

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

**2004-2005 BUDGET SENATE ESTIMATES HEARING
31 MAY AND 1 JUNE 2004**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 1: An effectively functioning labour market

Output Group 1.2: Labour market programme management and delivery

Output 1.2.2 : Employment Services

Question Number: W051-05

Question:

Senator Webber provided in writing:

The department is losing \$26 million this year and next year as part of the Centrelink announcement in the 2004-2005 Budget.

- (a) What is this \$26 million dollars for exactly? Will there be job losses in the department as a result of the shift in funding?
- (b) Is the funding measure compensation for costs incurred by Centrelink as a result of the rollout of the new Job Network contract? (e.g. overtime hours etc worked by Centrelink staff?)

Answer:

DEWR is not losing money as described.

- (a) The \$26 million is DEWR's share of infrastructure costs related to Centrelink business in 2004-05. The \$26 million will be paid directly to FaCS for on-payment to Centrelink on DEWR's behalf, rather than being paid out of DEWR funds as has previously been the case. There will be no job losses in the department as a result of this change.

One of the aims of the Centrelink Funding Model is assurance of funding for Centrelink and simplicity of funding arrangements for Centrelink and client agencies. Paying the infrastructure amount directly through one agency assists in achieving these aims.

- (b) The change in funding arrangements has no relationship to the rollout of the Employment Services Contract 3.