

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Additional Estimates 2016 - 2017

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-003984

Senator Marshall provided in writing.

Question

MYEFO changes to wage subsidies - stakeholder consultation

"Uniting Care, after MYEFO, said the decision would have an "adverse impact" on vulnerable job seekers. Does the Department believe that is correct?

Uniting Care also said the caps, when viewed with other employment measures, gave a very very mixed message about the Government's approach to supporting people into long term employment, including those aged over 25 years who may face a range of complex challenges in finding and maintaining work. Does the Department agree with that sentiment? Were stakeholders such as Uniting Care, or others working to help jobseekers, consulted before the decision was taken? How many? Which ones? What was their feedback? "

Answer

The Department does not agree that the decision will have an adverse impact on vulnerable job seekers. The demand for wage subsidies can be met from within the current funding envelope.

The Department regularly consults with a range of stakeholders that work to help job seekers on a range of matters including wage subsidies.

A number of enhancements to wage subsidies were introduced on 1 January 2017 to encourage more employers to hire disadvantaged job seekers. The enhancements include:

- all wage subsidies are payable over six months instead of 12 months;
- wage subsidy agreements can be signed up to 12 weeks after the job starts, extended from four weeks;
- improved online functionality for employers and providers to simplify eligibility, agreements and payment processes; and
- the minimum hours for a wage subsidy agreement has increased from 15 to 20 per week, averaged over the six month term of the agreement.