

2.7 OUTCOME 7: LABOUR MARKET ASSISTANCE – INDIVIDUALS HAVE ACCESS TO INCOME SUPPORT AND SOCIALLY INCLUSIVE LABOUR MARKET PROGRAMS WHICH FURTHER ECONOMIC DEVELOPMENT

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of the department in achieving government outcomes.

Outcome 7 Strategy

Workforce participation is a key component of the government's productivity agenda as a driver of long-term economic growth. With an ageing population, Australia needs to work to increase the proportion of working age people in the workforce.

The government's strategy includes:

- Implementing skills reform to ensure workers are more highly skilled
- Ensuring that government assistance not only provides an enhanced standard of living but also supports workforce participation and inclusion.

Through the department, the government provides a range of employment services and income support payments that assist in building Australia's workforce capacity and productivity and reduce the social exclusion and economic marginalisation that results from reliance on income support.

As part of its social inclusion and productivity agenda, the Rudd Government has undertaken an extensive review of existing employment services delivery. The government's aim is to redesign and streamline services to reflect an environment of labour shortage rather than surplus and ensure that training and skills development focuses on the needs of Australian employers. A new integrated employment services model will be implemented from 1 July 2009 to provide more tailored, flexible assistance to job seekers most in need. Current Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS) contracts will be extended until February 2010 allow the findings of the National Mental Health and Disability Employment Strategy to inform the review of disability employment services.

The government's \$3.7 billion commitment to the integrated employment services over three years from 1 July 2009 will build on its investment in training for the unemployed. Together with the new \$600 million Productivity Places program already underway, the combined funding represents a significant investment that will help address skill shortages and contribute to increased productivity.

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The effectiveness of the working age income support payments and employment services administered by DEEWR in 2008 – 09 will be measured by the effectiveness indicators listed in table 2.7.2A. The department determines the success of employment outcomes by monitoring and analysing payment trends to assess the average duration of unemployment.

As a result of the inherent and necessary connection between policy development and program delivery, Outcome 7, Labour Market Assistance, is intrinsically related to Outcome 8, Increased Workforce Participation. It also works closely with other Outcomes across School Education, Higher Education and Vocational, Education and Training to maximise linkages between skills development and workforce participation. Employment services are also playing a major role in the whole of government Northern Territory Emergency Response.

Outcome 7 Resource statement

Table 2.7 provides additional detail of Budget appropriations and the total resourcing for Outcome 7.

Table 2.7: Total resources for Outcome 7

Outcome 7: Labour Market Assistance – Individuals have access to income support and socially inclusive labour market programs which further economic development	2007-08 Estimated actual (\$'000)	2008-09 Total estimate of available resources (\$'000)
Administered Items:		
Ordinary Annual Services		
Job Network	1,177,390	1,175,599
Work for the Dole	145,280	192,554
Indigenous Employment	113,348	115,595
Job Placement, Employment and Training	21,136	20,940
Green Corps	25,435	25,945
Employment Assistance and Other Services	285,638	334,239
Personal Support Program	95,896	99,305
Rehabilitation Services	226,202	266,017
Modified Compliance Framework	3,390	6,703
Ex Gratia Payment	885	539
Advertising	10	400
Special Appropriations		
<i>Social Security (Administration) Act 1999</i>		
Disability Support Pension ¹	3,778,946	0
Mature Age Allowance	26,455	107
Mobility Allowance	114,723	132,415
Newstart Allowance	4,161,560	4,974,334
Parenting Payment (Partnered)	1,041,756	951,178
Parenting Payment (Single)	4,387,411	4,139,911
Partner Allowance (Benefit)	86,415	57,563
Partner Allowance (Pension)	346,332	273,661
Pensioner Education Supplement	70,655	65,868
Sickness Allowance	85,014	88,419
Utilities Allowance	19,404	27,930
Widow Allowance	490,269	457,916
Youth Allowance (other)	442,639	510,882
CDEP Transition Payment	129	0
Total Administered	17,146,318	13,918,020

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Table 2.7: Total resources for Outcome 7 (cont)

	2007-08 Estimated actual (\$'000)	2008-09 Total estimate of available resources (\$'000)
Departmental Outputs:		
Output 7.1 - Policy Services	288,564	298,334
Output 7.2 - Program Management	22,630	22,515
Output 7.3 - Service Delivery	815,042	908,955
Revenue from other sources	4,204	7,352
Total Departmental	1,130,440	1,237,156
Total resources for Outcome 7	18,276,758	15,155,176
	2007-08	2008-09
Average staffing level (number)	1,995	1,919

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

1. Program transferred to Department of Families, Housing, Community Services and Indigenous Affairs due to Machinery of Government changes.

Contributions to Outcome 7

A key priority for the department is to ensure that programs and payments provide a service to relevant participants, foster social inclusion and improve employment outcomes, particularly for people with disability, parents, Indigenous Australians and young people.

The department contributes to the achievement of this outcome through:

- administration of working age income support payments
- labour market program management and delivery.

The main contributors among the administered items are working age income support payments, employment services (general employment, disability employment and rehabilitation services), Work for the Dole, and the Indigenous Employment Program.

Please note that eligibility for the Employment Entry Payment will cease from 1 July 2008. This measure will simplify and reduce overlap in the provision of financial and other assistance to income support recipients moving into employment. The types of assistance which will remain available to eligible income support recipients transitioning to work include the Working Credit, Special Employment Advances, the Job Seeker Account and other assistance which is available through employment services providers.

The outputs funded by the administered items under Outcome 7 are reported in Table 2.7B. The numbers indicate that the department is expecting a similar level of demand for services in 2008-09. Some reduced demand is expected for Vocational Rehabilitation Services.

Administered activities

Working Age Income Support Payments

These payments support increasing workforce participation by providing financial assistance for people who are unemployed, looking for work or undertaking employment preparation programs, have parenting responsibilities, or have a partial capacity to work due to disability. The department delivers the following administered items on behalf of the Government in accord with the stated purpose:

- *Newstart Allowance* – provides income support for eligible job seekers aged between 21 years and Age Pension age. Recipients must satisfy an activity test by seeking and accepting suitable work and participating in activities designed to improve their employment prospects.
- *Youth Allowance (Other)* – is a means-tested income support payment available to eligible young people aged 16 to 20 years who are seeking or preparing for paid employment or are temporarily unable to work.
- *Parenting Payment* – provides income support for the principal carer of a child aged under six years if the carer is partnered or under eight years if the carer is single.

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- *Pensioner Education Supplement* – is a fortnightly payment to certain income support recipients who are participating in approved full or part-time study.
 - *Mobility Allowance* – is a non-means tested income supplement for people with disability who are unable to use public transport without substantial assistance.
 - *Sickness Allowance* – is a means-tested income support payment for people who are temporarily incapacitated for work or study as a result of illness, are unable to work or study, and have a job or course of study to return to.
 - *Widow Allowance* – provides income support for older working age women who no longer have a partner and have no recent workforce experience. This allowance is being phased out and eligibility is limited to women born on or before 1 July 1955.
 - *Partner Allowance* – provides assistance to mature age people who are partners of income support recipients and who face difficulty gaining employment due to a lack of recent workforce experience. This allowance was closed to new claimants on 20 September 2003.
 - *Mature Age Allowance* – provides income support for jobless people aged 60 years to Age Pension age who have been receiving another income support payment for more than nine months and have no recent workforce experience. The payment has been closed to new claimants since 20 September 2003.
 - *Utilities Allowance* – is a supplement paid to income support recipients of Widow Allowance, Mature Age Allowance and Partner Allowance to assist with their household bills.
 - *Widow Allowance Ex Gratia Payment* – Ex gratia assistance was granted to a small number of widow allowance recipients not currently eligible to transfer to other more appropriate income support payments.
- **Labour market program management and delivery**

The labour market programs contribute to achieving efficient and effective labour market assistance by providing programs to assist people into work or to provide assistance to prepare them for employment. The Government is reviewing the labour market programs. Ahead of this, the department will ensure the high quality and effective delivery of existing programs in a way that best contributes to the Outcome and a smooth transition to future arrangements. The department delivers the following administered items on behalf of the Government according with the stated purpose:

- *Job Network* – is the Australian Government's largest employment service. Job Network services include Job Search Support and Intensive Support for more disadvantaged job seekers, including assistance to job seekers with training, wage subsidies, clothing and equipment and other work-related needs through the Job Seekers Account and Training Account.
- *Job Placement Services* – are focused on meeting the recruitment needs of employers to ensure that an increasing and diverse range of employment opportunities are available for registered job seekers. Providers canvass employers for vacancies and then match, screen, refer and place suitable registered job seekers into those vacancies.

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- *New Enterprise Incentive Scheme* – helps unemployed people into self employment via a package of assistance including small business training, income support (if eligible) and mentoring support for the first year of operation of their business.
- *Harvest Labour Services* – assist primary producers obtain sufficient labour to harvest their crops when large numbers of out-of-area workers are needed. The National Harvest Labour Information Service was introduced in 2003 to co-ordinate and distribute information about harvest labour across Australia.
- *Disability Employment Assistance and Other Services* – foster the development of environments and supports that promote participation and choice in work for people with disability under the framework and provisions within the Commonwealth State Territory Disability Agreement and the *Disability Services Act 1986*. This includes the Disability Employment Network and a suite of initiatives to assist employers to employ people with disability, including the Wage Subsidy System, Workplace Modifications Scheme and Supported Wage System.
- *Work for the Dole* – provides work experience opportunities for eligible job seekers who are able to satisfy their Mutual Obligation requirements through participation in activities that are of value to their local communities and provide skills to participants. In the Northern Territory prescribed communities, job seekers may be required to participate in Work for the Dole activities from their first day of registration with an employment services provider.
- *Indigenous Employment* – is a suite of programs including employer projects, wage subsidies and small business assistance introduced in recognition of the particular disadvantage of Indigenous Australians in the labour market and aims to generate more employment opportunities for Australia's Indigenous peoples.
- *Personal Support Program* – is a pre-employment program that provides assistance to people on income support who, because of multiple non-vocational barriers, are unable to get a job or benefit from employment programs. The program assists participants to address non-vocational barriers such as mental illness, homelessness, drug or alcohol problems, anger management issues, gambling problems and domestic violence. Once barriers are addressed, a key objective is to link participants to employment services.
- *Green Corps* – is a voluntary youth development and environmental training program. Green Corps provides young people, aged between 17-20 years, with the opportunity to participate in projects that conserve, preserve and restore Australia's natural environment and cultural heritage.
- *Job Placement, Employment and Training* – is a pre-employment program which provides young people with assistance to help them overcome non-vocational barriers and re-engage with education, employment or employment assistance.

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- *[Vocational] Rehabilitation Services* – provides specialist employment assistance, combined with vocational rehabilitation, to help people with a disability, injury or health condition find and retain safe and sustainable employment in the open labour market.
- *Modified Compliance Framework* - pays certain essential expenses for job seekers in receipt of income support who have incurred an eight-week non-payment penalty and who have vulnerable dependants or are exceptionally vulnerable themselves.

Performance information for Outcome 7

The indicators in table 2.7A provide an indication of the overall trends under Outcome 7: Labour Market Assistance – individuals have access to income support and socially inclusive labour market programs which further economic development.

Table 2.7A: Effectiveness Indicators for Outcome 7

<p>Trend in the average duration (in weeks) of unemployment relative to labour market performance</p> <p>Comparative labour market experience (measured as average duration in weeks on full rate unemployment allowance) for:</p> <ul style="list-style-type: none"> • Long term unemployed • Indigenous Australians • Mature aged • People of culturally and linguistically diverse backgrounds • Sole parents • People with disability • Young people

Table 2.7B: Performance information for Administered Outputs

Performance indicator	2007-08 Estimate	2007-08 Est. Actual	2008-09 Estimate
Working Age Payments			
<i>Quality</i>			
Average (mean) duration on income support by current income support payment (weeks):			
• Newstart Allowance (NSA)	205	204	209
• Youth Allowance (Other) (YA(O))	80	80	80
• Parenting Payment Single (PPS)	350	354	365
Percentage of income support recipients who exit income support within 3 months of grant:			
• Newstart Allowance (NSA)	30%	36%	36%
• Youth Allowance (Other) (YA(O))	40%	37%	38%
Percentage of income support recipients who exit income support within 12 months of grant:			
• Newstart Allowance (NSA)	75%	77%	77%
• Youth Allowance (Other) (YA(O))	77%	79%	79%

Table 2.7B: Performance information for Administered Outputs (cont)

Performance indicator	2007-08 Estimate	2007-08 Est. Actual	2008-09 Estimate
Job Network (JNS)			
Total Job Placements achieved	550,000	600,000	550,000
Utilisation of program capacity ¹			
• Employment Preparation Capped	5,000	200	200
• Employment Service for Age Pensioners	2,500	250	250
• Wage Assist	5,000	1,100	1,500
• Work Experience Placement (WEP) program ²	20,000	1,400	1,500
Cost per employment outcome 3 months following participation in Job Network Employment Services (Job Placement and Intensive Support)	\$3,800	\$3,800	\$3,800
<i>Quality</i>			
Proportion of job seekers in employment 3 months following participation in Employment Services:			
• Job Placement	70%	72%	70%
• Intensive Support	54%	53%	54%
Proportion of job seekers in education/training 3 months following participation in Employment Services:			
• Job Placement	10%	12%	10%
• Intensive Support	10%	10%	10%
Proportion of job seekers off benefit 3 and 12 months following participation in Employment Services in Intensive Support:			
• 3 months	48%	48%	48%
• 12 months	55%	55%	55%
Proportion of job seekers off benefit 3 months following participation in Employment Services by disadvantaged group:			
• <i>Target</i> - Maintain off benefit outcomes across all disadvantaged groups	(as compared with 2006-07)	-	(as compared with 2007-08)

¹ The take-up of these initiatives has been less than anticipated.

² This program is also accessed by Disability Employment Network and VRS providers.

Table 2.7B: Performance information for Administered Outputs (cont)

Performance indicator	2007-08 Estimate	2007-08 Est. Actual	2008-09 Estimate
Work for the Dole			
Utilisation of program capacity	55,000	40,000	45,000 ³
<i>Quality</i>			
Percentage of Work for the Dole activities that address one or more skills in demand	75%	90%	75%
Level of satisfaction of participants with: Work for the Dole Program	80%	80%	80%
New Enterprise Incentive Scheme			
Utilisation of program capacity	6,800	6,600	6,800
<i>Quality</i>			
Proportion of job seekers in employment 3 months following participation in Employment Services in New Enterprise Incentive Scheme	80%	85%	80%
Proportion of job seekers in education/training 3 months following participation in Employment Services in New Enterprise Incentive Scheme	10%	10%	10%
Proportion of job seekers off benefit 3 and 12 months following participation in Employment Services in New Enterprise Incentive Scheme:			
• 3 months	80%	81%	80%
• 12 months	80%	83%	80%
Indigenous Employment			
Utilisation of program capacity	8,500	20,000	15,000
<i>Quality</i>			
Proportion of job seekers in employment and/or education/training (positive outcomes) 3 months following participation in Indigenous Employment programs	65%	72%	65%

³ The decrease reflects declining numbers of referrals and commencements and is consistent with the 2006-07 actual and the 2007-08 estimated actual

Table 2.7B: Performance information for Administered Outputs (cont)

Performance indicator	2007-08 Estimate	2007-08 Est. Actual	2008-09 Estimate
Job Placement, Employment and Training			
Number of actual commencements in the JPET program	14,000	15,000 ⁴	14,000
<i>Quality</i> Effective strategies to stabilise circumstances, identify and overcome barriers and achieve outcomes for JPET participants: <ul style="list-style-type: none"> Proportion of JPET participants who achieve economic outcomes 	25%	25% ⁵	25%
Green Corps			
Utilisation of program capacity	1,392	1,480	1,350
<i>Quality</i> Level of satisfaction of participants with: Green Corps Program	80%	87%	80%
Employment Assistance and Other Services Disability Employment Network (DEN)			
Utilisation of program capacity			
<ul style="list-style-type: none"> Disability Employment Network (Capped) Other Disability Employment including Assistance and services - Employer Incentives Strategy of Wage Subsidy Scheme, Supported Wage System, Workplace Modifications Scheme, Auslan for Employment Program (instances) 	18,000 10,500	20,000 11,500	18,000 10,500
<ul style="list-style-type: none"> National Disability Recruitment Coordinator (NDRC) 	1,000	640	1,000
<i>Quality</i> The proportion of DEN job seekers who received assistance during 2007-08 that achieve a sustainable employment outcome (8 hours of work per week for 26 weeks) in: <ul style="list-style-type: none"> The capped stream The uncapped stream 	34% -	39% -	35% -
Proportion of DEN organisations achieving quality assurance certification within required timeframes	100%	100%	100%

⁴ This figure has been calculated on a pro-rata basis using the actual commencements in the first three quarters of 2007-08.

⁵ This figure has been calculated on a pro-rata basis using the proportion of JPET participants who have achieved an economic outcome in the first three quarters of 2007-08.

Table 2.7B: Performance information for Administered Outputs (cont)

Performance indicator	2007-08 Estimate	2007-08 Est. Actual	2008-09 Estimate
Personal Support Program			
Utilisation of program places	75,000	82,500	80,000
Information, referral and support services:			
• Number of referrals	45,000	54,000	45,000
• Ratio of commencements to referrals	80%	83%	80%
<i>Quality</i>			
Percentage of Personal Support Program (PSP) participants exiting PSP who are in employment for 13 weeks duration, education/training, referred to DEN and/or referred to JNS (Intensive Support customised assistance) (positive outcomes) or social outcomes, within the last 12 months:			
• positive outcomes	30%	30%	30%
• social outcomes	40%	43%	40%
Vocational Rehabilitation Services			
Number of actual commencements	44,228	40,000	35,000
<i>Quality</i>			
Proportion of job seekers referred to demand driven Vocational Rehabilitation Services who commence			
	85%	85%	85%
Proportion of job seekers referred to fixed place Vocational Rehabilitation Services who commence			
	70%	70%	70%
Proportion of job seekers in Vocational Rehabilitation Services, in jobs, who go on to achieve a 13 week employment outcome			
	70%	70%	70%
Proportion of job seekers in employment 3 months following participation in Vocational Rehabilitation Services			
	37%	37%	37%

Table 2.7C: Performance information for Departmental Outputs

Performance Indicator	2008-09 Estimate
Program Management	
<i>Quality</i>	
Payments are made in accordance with approved timelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR
Payments made are based on calculations which are accurate and in accordance with approved guidelines	All programs to meet relevant administrative targets set by quality assurance processes in DEEWR
Employment IT applications: defect density for important defect types measured by the mean defect from the International Software Benchmarking Standards Group repository of major defects	Benchmark: Mean defect density (major severity) = 15 defects/1000 function points (to be measured 4 weeks after software release)
High quality Ministerial replies as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the replies	<ul style="list-style-type: none"> Qualitative evaluation of satisfaction using feedback from the Ministers and Parliamentary Secretary to the Secretary. Analysis of trends over time to monitor percentage delivered within agreed timeframes.
<i>Quantity</i>	
Employment IT applications Services cost	<ul style="list-style-type: none"> Benchmark is \$1,250 per function point⁶ Target is \$1,250
Employment IT applications Services availability	Target is 99.5 per cent
<i>Client Satisfaction</i>	
Level of satisfaction of service providers with contracted information and support services	80 per cent satisfied
Policy Services	
<i>Quality</i>	
High quality policy advice as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of policy advice.	Qualitative evaluation of satisfaction and timeliness using feedback from the Ministers and Parliamentary Secretary to the Secretary

⁶ This is an internal created benchmark based on previous performance. A function point is an internationally recognised measure of software size.

Table 2.7C: Performance information for Departmental Outputs (cont)

Performance Indicator	2008-09 Estimate
Service Delivery	
<i>Quality</i>	
Satisfactory services as reported by Centrelink through the timely processing of working age payments and information, referral and support services	Services provided in accordance with DEEWR-Centrelink Business Partnership Agreement (BPA)