

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2006-2007 ADDITIONAL SENATE ESTIMATES HEARING
15 FEBRUARY 2007
EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

QUESTIONS ON NOTICE

Outcome 1: Efficient and effective labour market assistance

Output Group 1.2: Labour market programme management and delivery

Output 1.2.2: Employment Services

Question Number: W1065-07

Question:

Senator Wong asked in writing:

Under the Welfare to Work package, funds were allocated to provide wage subsidies for the very long term unemployed. Please advise:

- a) How much was originally allocated, in total, per year, and per instance
- b) When these funds first became available
- c) How these funds are accessed
- d) How many subsidies under Wage Assist have been provided to date at what total costs and in each instance
- e) To date, have subsidies under Wage Assist exceeded estimates in either number of instances or in cost, and if so, to what extent, or have subsidies under Wage Assist been less than estimates either in number of instances or in cost?

Answer:

- (a) In 2006/07 there are 3000 Wage Assist places; in 2007/08, 5000 places; and in 2008/09, 7000 places. The total maximum value of a Wage Assist place is \$4600. Actual expenditure depends on the number of Wage Assist places taken up in each year and is included in the department's reporting on the Job Network single line appropriation.
- (b) Wage Assist subsidies first became available in July 2006.
- (c) Employers may be eligible for a total payment of \$4600 if a job seeker stays in full time employment or off benefit for 26 weeks of continuous employment. The payment is made in two instalments of \$2300 after 13 and 26 weeks.

- (d) As at 7 March 2007, 28 job seekers had completed 13 weeks in their Wage Assist job, at a cost of \$2300 per job seeker, equating to a total cost of approximately \$64 400. Two job seekers had completed 26 weeks in their Wage Assist job, at a cost of \$4600 per job seeker, equating to a total cost of \$9200. Very Long Term Unemployed job seekers are also eligible to access similar wage subsidy assistance through the Job Seeker Account.
- (e) Of the 3000 places allocated for 2006/07, there have been 386 commencements in Wage Assist (as at 7 March 2007). After a relatively slow start, due to the fact that it is a new initiative, usage increased significantly in January and February 2007.

Estimated cost: Using the FOI calculator, to prepare this answer it has taken approximately 7 hours at an estimated cost of \$140.