

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2017 - 2018

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-004083

Senator Marshall asked on 29 May 2017 on proof Hansard page 71

Question

Work for the Dole budget

Senator MARSHALL: What was the budget for Work for the Dole in the 2016-17 financial year?

Mr Hehir: I think it is in the order of about \$450 million to \$480 million. The reason I am hesitating is that I have a figure with the 2015-16 year in it. It is in the order of \$620 million to \$630 million from 2016-17 through to 2019-2020.

Senator MARSHALL: I actually want to make the comparison with the budget for Work for the Dole for 2017-18.

Ms Milliken: Do you only want the financial year, or do you want the forwards?

Senator MARSHALL: Just the financial year. I want to find out how much you have cut. That is the point of the question. It should be obvious to everybody, really.

Mr Hehir: If you look at the 2017-18 year, from the 2016-17 budget—

Ms Leon: I am not entirely confident that this is the figure you are looking for. I will tell you what we have, but I may need to correct or qualify it on notice. I think that the figure that would have been spent in 2017-18, if looked at from the perspective of the 2016-17 budget, would have been \$155.9 million in 2017-18. That covers Work for the Dole coordinators and Work for the Dole fees. Both of those will change going forward, because as well as abolishing Work for the Dole coordinators, producing a saving, there is also a spend associated with it because we will now be giving jobactive providers a fee, but the fee is not as much as we previously gave to Work for the Dole coordinators. I do not have all of the elements of that broken down in front of us, only the overall impact of that, which has been a reduction in 2017-18 of \$3.3 million. Most of the change will not kick in until the following year, because those contracts will not end until halfway through the year. There are savings of about \$25 million per year from 2018-19 onward, out of what we think a baseline figure is, that would have been \$155.9 million in 2017-18.

Answer

The change in Work for the Dole expenditure forecasts is as follows:

Financial Year	2016-17	2017-18	2018-19	2019-20	2020-21
Work for the Dole (\$m)					
Budget 2016-17	142.9	118.7	111.9	113.2	-
Budget 2017-18	111.1	77.1	60.3	58.4	58.9
Work for the Dole Coordinators (\$m)					
Budget 2016-17	40.9	37.2	37.5	35.3	-
Budget 2017-18	32.6	23.4	-	-	-
Work for the Dole Provider Placement Fee (\$m)					
Budget 2016-17	-	-	-	-	-
Budget 2017-18	-	3.9	5.8	5.5	5.6
Total (\$m)					
Budget 2016-17	183.8	155.9	149.4	148.5	-
Budget 2017-18	143.7	104.4	66.1	63.9	64.5

The restructuring of Work for the Dole announced as part of the 2017–18 Budget is expected to save \$148 million over the forward estimates (2017–18 to 2020–21).