

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

QUESTIONS ON NOTICE

Inquiry into the DEEWR Tender Process to award employment services contracts

EEWR_SIH_W4

Senator Siewert asked on 11 June 2009, provided in writing.

Question

There is no discussion of impact of rising unemployment on the business model – it is likely that the vast majority of those in streams 3 and 4 won't be able to get work, so there is a potential that specialist services won't have the resources to remain viable. Has this been considered by the Department?

Answer

Within the *Job Services Australia* business model, provider service fees and outcome payments for Stream 3 and 4 are higher than Streams 1 and 2 in recognition that providers will need to work more intensively with job seekers to address their vocational and non-vocational barriers to employment. In many cases a provider will need to address these barriers first before they consider the person ready and able to move into employment. Importantly, Job Services Australia is a demand driven model so disadvantaged clients will no longer have to wait in a queue for many months for assistance, they will enter the intensive service from day one.

The Employment Pathway Fund (EPF) will enable providers to purchase a range of support for job seekers, specific to their needs. The amount of funding available in the EPF increases relative to a job seeker's level of disadvantage and can be used to purchase services such as counselling and rehabilitation as well as personal development, self-esteem and anger management courses. The EPF can also be used to fund wage subsidies, travel assistance and training courses.

A key feature of *Job Services Australia* is its flexibility to provide job seekers with the right mix of training, work experience and other support to help job seekers find and keep a job.