

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2010-2011**

Outcome 4 - Employment & Participation Policy

DEEWR Question No.EW0455_11

Senator Abetz provided in writing.

Question

JOB CAPACITY ASSESSMENTS TO CENTRELINK

Why was the decision made to bring responsibility for Job Capacity Assessments across to Centrelink? Was the Department dissatisfied with the job done by private providers? Can the Department explain the predicted savings as a result of transferring the contract to Centrelink? What is the current cost per assessment? What is the forecast cost per assessment, once all JCA's are undertaken by Centrelink? How will JCA's change under the shift to Centrelink? (Will the structure remain the same?)

Answer

The decision to introduce a streamlined job seeker assessment and referral process from 1 July 2011 through Centrelink and CRS was made by the Government following a review of the Job Capacity Assessment program and a report to Government.

The introduction of new streamlined arrangements, under which assessments will be conducted from 1 July 2011, will make the assessment process less complex for disadvantaged job seekers and people making claims for the Disability Support Pension (DSP).

Responsibility for managing Job Capacity Assessment service delivery for the DSP will be transferred from DEEWR to the Department of Families, Housing, Community Services and Indigenous Affairs which currently holds responsibility for related policy.

This cross-portfolio measure will result in a saving of \$383.4 million over the 4 years to 2014. Part of this saving will result from improvements to assessments for the DSP that are to be introduced from January 2012. Part will result from the more streamlined job seeker assessment processes conducted by Centrelink and CRS Australia.

Under the current Job Capacity Assessment Services contract, providers are paid two levels of fee. The fee for an assessment in which a job seeker's work capacity is assessed and the assessor recommends referral to the most suitable employment service, is \$278.30. The fee for an assessment in which the impairment tables for the DSP are also completed is \$449.30.

Under the new arrangements from 1 July 2011, funding for assessments services will be directly appropriated to Centrelink. Efficiencies are expected to occur through

streamlining of the job seeker assessment and referral process.

From 1 July 2011, new two-tiered job seeker assessments will be introduced. Job seekers with disability, illness or injury will undertake detailed assessments, comparable to those under the existing arrangements. Job seekers with non-vocational barriers—for example, those at risk of homelessness, will undertake less complex assessments as appropriate to their needs. Prior to the implementation of revised impairment tables in January 2012, Job Capacity Assessments for people making claims for the DSP will remain unchanged.

Questions on the costs of Centrelink service delivery should be directed to the Department of Human Services.