

Senate Standing Committee on Education and Employment

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

Outcome 1 - Employment

Department of Employment Question No. EM0754_15

Senator Collins provided in writing.

Question

Local Employment Coordinators flexible funding pool

The Government has announced in the 2014-15 Federal Budget that it is reducing the Local Employment Coordinators flexible funding pool

- Was the Department consulted prior to the Government making this decision?
- What was the rationale for making this decision?
 - Where will the savings resulting from the reduction to flexible funding pool be allocated?
- Did the Department provide advice to the Minister regarding the cutting of this funding?
- What consultation/analysis was undertaken by the Department prior to making the decision to cut funding to LECs?
- What measures has or will the Government/Department introduce to assist people find work in the 21 priority areas which were the focus of the LECs?
- Is it accurate to say that with the reduction in the Local Employment Coordinators flexible funding pool, priority areas will lose their Local Employment Coordinators, as has occurred in the North-West Coast of Tasmania, an area with a high unemployment rate (The Advocate Newspaper, Wednesday 21 May 2014)?
- I note that this same area, the North-West Coast of Tasmania, is to be one of the 21 priority employment areas where Work for the Dole will be implemented
 - o How will the Department implement Work for the Dole in that area without a Local Employment Coordinator?
 - o Are all 21 priority areas where Work for the Dole is to be implemented going to lose its Local Employment Coordinator, or this limited to Tasmania?

Answer

The priority employment area measure, including the Flexible Funding Pool, was only funded until 30 June 2014 by the former government.

As part of normal monitoring processes the department assessed the level of unallocated funding from the Flexible Funding Pool, the timeframe left to expend the funds and the requirements for expenditure against the relevant guidelines and standard public sector financial requirements. Unallocated funds that could not be spent in the remaining timeframe were returned to the Budget.

The Government has announced a range of employment initiatives in the 2014-15 Budget which will deliver on its election commitments across Australia. These include:

Work for the Dole in Selected Areas 2014-15

- Job seekers aged 18 and under 30 years who are registered with a Job Services Australia provider in the selected areas and who have a Work Experience Activity Requirement will be required to participate.
- Work for the Dole will be implemented nationally from 1 July 2015.

Job Commitment Bonus for Young Australians

- The Job Commitment Bonus will provide a financial incentive to long-term unemployed young Australians 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 \$2,500 payment if they get a job and remain completely off welfare for a continuous period of 12 months.
- A further \$4,000 will be available if they remain in a job and completely off welfare for a continuous period of 24 months.

Relocation Assistance to Take Up a Job

- From 1 July 2014, the Government will provide job seekers who have been unemployed for 12 months and meet other eligibility requirements up to \$6,000 if they move to a regional area to take up a job, up to \$3,000 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 \$3,000 may also be made available for families with dependent children.

Green Army

- The Green Army provides young Australians 17-24 years of age, including school leavers and gap year students, with the opportunity to participate in practical, grass roots action to help fix environmental problems. Unemployed job seekers will also be able to take part as an alternative to Work for the Dole. Participants will be paid a training allowance and have the opportunity to learn valuable workplace skills and earn qualifications in environmental remediation.

Restart Wage Subsidy for Mature Age

- From 1 July 2014 employers will receive up to \$10,000 in assistance if they hire an eligible job seeker aged 50 or older.
- This more than triples the proposed incentive payment previously announced regarding mature-age workers.

Tasmanian Jobs Programme

- The Tasmanian Jobs Programme, from 1 January 2014 to 30 June 2016, is providing up to 2,000 one-off payments of \$3,250 to any Tasmanian business that employs an eligible job seeker on a full-time basis for at least six months.
- To be eligible, job seekers must have been a resident in Tasmania for the preceding six months and be in receipt of Newstart Allowance, Youth Allowance (Other) or Parenting Payment with participation requirements for the same period

The Work for the Dole 2014-15 includes the contracting of Work for the Dole Coordinators in each of the 18 selected areas. The Work for the Dole Coordinators will work with Job Services Australia providers and potential host organisations to identify Work for the Dole places and help deliver the programme.