

Outcome 4
Enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment and training services

Outcome 4 strategy

The Outcome leads the department's contribution to population, participation and productivity policy development through strategies that build workforce capability, flexibility and participation incentives through:

- place-based and sectoral solutions to labour supply
- policies and programs that boost social and workforce participation, particularly for disadvantaged job seekers
- policies that promote the wellbeing of working age Australians.

Underpinning these strategies is a rich evidence base supported by collaborative relationships with key international research organisations including the OECD, as well as the department's own research and statistics.

The Outcome helps the Government respond to the long-term challenges of an ageing population, combined with the more immediate risk of skills shortages and other capacity constraints. It is increasingly important that the entire working age population participates in the labour market and that skills are upgraded and expanded to enable workers to take advantage of opportunities in new industries and markets.

The Outcome works across the portfolio and with other agencies to increase participation and wellbeing for very long-term unemployed people, early school leavers, jobless families, Aboriginal and Torres Strait Islander job seekers, the homeless or people at risk of homelessness, people from culturally and linguistically diverse backgrounds, people with disability and/or mental illness, and people living in disadvantaged areas of Australia.

Despite the strengthening of the labour market, unemployment rates remain relatively high for individuals with substantial barriers to work and disadvantages in the labour market. The Government's employment services and programs provide disadvantaged Australians with the opportunity and support they need to develop the skills, capabilities and resilience they need for a more inclusive relationship with the community, to be financially self-sufficient and to have positive levels of wellbeing throughout their life.

This Budget's Skills for Life package combines requirements to participate with more support to do so. These measures build on the Government's previous welfare and workforce participation reforms and aim to provide the right incentives and support so that people can make the most of the opportunities that are available. The package focuses on the groups that are the most disadvantaged—those who have difficulty finding and maintaining work. The package aims to improve the skills, training and participation opportunities for young people, very long-term unemployed people, jobless families/teenage parents, and people with disability.

A mix of support, obligations and incentives from 2011–12 will assist job seekers to develop work skills and build their individual capacity, so that they can engage and participate fully in Australia's continued economic growth with benefits for the individual, their families, and the community. The package includes:

- additional funding to assist Job Services Australia providers to address the foundational skill deficits and employment barriers that young unemployed people without Year 12 or equivalent attainment face
- funding for wage subsidies of up to at least six months for very long-term unemployed people to assist them to gain the skills and experience that they need to obtain ongoing employment. Participation requirements for very long-term unemployed people will be increased to 11 months of the year once they begin their second year in the work experience phase of Job Services Australia (such as for those who have been unemployed for 24 months or more)
- more intensive support services for those living in areas of concentrated disadvantage. For example, Local Employment Coordinators in 20 priority employment areas will have access to a flexible funding pool to support employment and training related projects and activities in areas of high need to help drive local solutions to local labour market problems
- additional funding to support single parents moving from Parenting Payment Single to Newstart Allowance. The funding will provide professional career counselling to assist job seekers to meet participation requirements.

Employment services

The national employment services system is the gateway for job seekers to access training, skills development and work experience, as well as tailored case management and other assistance, to help them to find and maintain employment. Job Services Australia and Disability Employment Services offer individually tailored and comprehensive services to assist disadvantaged job seekers with particular needs or barriers to employment to achieve sustainable employment outcomes.

Changes to the job seeker compliance framework from July 2011 (subject to the passage of legislation before Parliament) will support job seeker participation in employment services by providing for suspension of payment for job seekers who do not attend an appointment or activity without providing a reasonable excuse beforehand.

The job seeker compliance measures announced in the Budget follow consideration of the 2010 Independent Review of the Job Seeker Compliance Framework chaired by Professor Julian Disney AO. The changes, to be introduced from 1 July 2012, will strengthen job seeker participation arrangements by improving the interaction between employment services providers and Centrelink. There will be better communication of job seekers' circumstances which will contribute to individualised servicing strategies and improved job seeker engagement. Wherever possible, Comprehensive Compliance Assessments for vulnerable job seekers will be conducted face-to-face. Simplification of the IT user interface will assist provider staff to correctly report on job seeker participation and to understand the reasons for Centrelink compliance decisions. Alignment of penalty rate calculations is also being introduced to simplify the framework and streamline compliance arrangements for job seekers and providers.

Skills development

In order to address the need for adequately skilled job seekers to fill current vacancies and the emerging skills and labour shortages in a number of industries, it is important to increase awareness and access to employment and training programs and services in place for job seekers to obtain the necessary skills to meet the needs of employers. The department is working with state and territory agencies through the Ministerial Council for Tertiary Education and Employment (MCTEE), to develop strategies to strengthen the interaction and information sharing between the employment services and training sectors, including at the local level. As part of the MCTEE work program, the department is undertaking a stocktake of Commonwealth and state and territory training and employment programs and is developing a dissemination strategy for the employment services and training sectors.

Migration and seasonal workers

The department provides labour market and related advice on temporary and permanent migration programs to ensure the programs contribute to the supply of skilled labour necessary to improve the productive capacity of the Australian economy. The department is continuing the Pacific Seasonal Worker Pilot Scheme, a small-scale pilot to examine whether a lower skilled seasonal worker program can contribute to economic development in Pacific island countries, while benefiting Australian horticulture employers who cannot source sufficient local labour. The final evaluation of the pilot will occur in 2011-12.

Disaster relief and recovery

The Government has provided a wide range of support to victims of the recent floods and Cyclone Yasi. In particular, the department provided advice and contributed to the development of the Wage Assistance measure and Queensland Natural Disasters Jobs and Skills Package.

Wage Assistance is available to employers whose business has been affected by Cyclone Yasi to help maintain their workforce and the viability of their business and the local community.

The \$83 million Queensland Natural Disasters Jobs and Skills Package was jointly developed and funded by the Australian and Queensland governments and comprises skills and employment initiatives to mitigate loss of skills and jobs, support the retention of skilled workers in impacted communities and address emerging skills shortages stemming from the flood crisis. The Australian Government's \$38.5 million contribution, which will be available until 30 June 2012, includes:

- a \$12 million Flexible Funding Pool to facilitate innovative labour market projects directly related to disaster recovery
- 400 additional places under the National Green Jobs Corps program
- support for apprentices through out-of-trade apprentice work teams, bonuses for employers, replacement tools and relocation payments
- assistance for Aboriginal and Torres Strait Islander Australians through targeted Indigenous Employment Program places and Indigenous Employment Coordinators
- additional places for job seekers under the Community Work Placements program
- funding for Job and Skills Development Officers.

Priority Employment Areas

In 2009, the Government announced the Priority Employment Area strategy to support areas identified as hardest hit by the economic downturn. The Government has extended the strategy, including Local Employment Coordinators and Jobs and Skills Expos, through to 2013.

Local Employment Coordinators in 20 designated priority employment areas identify opportunities and connect stakeholders across governments to deliver local solutions to local labour market problems and from 1 July 2011 will have access to a \$20 million Flexible Funding Pool to support their work. Local Employment Coordinators will work with their Keep Australia Working Advisory Committee in their respective regions to implement a regional employment plan, taking account of the broader Regional Development Australia Plans and Regional Education, Skills and Jobs Plans where these align.

Table 2.4A Budgeted expenses and resources for Outcome 4

	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
Outcome 4: Enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment training services.		
Program 4.1: Employment Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,803,414	1,487,452
Total for Program 4.1	1,803,414	1,487,452
Program 4.2: Indigenous Employment		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	153,647	157,513
Total for Program 4.2	153,647	157,513
Program 4.3: Disability Employment Service		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	735,160	737,582
Total for Program 4.3	735,160	737,582
Program 4.4: Working Age Payments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	198	198
Special appropriations	13,409,379	13,551,226
Total for Program 4.4	13,409,577	13,551,424
Outcome 4 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,692,419	2,382,745
Special appropriations	13,409,379	13,551,226
Departmental expenses		
Departmental appropriation ¹	298,799	321,935
Special appropriations	-	-
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year ²	67,452	61,452
Total expenses for Outcome 4	16,468,049	16,317,358
	2010-11	2011-12
Average Staffing Level (number)	2,102	2,013

¹Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.
²Expenses not requiring appropriation in the Budget year includes Depreciation Expense, Amortisation Expense and Audit Fees.

Program 4.1 Employment services

Program objective

Workforce participation remains a key component of the Government's productivity agenda as a driver of long-term economic growth. Sustained increases in the participation rate, in conjunction with increases in productivity and population, will support a higher rate of growth of the economy in the medium term. Ongoing support of working age Australians continues through employment services.

The employment services objectives include:

- investing in the skills unemployed Australians need for the future to help them find and retain employment
- ensuring that government assistance supports workforce participation and economic and social inclusion.

Job Services Australia began on 1 July 2009 and delivers a streamlined and more personalised service to job seekers that enables providers to more effectively respond to changing economic conditions. Job Services Australia provides job seekers with tailored services to equip them with the skills and attributes to meet employers' needs and emerging skills or labour shortages.

The 2011–12 Budget will invest more than \$5.5 billion over the next four years in Job Services Australia. A number of additional strategies will build on the current Job Services Australia service model and procurement arrangements to continue to lift performance when current contracts cease on 30 June 2012.

Specific measures to support young people, very long-term unemployed people and highly disadvantaged job seekers include:

- a subsidy for six months (around \$5,700 in the first year indexed to around \$6,000 in later years) for employers to take on and retain eligible people who have been previously unemployed for more than two years without recent work experience (this subsidy will also be available to participants in Program 4.3 Disability Employment Services)
- increased participation obligations for very long-term unemployed job seekers to undertake job training, Work for the Dole and other activity requirements for 11 months of the year
- transition support for early school leavers (aged 15-21 years) which will fund Job Services Australia providers to deliver targeted assistance in the form of a structured activity of up to 25 hours per week to build life, study and employment skills
- assistance to Parenting Payment recipients by supporting eligible unemployed parents to access professional career counselling to build motivation and confidence

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- place-based demonstration pilots for highly disadvantaged job seekers in Job Services Australia through approximately 20 pilot projects of up to \$200 000 each, in identified areas of high disadvantage, to model potential enhancements to Stream 4 service delivery including demonstrating partnerships with complementary service providers to improve employment and education outcomes.

The effectiveness of the employment services is measured by monitoring the proportion of job seekers in employment, education and training and off benefits following assistance by the service, and conversely, the proportion of job seekers found to be failing to comply with their participation obligations without good reason.

A further measure of effectiveness is provided through broader indicators as follows:

- trend in the average duration (in weeks) of unemployment relative to labour market performance.
- comparative labour market experience (measured as average duration in weeks on full-rate unemployment allowance) and proportion of job seekers off-benefit three months following participation in employment services for each of the following groups
 - long-term unemployed
 - very long-term unemployed
 - mature-aged
 - people of culturally and linguistically diverse backgrounds
 - young people
 - Aboriginal and Torres Strait Islander peoples
 - people with disability
 - sole parents.
- proportion of population of workforce age on working age income support payment
 - full rate
 - part rate.

By building a workforce that is trained and highly skilled, there will be an increase in economic growth and improved living standards.

Administered items

- Job Services Australia (\$5.5 billion) - assists unemployed individuals to obtain the skills they need to ensure sustainable employment. Employment services providers help all eligible job seekers build linkages with employers, connect job seekers to appropriate training and skills development opportunities and build linkages with other key stakeholders.
- Disability Employment Services (more than \$3 billion) - see Program 4.3
- Innovation Fund (\$41 million from 2009–10 to 2011–12)—a grants program designed to address the needs of the most disadvantaged job seekers through funding projects that foster innovative place-based solutions to overcome barriers to their employment.
- Employer Brokers—(\$6 million from 2009–10 to 2011–12)—engaging with employers in a skill or labour shortage industry, or a specific location, to broker solutions that meet employers’ needs and to coordinate and target the efforts of employment services providers to matching the needs of job seekers with the labour requirements of employers.
- The Jobs Fund is an Australian Government initiative under the Jobs and Training Compact. The Local Jobs and Get Communities Working streams of the Jobs Fund support: social enterprises providing training and employment opportunities to people from disadvantaged backgrounds; initiatives focusing on creating and improving community facilities; and projects with environmental benefits that also provide for green skills in the future. Additionally, the Jobs Fund provides funding to support the development of five youth centres in Priority Employment Areas as part of the Australian Government’s strategy for young Australians.
- The Productive Ageing Package (\$43.3 million from 2010–11 to 2014–15)—designed to help mature age Australians remain engaged in the labour market and to encourage the transfer of their skills to younger generations. The package includes:
 - Career Renewal—Job Retention—\$18.8 million to help mature age workers stay in employment and to support skills transfer
 - Career Renewal—Career Transition—\$23.4 million to help mature age workers transition to new employment through Job Services Australia and through professional career advice
 - Consultative Forum on Mature Age Participation and research—\$1 million to provide advice on practical strategies to remove the barriers to employment for mature age people.

Table 2.4.1 Administered expenses and key performance indicators for Program 4.1

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
<i>Annual administered expenses:</i>					
<i>Ordinary Annual Services (Appropriation Bill No. 1)</i>					
Job Services Australia	1,505,480	1,449,100	1,422,835	1,345,372	1,349,766
Job Capacity Assessment	145,311	-	-	-	-
Jobs Fund	98,370	14,500	-	-	-
National Green Jobs Corps	43,670	18,750	-	-	-
Productive Ageing Package	4,483	5,102	4,455	3,045	-
Insulation Workers Support	6,100	-	-	-	-
Total program expenses	1,803,414	1,487,452	1,427,290	1,348,417	1,349,766

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
<i>Quantity for key deliverables</i>					
Job Services Australia					
Total job placements achieved	450 000	450 000	450 000	450 000	450 000
<i>Program effectiveness indicators</i>					
Cost per employment outcome for Employment Services delivered by Job Services Australia:					
▪ Stream 1-3	\$4000	\$4000	\$4000	\$4000	\$4000
▪ Stream 4	\$17 300	\$12 000	\$12 000	\$12 000	\$12 000
Proportion of job seekers in employment 3 months following participation in Employment Services:					
▪ Stream 1	55%	55%	55%	55%	55%
▪ Stream 2	38%	45%	45%	45%	45%
▪ Stream 3	25%	30%	30%	30%	30%
▪ Stream 4	13%	18%	18%	18%	18%
Proportion of job seekers in education/training 3 months following participation in Employment Services:					
▪ Stream 1	10%	15%	15%	15%	15%
▪ Stream 2	10%	15%	15%	15%	15%
▪ Stream 3	12%	15%	15%	15%	15%
▪ Stream 4	12%	15%	15%	15%	15%

Table 2.4.1 Administered expenses and key performance indicators for Program 4.1 (continued)

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
Proportion of job seekers off benefit 3 months following participation in Employment Services:					
▪ Stream 1	55%	55%	55%	55%	55%
▪ Stream 2	40%	45%	45%	45%	45%
▪ Stream 3	35%	35%	35%	35%	35%
▪ Stream 4	15%	25%	25%	25%	25%
Proportion of job seekers off benefit 12 months following participation in Employment Services: ¹					
▪ Stream 1	NA	65%	65%	65%	65%
▪ Stream 2	NA	55%	55%	55%	55%
▪ Stream 3	NA	40%	40%	40%	40%
▪ Stream 4	NA	30%	30%	30%	30%

Program 4.2 Indigenous employment

Program objective

To increase Aboriginal and Torres Strait Islander peoples' employment outcomes and participation in economic activities, contributing to the Government's commitment to halve the gap in employment outcomes for Aboriginal and Torres Strait Islander peoples and other Australians within the decade.

Commencing in 2011-12 a new program element, the Indigenous Youth Career Pathways Program, specifically aims to increase the number of young Aboriginal and Torres Strait Islander people who transition effectively from school and into further education and/or work.

This new program complements the reformed Indigenous Employment Program (IEP), which began on 1 July 2009 following extensive public consultation. The program offers a range of assistance focused on employment, training, aspiration building, business support and other assistance to complement employment services available under Job Services Australia and Disability Employment Services, which are the largest provider of employment services for Aboriginal and Torres Strait Islander peoples.

¹ Job seekers are counted as 'off benefit' if they were receiving Newstart Allowance/Youth Allowance (Other) when they commenced employment assistance and they had moved off Newstart Allowance/Youth Allowance (Other), including to another income support type, when their off benefit outcomes are measured. This definition has been traditionally used in the PBS and Annual Report.

Administered Items

- Assistance under the IEP is available through tailored employment and economic development and business support, and through pre-designed assistance.
- Tailored Assistance is delivered by directly funding employers, Aboriginal and Torres Strait Islander businesses or individuals, or purchasing services from organisations on the Employment Panel and the Economic Development and Business Support Panel.
- Pre-designed assistance includes streamlined access to wage subsidies, cadetship support and the Community Development Employment Projects Work Experience Scheme.
- The new Indigenous Youth Career Pathways Program will provide support to Aboriginal and Torres Strait Islander students to stay in school and undertake school-based traineeships. Assistance will also be available for students to engage with mainstream employment service providers, find a job or move into further study. \$50.7 million has been allocated over the next four years until 2014-15.

Table 2.4.2 Administered expenses and key performance indicators for Program 4.2

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
<i>(‘000)</i>					
Annual administered expenses:					
Ordinary Annual Services (Appropriation Bill No. 1)					
Indigenous Employment Program	152,436	157,513	176,801	179,982	183,581
Indigenous Public Sector Employment	1,211	-	-	-	-
Total program expenses	153,647	157,513	176,801	179,982	183,581

*Includes fair value expenses and actuarial variations.

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
<i>Quantity for key deliverables</i>					
Indigenous employment					
Number of total commencements (includes commencements in employment, training and other assistance)	27 500	28 350	31 000	31 500	32 000
Number of employment commencements	14 000	15 600	17 100	17 400	17 700
<i>Program effectiveness indicators</i>					
Proportion of job seekers in employment and/or education/training (positive outcomes) 3 months following participation in Indigenous Employment Program	65%	65%	65%	65%	65%

Program 4.3 Disability Employment Services

Program objective

Disability Employment Services began on 1 March 2010 following a comprehensive review of Disability Employment Network and Vocational Rehabilitation Services. The objective of Disability Employment Services is to help individuals with injury, disability or a health condition to secure and maintain sustainable employment. The program operates under the terms of the *Disability Services Act 1986*.

The services focus on the needs of job seekers, with an increased emphasis on employment, skills development, education and training. Service providers assess the impact that a participant's injury, disability or health condition has on their ability to find and retain a job, and provide individually tailored assistance to job seekers so that they can achieve sustainable outcomes. Where required, Disability Employment Services offer ongoing support in the workplace to help participants retain their employment.

To support better transitions from school to work, the definition of an Eligible School Leaver for Disability Employment Services was amended from 1 July 2010 to include young people with disability who access state government transition to work programs before entering Disability Employment Services, or who access specialist employment assistance within 12 months of leaving school. An additional loading also applies on selected fees available to help job seekers with moderate intellectual disability secure sustainable and substantive work in the open labour market. The 2011–12 Budget extends these pilots until 3 March 2013.

The 2011–12 Budget will invest more than more than \$3 billion in DES over the next four years for future procurement of services beyond 30 June 2012, as well as the following measures starting on 1 July 2012 to support participation for people with disability:

- enhanced employer incentives to employ workers with disability for at least 15 hours per week through 1000 wage subsidies of \$3000 each annually. In addition, 320 Supported Wage System Employer Payments of \$2000 each will be provided to employers who employ people with disability whose work productivity is reduced as a result of disability
- linking job seekers with disability to national employers. Approximately 10 Disability Employment Broker projects will be implemented in 2012–13 to support employers to create jobs targeted to unemployed people with disability and help them to recruit people from the Disability Employment Services program.

Administered items

Disability Employment Services offers two demand-driven programs to help people with injury, disability or health condition to find employment:

- Disability Management Service provides services to eligible job seekers with temporary or permanent injury, disability or health condition who require the assistance of a disability employment service and who may require flexible ongoing support but are not expected to need regular, long-term support in the workplace.
- Employment Support Service is available to those eligible job seekers with permanent disability who are assessed as needing regular long-term ongoing support in the workplace.

Employment assistance and other services comprise two elements

- employer Incentives includes the Employment Assistance Fund managed by JobAccess services, Supported Wage System and Wage Subsidy Scheme
- national Disability Recruitment Coordinator service—aims to improve access to employment for people with disability.

Table 2.4.3 Administered expenses and key performance indicators for Program 4.3

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
(‘000)					
Annual administered expenses:					
Ordinary Annual Services (Appropriation Bill No. 1)					
Employment Assistance and Other Services	28,242	30,213	32,518	35,642	40,274
Disability Employment Services	706,918	707,369	725,087	728,027	724,540
Total program expenses	735,160	737,582	757,605	763,669	764,814

Table 2.4.3 Administered expenses and key performance indicators for Program 4.3 (continued)

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
<i>Quantity for key deliverables</i>					
Employment assistance and other services—Disability Employment Services					
Number of commencements— Disability Employment Services total	100 000				
Number of commencements:					
▪ Disability Management Service		50 000	50 000	50 000	50 000
▪ Employment Support Service		50 000	50 000	50 000	50 000
Total job placements achieved:					
▪ Disability Management Service		23 000	23 000	23 000	23 000
▪ Employment Support Service		24 000	24 000	24 000	24 000
<i>Program effectiveness indicators</i>					
Proportion of job seekers in employment 3 months following participation in Employment Services:					
▪ Disability Management Service		22%	22%	22%	22%
▪ Employment Support Service		17%	17%	17%	17%
Employment assistance and other services—employer incentives and other services					
▪ Other Disability Employment including assistance and services—Employer Incentives Scheme incorporating Wage Subsidy Scheme, Supported Wage System and Employment Assistance Fund	16 000	15 000	15 000	15 000	15 000
▪ National Disability Recruitment Coordinator	700	1000	1000	1000	1000

Program 4.4 Working age payments

Program objective

Working age payments support people to improve their prospects of gaining employment, acquire labour market skills and knowledge and participate in society.

Financial assistance is provided to people who are unemployed, looking for work, undertaking employment preparation programs, have parenting responsibilities, have a partial capacity to work due to disability or young people studying towards a Year 12 or equivalent education attainment. The 2011–12 Budget announces new measures to support participation by young people, jobless families and teenage parents:

- improving work incentives for unemployed young people through increasing the income test free area of Youth Allowance (Other) from \$62 a fortnight to \$143 a fortnight, complemented by an increase in the Working Credit from \$1,000 to \$3,5000
- improving study incentives and strengthening participation requirements for 21 year old job seekers by closing Newstart Allowance to all new applicants aged 21 (they will instead be eligible for Youth Allowance(Other)) and extending the Learn or Earn requirements to 21 year-old Youth Allowance(Other) recipients who do not have a Year 12 or equivalent qualification. All these measures will come into effect from 1 July 2012
- compulsory participation and matching support for teenage parents – placed based. From 1 January 2012, teenage parents without Year 12 or equivalent attainment level in 10 disadvantaged locations who are on Parenting Payment will be required to attend interviews every six months with Centrelink until their youngest child is six. This starts when their child is 6 months old. When their child is 12 months old, the teenage parent will develop a participation plan with Centrelink, with activities linked to achieving Year 12 or equivalent attainment for the parent and early childhood development activities for their children. Teenage parents with Year 12 or equivalent in the 10 locations will attend one compulsory interview with Centrelink under this measure and be eligible for assistance
- improving incentives to work from 1 January 2013 by relaxing the income test taper rate for single principal carers on Newstart Allowance
- from 1 January 2013, ceasing eligibility for Parenting Payment for grandfathered recipients (who have been receiving those payments since before 1 July 2006) when their youngest child turns 12 years old (or, if already 12, on their 13th birthday in 2013). Parenting Payment recipients may then transfer to Newstart Allowance if eligible. Under transition provisions grandfathered recipients whose youngest child turns 13 before 2013 will not be affected by this change and may continue on Parenting Payment until their child turns 16. New children will not extend eligibility for grandfathered Parenting Payment status from 1 July 2011.

Administered items

- Compensation and debt relief—provides access for eligible recipients to discretionary payments in special circumstances or financial relief from amounts owing to the Commonwealth.
- Mobility Allowance—a non-means tested income supplement for people with disability who are unable to use public transport without substantial assistance.
- 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. From 1 July 2012, the minimum age for Newstart Allowance will be increased to 22 years.
- 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.
- 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.
- Pensioner Education Supplement—a fortnightly payment to certain income support recipients who are participating in approved full- or part-time study.
- Sickness Allowance—an income support payment for people aged 21 years and over but under age pension age who are temporarily incapacitated for work or study as a result of illness or injury, are unable to work or study, and have a job or course of study to return to.
- Utilities Allowance—a supplement paid to eligible income support recipients of Widow Allowance and Partner Allowance to assist with their household bills.
- 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.
- Youth Allowance (Other)—an income support payment available to eligible young people aged 16–20 years who may be required to seek or prepare for paid employment or, until they attain a Year 12 or an equivalent Certificate II qualification, undertake study or training in combination with other approved activities. From 1 July 2012, Youth Allowance (Other) will include 21 year old job seekers.

Table 2.4.4 Administered expenses for Program 4.4

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
(‘000)					
Annual administered expenses:					
Ordinary Annual Services (Appropriation Bill No. 1)					
Compensation and Debt Relief	198	198	198	198	198
Special Appropriations:					
<i>Social Security (Administration) Act 1999</i>					
Mobility Allowance	129,944	136,979	139,590	144,899	148,647
New start Allowance	6,205,860	6,491,268	6,554,843	7,283,077	7,606,318
Parenting Payment Single	4,524,470	4,519,294	4,525,895	4,480,603	4,383,240
Parenting Payment Partnered	1,046,542	1,044,848	1,086,650	1,073,653	1,117,679
Partner Allowance Benefit	25,279	18,096	11,650	4,864	566
Partner Allowance Pension	191,246	152,571	93,507	50,182	2,094
Pensioner Education Supplement	82,477	75,200	72,739	70,027	66,619
Sickness Allowance	85,858	91,073	93,031	94,936	94,797
Utilities Allowance	24,975	21,429	18,434	16,712	14,993
Widow Allowance	407,583	397,684	368,253	363,610	331,305
Youth Allowance (Other)	685,145	602,784	689,452	905,739	894,013
Total program expenses	13,409,577	13,551,424	13,654,242	14,488,500	14,660,469

*Includes fair value expenses and actuarial variations.

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
<i>Program effectiveness indicators</i>					
Average (mean) duration on income support by current income support payment (weeks):					
▪ Newstart Allowance	172	176	183	184	185
▪ Youth Allowance (Other)	82	82	85	85	85
▪ Parenting Payment Single	358	360	360	355	350
Percentage of income support recipients who exit income support within 3 months of grant:					
▪ Newstart Allowance	32	33	34	36	37
▪ Youth Allowance (Other)	32	33	33	35	35
Percentage of income support recipients who exit income support within 12 months of grant:					
▪ Newstart Allowance	71	72	73	74	75
▪ Youth Allowance (Other)	70	71	72	73	73

Outcome 4 Departmental outputs

Key departmental priorities for this Outcome in 2011–12 are:

- evidence-based policy and program delivery to ensure employment services have a strong focus on assisting the most disadvantaged job seekers, such as young people, very long-term unemployed people, jobless families/teenage parents, Indigenous and people with disability, including those with mental illness
- evidence-based income support policy and management of working age payments programs and measures which support parenting, participation and compliance and reduce the cycle of intergenerational welfare dependency
- implementation of workforce participation measures announced in the 2011–12 Budget.
- program management and support of Job Services Australia employment services providers to ensure the efficient and effective delivery of employment assistance and skills development for around one million job seekers serviced each year
- program management and support of Disability Employment Services providers to ensure the efficient and effective delivery of employment assistance and skills development for around 250 000 job seekers with injury, disability or health conditions
- strengthening the interaction and information sharing between the employment services and training sectors
- implementing the Queensland Natural Disasters Jobs and Skills package
- contributing to the efficient operation of the labour market through policy advice on migration and population policies and programs
- increasing the employment, education and social participation of jobless families
- coordinating the department's input and reporting on progress as the lead agency responsible for eight participation and productivity targets agreed by COAG
- contributing to the Australian Government's homelessness agenda, through improving program outcomes for people who are homeless or are at risk of homelessness
- extending and evaluating the Improving School Enrolment and Attendance trial to 30 June 2012. This attaches conditions to income support payment, with the aim of encouraging parents to ensure that their children of compulsory school age are enrolled in, and attending school regularly
- managing Australia's participation in the OECD Programme for the International Assessment of Adult Competencies, a high profile international survey that aims to measure adult skills and competencies.

Table 2.4B Performance information for Outcome 4 departmental outputs

Performance indicator	2011–12 estimate
<i>Program management</i>	
Employment IT applications: defect density for important defect types is measured by the mean defect from the International Software Benchmarking Standards Group (ISBSG) repository of major defects	Benchmark: Mean defect density (major severity) = 15 defects per 1000 function points (to be measured four weeks after software release)
Employment IT applications services— construction and redevelopment of internally developed software	Cost benchmark is \$1250 per function point. Target is \$1250 or less
Employment IT applications availability	Target is 99.5%
Provision of employment outcome results through the Post-Program Monitoring survey	Results available within a satisfactory timeframe
Services provided by Australian Government agencies (eg Centrelink) satisfy performance requirements	DEEWR requirements met
<i>Client satisfaction</i>	
High-quality advice as measured by the level of satisfaction by Commonwealth public sector agencies and organisations	Qualitative evaluation of satisfaction using feedback from Commonwealth public sector agencies and organisations
Level of satisfaction of service providers with contracted information and support	80% satisfied