



Australian Government

Department of Education, Employment and Workplace Relations

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Experiences with an outcome-based funding model

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The current economic climate

- The unemployment rate in Australia has risen significantly from 4.1% in August 2008 to 5.4% in March 2009
- Job advertisements have also fallen significantly
- Disadvantaged groups will find it more difficult to find work

Moving away from the public model

- Two types of employment services:
 - general employment services
 - disability employment services
- 1946 – 1998 General employment services delivered by the Commonwealth Employment Service
- Inflexible, too much focus on process and guidelines, no competition and vaguely defined outcomes
- 1998 - Job Network established



Results of the outcome-based model

- Independent and Departmental Reviews supported the Job Network model
- The Job Network delivered:
 - shorter queues and a more personalised service for people looking for work
 - quick, tailored service to employers



An outcome-based model for disability employment services

- Services previously funded using block grant funding
- Did not create incentives for good performance
- Lacked transparency
- Outcome-based funding trialled between 1999 and 2002, fully implemented in 2005
- Considerably enhanced employment outcomes



New General Employment Services

- Change of government in November 2007
- Reviews of general and disability employment services
- Job Services Australia to commence on 1 July 2009 – replacing the Job Network
- Merges seven separate programs and contracts into one



New General Employment Services

- Greater incentives to place people in training
- Greater focus on the most disadvantaged job seekers
- Fully demand-driven, four employment assistance streams based on level of disadvantage



Other components of the new services

Innovation Fund

- \$41 million over three years for innovative projects to address barriers to employment for disadvantaged people

Employer Brokers

- \$6 million over three years to coordinate and target the efforts of employment services providers to better match employers with appropriate job seekers



New Disability Employment Services

- Commence on 1 March 2010
- Streamlines four programs into two and nine fee structures into three
- Fully demand-driven, no more waiting for services
- Stronger outcome focus
- Greatest rewards for sustainable jobs
- More incentives to place people in training
- School leavers with disability directly registered



Moving Forward

- New employment services build on over ten years of experience with a contracted outcome based model
- Global recession is a challenge for the new services
- New services will respond by delivering the right services to the right people at the right time





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For more information on the new employment services please visit:

<http://www.deewr.gov.au/Employment/JSA>

