

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

2003-2004 BUDGET ESTIMATES HEARING – 2 and 3 JUNE 2003

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcomes: 1 An effectively functioning labour market

Question Number: W078-04

Question:

Senator George Campbell provided in writing:

1. ADMINISTERED APPROPRIATIONS

Questions (refer to attached table)

- a. Could the Department explain for each line of the administered appropriations the reason/s for underspending?
- b. Given that there was significant underspending in Outcome 1 in 2000-01, 2001-02 and 2002-03 what is happening to these surplus funds?
- c. Have surplus funds been rolled over to the out years for all items? Are there any instances where surplus funds have been co-opted as savings to the DEWR budget?
- d. Could the Department provide four-year forward estimates for each item (2003-04 to 2006-07)?
- e. Please indicate what level of the administered appropriation for each item is genuinely new money, and what level has been financed through past savings?
- f. Compared to actual expenditure in 2002-03 can the Department indicate what are the net additions to (or net savings from) each item over the four years to 2006-07?

2. DEPARTMENTAL APPROPRIATIONS

Questions (refer to attached table)

- a. Could the Department explain for each line of the departmental appropriations the reason/s for over/underspending? Refer attachment.
- b. Given that there has been overspending on Outcome 1.1 and 1.2 in 2000-01, 2001-02 and 2002-03 where are these surplus funds coming from?
- c. Have surplus funds been rolled over from other areas, such as administered appropriations?
- d. Could the Department provide four-year forward estimates for each item (2003-04 to 2006-07)?
- e. Please indicate what level of the departmental appropriation for each item is genuinely new money, and what level has been financed through past savings? Compared to actual expenditure in 2002-03 can the Department indicate what are the net additions to (or net savings from) each item over the four years to 2006-07?

Performance information for Outcome 1 – An effectively functioning labour market

Effectiveness – overall achievement of the Outcome including performance information for administered items	
Impacts	Effectiveness indicators
Maximise ability of unemployed Australians to find work	<p>The average duration of unemployment relative to labour market performance</p> <p>Comparative labour market experience:</p> <ul style="list-style-type: none"> • Long Term Unemployed • Indigenous Australians • Mature Aged • People of culturally and linguistically diverse backgrounds • Lone Parents • People with a Disability • Young People
Performance information for departmental outputs	
Output Group 1.1: Labour market policy and analysis	
Output 1.1.1 Policy advice	<ul style="list-style-type: none"> • <i>Quality:</i> <ul style="list-style-type: none"> ○ Level of satisfaction of Ministers with the provision of policy advice • <i>Target:</i> All briefs rated satisfactory or above • <i>Price:</i> \$10.340m
Output 1.1.2 Research, evaluation and reporting	<ul style="list-style-type: none"> • <i>Quality:</i> <ul style="list-style-type: none"> ○ Level of satisfaction of Ministers with the provision of research and evaluation • <i>Target:</i> All reports rated satisfactory or above • <i>Price:</i> \$8.604m
Output Group 1.2: Labour market programme management and delivery	
1.2.1 Information, referral and support services	<ul style="list-style-type: none"> • <i>Quality:</i> <ul style="list-style-type: none"> ○ Delivery of services by Centrelink against key performance indicators • <i>Target:</i> All indicators met by Centrelink <ul style="list-style-type: none"> ○ Employment information technology applications services price compared with industry benchmarks <p>Benchmark: \$750 per function point developed.</p> <ul style="list-style-type: none"> ○ Level of satisfaction of service providers with contracted information and support services • <i>Target:</i> 80% satisfied • <i>Price:</i> \$190.437m
Output 1.2.2 Employment Services	<ul style="list-style-type: none"> • <i>Quality:</i> <ul style="list-style-type: none"> ○ Percentage of interest vacancies on Job Search compared to the ANZ Job Advertisement series • <i>Target:</i> At least 40% of the ANZ Job Advertisement series • Job Matching Placements achieved • <i>Target:</i> 325,000 • Utilisation of programme places • <i>Target:</i> <ul style="list-style-type: none"> ○ NEIS – 6,8000 commencements ○ Transition to Work – 10,000 commencements ○ Proportion of job seekers in employment and/or education/training (positive outcomes) three months following participation in Employment Services <ul style="list-style-type: none"> – <i>Target:</i> Job Matching – 70% – Intensive Support – 45% – NEIS – 80% – Transition to Work – 48% ○ Proportion of job seekers in employment and/or education/training (positive outcomes) three months following participation in Employment Services by disadvantaged group. • <i>Target:</i> Maintain positive outcomes (as compared to 2002-2003) across all disadvantaged groups. <ul style="list-style-type: none"> ○ Proportion of job seekers off benefit three months following participation in Employment Services • <i>Target:</i>

	<ul style="list-style-type: none"> ○ Intensive Assistance – 44% ○ NEIS – 80% ○ Proportion of job seekers off benefit three months following participation in Employment Services by disadvantaged group ● <i>Target:</i> Maintain off benefit outcomes (as compared to 2002-03) across all disadvantaged groups. ● <i>Price:</i> \$88.345m
Output 1.2.3 Indigenous Employment programmes	<ul style="list-style-type: none"> ● <i>Quality:</i> <ul style="list-style-type: none"> ○ Utilisation of programme places ● <i>Target:</i> 8000 <ul style="list-style-type: none"> ○ Proportion of job seekers in employment three months following participation in Indigenous Employment Programmes ● <i>Target:</i> 625% ● <i>Price:</i> \$20.700m
Output 1.2.4 Mutual Obligation initiatives	<ul style="list-style-type: none"> ● <i>Quality:</i> <ul style="list-style-type: none"> ○ Utilisation of programme places ● <i>Target:</i> Work for the Dole – 64,000 commencements ● <i>Price:</i> \$22.753m

Answer:

1. ADMINISTERED APPROPRIATIONS

- a. Refer to Attachment A.
- b. The underspends in 2001-02 and 2002-03 are not significant. Outcome 1 administered appropriations are all annual appropriations. Any funds not spent are returned to the Consolidated Revenue Fund.
- c. No, refer to answer provided for (b).
- d. Refer to Attachment A.
- e. Past savings have not been used (refer to answer (b) provided above). New funding measures are included in the measures tables presented in the Portfolio Budget Statements (these tables can be found on page 18 for 2000-01, page 30 for 2001-02, page 19 for 2002-03, and page 17 for 2003-04).
- f. Refer to Attachment A.

2. DEPARTMENTAL APPROPRIATIONS

- a. Refer to Attachment B.
- b. There have been no overspends. The total budget appropriation includes variations approved at Additional Estimates. When comparing to the full year budget (including additional estimates) there have been only marginal underspends. Refer to attachment.
- c. Any surplus administered funds are returned to the Consolidated Revenue Fund. From time to time the Government makes decisions to transfer funding from administered to departmental. For example, required reclassification of items resulting from Australian National Audit Office or Department of Finance and Administration review, or to cover transition costs associated with the third Employment Services Contract.
- d. The total departmental appropriation for the forward years is included in the Portfolio Budget Statement in the financial statements on page 52 (2003-04). Given the flexibility inherent in, and provided by, the Budget framework for departmental funding, forward estimates are not prepared at the Output level.
- e. None have been financed through past savings. Theoretically, the department does have access to cash relating to any previous year surpluses, but in practice the use of this cash would be reflected as increased expenses and without a corresponding increase in appropriation revenue, the department could be forced into a loss situation. This situation is to be avoided and therefore, the department has not used this cash. In relation to new money, please refer to the measures tables presented in the Portfolio Budget Statements (page 18 for 2000-01, page 30 for 2001-02, page 19 for 2002-03, and page 17 for 2003-04).
- f. No, refer to (e) above.

