

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Additional Estimates 2010-2011**

**Outcome 4 - Employment & Participation Policy**

**DEEWR Question No.EW0972\_11**

**Senator Siewert provided in writing.**

**Question**

**AUSTRALIANEMPLOYMENT COVENANT - FUNDING**

Does the Government funding provided to the AEC include establishment and operational costs and if so to what value? On what basis are outcome payments made, and what is the size of these payments (e.g. job pledges vs placements vs retention at 13 or 26 weeks)?How do these conditions differ to those offered via the JSA program? How much of the total funding package has been expended to date?

**Answer**

Does the Government funding provided to the AEC include establishment and operational costs and if so to what value?

The Government has provided \$4.025 million in establishment funding to the AEC.

On what basis are outcome payments made, and what is the size of these payments?

Payments are made to the AEC under the following outcome payment structure:

	<b>Unit Cost (GST. inc.)</b>	<b>Max. Units</b>
<b>First 25,000 Covenanted positions committed</b> <i>(paid per AEC job Commitment)</i>	\$82.50	25,000
<b>Second 25,000 Covenanted positions committed</b> <i>(paid per AEC job Commitment)</i>	\$44.00	25,000
<b>Job Commencements</b> <i>Commencement into AEC Job Commitment</i>	\$165.00	50,000
<b>26 Week Outcomes</b> <i>Completion of 26 weeks of continuous employment in a AEC Job Commitment</i>	\$110.00	50,000

How much of the total funding package has been expended to date?

To date, the AEC has received just over \$5.2 million in funding.

How do these conditions differ to those offered via the JSA program?

The AEC and Job Services Australia providers are not directly comparable as each delivers different services.

The Australian Employment Covenant's contract was set up under a completely different premise from that which established Job Services Australia and its contract and payment schedules reflect this.

Job Services Australia is the Australian Government's national employment service which works to the needs of the individual job seeker. It has the aim of increasing employment participation, building skills in demand and helping individual job seekers, particularly disadvantaged job seekers, find sustainable employment. To achieve this, Job Services Australia also represents a focus on the needs of employers, with emphasis placed on helping employers find work-ready job seekers.

The Australian Employment Covenant's focus is on securing employers' commitment to providing sustainable jobs for Indigenous Australians. The outcome payments in the contract DEEWR has with the Australian Employment Covenant are in recognition of its efforts in helping to convert these commitments to jobs.