

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

**QUESTIONS ON NOTICE
Additional Budget Estimates 2011-2012**

Outcome 4 - Employment

DEEWR Question No. EW1059_12

Senator Siewert provided in writing.

Question

NEIS

• How much funding was allocated to the NEIS in the last financial year? • How much of this was provided to NEIS applicants? • Can the department advise how many NEIS business proposals actually go on to be set up as businesses? • How many of these businesses are still trading after 12 months? o After 24 months? o After 36 months? • Is there any further assistance available for people looking to set up a business under the NEIS scheme to cover set-up costs? • Is there any information available on the financial situation of people who set up a business under the scheme in the years after the business was established?

Answer

- **How much funding was allocated to the NEIS in the last financial year?**

The NEIS allocation for 2010-11 totalled up to \$110 million, of which approximately 62 per cent comprised NEIS Allowance and NEIS Rental Assistance.

- **How much of this was provided to NEIS applicants?**

For 2010–11, NEIS Allowances totalled \$66,155,438.97 and NEIS Rental Assistance totalled \$2,076,928.27.

- **Can the department advise how many NEIS business proposals actually go on to be set up as businesses?**

	2009–10	2010–11	2011–12 (to 30 Nov 11)
Commenced NEIS Assistance (business start-ups)	6115	5713	2480

- **How many of these businesses are still trading after 12 months, 24 months, 36 months?**

Post-program monitoring shows that three months after exiting NEIS Assistance, 85.7 per cent of NEIS participants are either self-employed or employed. (*Labour Market Assistance Outcomes Report—September 2011* bit.ly/lmaoreports).

A longitudinal study of NEIS outcomes conducted in 2008 (*NEIS Longer-term Outcomes* bit.ly/neisstudy) assessed the employment status of NEIS participants at three months and 16 months after they exited NEIS Assistance. For most participants this equates to 15 months and 28 months respectively after they started their NEIS businesses.

Employment outcomes

	3-month outcomes (%)	16-month outcomes (%)
Self employed in NEIS business	58	46
Self employed non-NEIS business	10	12
Other employed	16	25
Total employed	83	83

This study also showed that off-benefit outcomes remain at around 80 per cent each year for five years following participants exiting NEIS Assistance.

- **Is there any further assistance available for people looking to set up a business under the NEIS scheme to cover set-up costs?**

Streams 3, 4 and Indigenous job seekers can negotiate with their Job Services Australia provider for additional assistance, drawn from the Employment Pathway Fund.

- **Is there any information available on the financial situation of people who set up a business under the scheme in the years after the business was established?**

The longitudinal study from 2008 (bit.ly/neisstudy), assessed incomes of participants by age at three months and 16 months after they exited NEIS Assistance. For most participants this equates to 15 months and 28 months respectively after they started their NEIS businesses.

Age	3 months	16 months	Change (%)
Less than 24 years	\$482	\$589	22
25 – 34 years	\$645	\$586	-9
35 – 49 years	\$539	\$607	13
50+ years	\$546	\$687	26