

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Supplementary Budget Estimates 2005-2006, 1 November 2005

Question: HS 21

Outcome 1, Output 1.1

Topic: Centrelink - Personal Adviser services - rationalisation

Hansard Page/Written Question on Notice: Written

SENATOR SIEWERT asked on 1/11/2005:

References below are to Budget related paper 1.9B - Department of Human Services, Centrelink and HIC 2005-06 – pages 84-87

PARENTS

(Page 84) Welfare to work – Enhanced childcare arrangements to support work participation, and
(page 86) Welfare to work – Increasing participation of parents

1. Can you tell me what type of childcare arrangements is it envisaged that this money will fund in each of the three years from 2006-07 and in what proportion?
2. How have these figures been modelled and what assumptions do they make about increasing employment of those currently receiving parenting payments?
3. Does this modelling take into account the relative proportion of these parents currently living in rural areas given variations in the relative likelihood of new jobs being created in these areas?
4. Does this modelling take into account the education and skill levels of these parents in the type of work likely to be available – given that according to ABS 97.5% of the 236,000 new jobs created last year were high skilled positions that went to people with a university degree, TAFE diploma or equivalent work experience – and given that the majority of single parents have only year 10 education?
5. What are your projections for the numbers of new jobs being created that will be accessible by those with these education and skill levels, and what programs or schemes are in place to create these jobs?
6. Did these figures allow for the recent policy announcements from the Minister regarding support payments for Nannies? If not, how are those changes likely to impact upon resources available to support other forms of day care?
7. Is the money to be means tested?
8. Can you explain the trend in costs over time for the 'enhanced childcare arrangements'? [In 2005-06 the budget is \$11.6 M the drops to \$7.2M in 2006-07 then \$4.1M in 2007-08 and to \$3.8M in 2008-09].
9. What is the explanation for this decrease of over 300% over the 4 years?
10. How does this relate to the increasing trend in the costs attributed to 'Increasing participation of parents'?

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PERSONAL ADVISORS

(Page 85), Centrelink Personal Adviser services – rationalisation.

I note that this rationalisation will be saving the department \$2.5M in 2005-06 and then 5.3M each year thereafter

11. Can you explain how this rationalisation is taking place?
12. Are these lost jobs or are the employees being transferred?
13. What advisory services will be in place to meet demand?

DISABILITIES

I'd now like to ask about the projected figures for the increased participation of people with a disability on page 85

14. How have these figures been modelled and what assumptions do they make about increasing employment of those currently receiving disabilities payments?
15. Does this modelling take into account the relative proportion of people with disabilities currently living in rural areas given variations in the relative likelihood of new jobs being created in these areas?
16. Does this modelling take into account the education and skill levels of people with disabilities in the type of work likely to be available – given that according to ABS 97.5% of the 236,000 new jobs created last year were high skilled positions that went to people with a university degree, TAFE diploma or equivalent work experience – and given that the majority of people with disabilities have only year 10 education?
17. What are your projections for the numbers of new jobs being created that will be accessible by those with these education and skill levels, and what programs or schemes are in place to create these jobs?
18. What incentives are there for employers to provide equipment and facilities to support workers with disabilities?

MATURE AGED

I'd now like to ask about the projected figures for the increased participation of mature aged people on page 86

19. How have these figures been modelled and what assumptions do they make about increasing employment of those currently receiving pension payments?
20. Does this modelling take into account the relative proportion of mature aged people currently living in rural areas given variations in the relative likelihood of new jobs being created in these areas?
21. Does this modelling take into account the education and skill levels of mature aged people in the type of work likely to be available?
22. What are your projections for the numbers of new jobs being created that will be accessible by mature aged people given their education and skill levels, and what programs or schemes are in place to create these jobs?

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LONG-TERM UNEMPLOYED

I'd now like to ask about the projected figures for the increased participation of long-term unemployed on page 86

23. How have these figures been modelled and what assumptions do they make about increasing employment of those currently receiving pension payments?
24. Does this modelling take into account the relative proportion of long-term unemployed people currently living in rural areas given variations in the relative likelihood of new jobs being created in these areas?
25. Does this modelling take into account the education and skill levels of long term unemployed people in the type of work likely to be available?
26. What are your projections for the numbers of new jobs being created that will be accessible by long-term unemployed people given their education and skill levels, and what programs or schemes are in place to create these jobs?

SHIFT TO REGIONAL AREAS

The Minister recently announced that the proposed Welfare to Work provisions would be altered to reduce the compliance regime for welfare recipients such as single mothers living in rural and regional areas.

27. Has there been consideration of the likely budgetary implications of this change?
28. Is this likely to function as an incentive for welfare recipients such as single mothers, people with disabilities or mature aged people to move to rural areas?
29. If so, has there been consideration of the increased costs of the delivery of services in rural areas? Has there been consideration of the reduced likelihood of these people finding employment in rural areas? How does this impact upon your projections?

YOUTH ALLOWANCE

30. Can you explain the reason for the inconsistencies in the way in the definition and level of support provided to unemployed young people versus students?
31. For example why is it that a 21 year old unemployed person living at home receives \$399.90 independent of parental income, whereas a student under the age of 25 receives \$214.90 and is means tested.
32. Why is a 21 y.o. unemployed person considered independent adult while a 25 y.o. student is a dependant youth?

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Answer:

The Minister for Human Services has provided the following answers to 11,12 and 13 which relate to Centrelink. The remaining parts will be answered by the Department of Employment and Workplace Relations.

11. Welfare to Work requires additional numbers of staff in Centrelink with engagement skills. Staff currently doing Personal Adviser jobs will be required to meet the increased demand. In addition the staff who currently perform a mainly income support role will receive training to skill them to meet the increased demand for engagement.

While a reduction of \$18.54 million over four years represents 31 Personal Advisers in 2005-06 and 65 Personal Advisers for the 2006-07, 2007-08 and 2008-09 financial years, the total Budget effect is that more staff will be employed to support the Welfare to Work package.

12. There will be no job losses, nor will employees be transferred.
13. Centrelink will continue to provide advisory services to customers, via employees who have the skills and knowledge to support delivery of the Welfare to Work initiatives. The skills that made Personal Advisers a valuable resource will be transferred to those employees that assist customers with participation matters.