

## EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2008-09 BUDGET ESTIMATES HEARING

**Outcome** 8

#### DEEWR Question No. EW262\_09

Senator Abetz on Monday 17 June 2008 provided in writing.

#### Question

##### *Employment Services Review*

(i) The Discussion Paper (Minister's foreword) and Portfolio Budget Statement (page 111) commits \$3.7 billion over 3 years to a new generation of employment services; however, the Portfolio Budget Statements do not provide forward estimates for the breakdown of this funding. Has the Department undertaken any forward estimates of how this money will be spent and can we be provided with a breakdown of expected expenditure by financial year and by programme?

(ii) The Budget papers refer to savings of \$370 million in Employment Services over the term of the next Contract (ESC4), however, a figure of \$350 million is given in the Discussion paper. Why is there a \$20 million discrepancy between the two?

(iii) What is the actual breakdown- can you provide a detailed list of the savings, and how each of those savings has been calculated? What type of modelling has been undertaken to arrive at these savings?

With the axing of Job Placement Licence Only organisations and with abolishing the Green Corps Allowance there will be some savings but can the Department provide further details as to where savings of \$350 million over three years will occur?

#### Answer

(i) There are no individual programs under the new integrated employment services contract. Indicative funding for the new employment service system by financial year:

	2009-10	2010-11	2011-12	Total
Total	\$1,316,444,353	\$1,214,260,149	\$1,201,403,745	<b>\$3,732,108,247</b>

(ii) Mr Carters answered the question on Monday 2 June 2008, EEWR Hansard page 21, as follows—"The \$20 million is departmental funds—\$20 million will be saved within the department from contract management because the new contracts will be much more streamlined and there will be less need for as many resources to monitor the contracts. So the \$350 million is the funds for the services and the extra \$20 million is departmental funds."

(iii) In general terms the savings have been achieved by reducing red tape and unnecessary administration.