

Senate Standing Committee on Education and Employment

**QUESTIONS ON NOTICE
Budget Estimates 2014-2015**

Outcome 1 - Employment

Department of Employment Question No. EM0598_15

Senator Lines provided in writing.

Question

Newstart changes - effect on providers

"Is there any financial modelling on the impact that the NSA changes will have on JSA providers? Will the changes to Newstart and the way that people without any income support are serviced necessitate any variations to the JSA contract? Do providers then have an opportunity to reject the variation? What would happen if providers refused to sign it?"

Answer

As part of the Stronger Participation Incentives for Job Seekers Aged Under 30s measure, job seekers would be required to maintain monthly contact with their provider, as a result there are changes to service fees paid for job seekers aged under 30 in Stream 1. Additional funding will also be provided for Work for the Dole activities.

A contract variation will be required to allow for the change in Stream 1 service fees, and the monthly contacts required of Stream 1 job seekers. The remaining changes proposed under the Stronger Participation Incentives for Job Seekers Aged Under 30s measure will fall under the ambit of the new contract for Employment Services 2015. Job Services Australia providers are able to refuse the contract variation and if they do so they continue to be bound by the previous contract.