

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

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

Outcome 8

DEEWR Question No. EW353_09

Senator Abetz provided in writing.

Question

New Employment Services System

What economic analysis or modelling has been undertaken on this measure? In particular what analysis has been undertaken on:

- a. The annual financial cost to the government?
- b. The benefits to users of the service?
- c. Other effects, for example, on business?
- d. Distributional effects (That is winners and losers from policy)?

Answer

- a. With respect to the new employment services system due to begin in July 2009, the department prepared information and analysis in the context of the 2008-09 Budget. As reflected at page 388 of Budget Paper Number 2 total funding of \$3.7bn over 3 years has been forecast. This has recently been revised to \$3.9bn. The analysis used historical actual expenditure data, trend patterns and seasonality factors.
- b. The new employment services system focuses more resources on the highly disadvantaged and aims to encourage providers to actively work with employers to ensure job seekers are well placed to meet their needs. Measures to achieve this include an easier to understand system with an integrated service, an emphasis on assisting employers to fill job vacancies, a focus on skills and training to better equip job seekers for sustainable employment, and initiatives to provide localised solutions to address barriers to employment for groups of highly disadvantaged job seekers.
- c. Greater links are expected to be made between industry, employers, training providers, and employment service providers within the community to work cooperatively to ensure employment services, including training, are responsive to the needs of businesses, offer sustainable employment for job seekers, and address labour and skill shortages.
- d. Analysis supporting this measure is part of the Department's policy advice to government.