(b) New entrants under *jobactive* include those job seekers who commenced with a *jobactive* provider and do not include job seekers who used OES in 2020-21 and 2021-22.

(c) DEWR advised that the transition caseload at the start of *jobactive* in 2015-16 and *Workforce Australia* in 2022-23 should be included into commencements.

- Indicates nil.

Table C4: Expenditure on employment services –Reallocation of savings from the *Budget 2020-21* from expanding OES services to all job-ready job seekers^(a)

Description	Total over 4 years
Savings	
Total - savings	\$1.1 billion
Funds redirected to employment-related measures	
New Employment Services Digital Platform	\$295.9 million
Support Job Seekers Accessing Online Employment Services	\$183.1 million
Apprenticeships Data Management System	\$91.6 million
Local Jobs - COVID 19 Recovery Program	\$62.8 million
Extending Access to Language Literacy and Numeracy Training	\$49.5 million
Faster Connections and Greater Support for Young People	\$21.9 million
Digital Business Package (Industry portfolio measure)	\$19.8 million
Rebalancing the jobactive payment model	\$19.6 million
Temporary modifications to Relocation Assistance to Take Up a Job	\$17.4 million
Pacific Labour Market Safeguarding Welfare of Workers	\$9.0 million
Extension of VET FEE-HELP Student Redress measures	\$11.9 million
Mental Health - Business Balance (Industry portfolio measure)	\$7.0 million
Reducing the Risk of Long-Term Unemployment in Trial Regions	\$6.5 million
New Business Assistance with the New Enterprise Incentive Scheme	\$5.7 million
Extension of the Time to Work Employment Services	\$3.9 million
Regional Employment Trials - One-Year extension	\$2.7 million
More Flexible Mutual Obligations Requirements for all Job Seekers	\$1.9 million
Total - funds redirected to employment-related measures	\$810.2 million
Total - efficiencies above those that were redirected	\$0.3 billion

(a) Data was provided by the DEWR. In the 2020-21 Budget measure to expand OES, the \$1.1 billion savings were used to offset the costs of expenditure measures totalling \$810.2 million. Residual savings were used by the Australian Government to fund other policy priorities including in the portfolio.

Table C5: Expenditure on employment services – Budget 2021-22 measure *New Employment Services Model* (\$m)^(a)

Description	Total over 4 years
Savings	
Savings from measures related to introducing Workforce Australia	
<i>Introducing digital servicing for the most job ready</i>	658.2
Total - savings from measures related to introducing Workforce Australia	658.2
Savings from measures <u>not</u> related to introducing Workforce Australia	
<i>Aligning rules regarding income support payment commencement arrangements</i>	191.6
<i>Allowing job seekers in Disability Employment Services to opt into digital services</i>	202.2
Total - savings from measures <u>not</u> related to introducing Workforce Australia	393.8
Total - savings	1,052.0
Reinvestments	
Expanding the Transition to Work service	481.2
Increasing size and flexibility of the Self-Employment Assistance Program	129.8
Funding on an ongoing basis the Digital Services Contact Centre	80.8
Extending the National Careers Institute's 1800 CAREER Information Service	7.6
Total - reinvestments	699.4
Within employment portfolio efficiencies	-41.2

(a) Data from *Budget 2021-22 Budget Paper 2* and confirmed by the DEWR on 30 September 2022.