

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2008-09 BUDGET ESTIMATES HEARING

Outcome 7

DEEWR Question No. EW202_09

Senator Abetz asked on 17 June 2008 in writing.

Question

Program funding and Outcome (DEN & VRS)

Significant increases in expenditure on the following programs are estimated to achieve worse results than in 2007–08:

- Employment assistance and other services has a 17% increase in its budget resulting in a 9 to 10% reduction in use of the disability employment network and other disability employment services
- Vocational rehabilitation services has an 18% increase in its budget, resulting in a 12.5% reduction in commencements.

What is the rationale for proceeding with planned changes in these programs when they increase costs and yet make things worse?

Answer

Funding increases relate to the third year of the DEN uncapped stream and other measures associated with the Employer Incentives Scheme, and the Northern Territory Emergency Response.

The outcome for DEN (capped) capacity of 20,000 in 2007–08 was higher than the target of 18,000. The strong labour market that has existed over recent years has contributed to the outcomes being higher than the target. The target for commencements referred to relates only to DEN capped and this remains steady across the two financial years. There is no decrease in the estimates for commencements. In addition, there is a growing number of job seekers receiving assistance in the DEN uncapped stream.

Job seekers in Vocational Rehabilitation Services (VRS) access a 2-year program. This means expenditure in any year can also include milestone and outcome payments made in relation to job seekers who commenced in the previous years.

The increase in expenditure in 2008–09 not only reflects the cost of serving the new commencements in 2008–09 but reflects the costs for the continued servicing of job seekers who commenced in 2007–08 and the outcomes and milestone fees associated with these job seekers.