



Social services – Return delivery of employment services to the Commonwealth	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would provide \$7 billion over the medium term to re-establish the Commonwealth Employment Service (CES).</p> <p>The proposal would:</p> <ul style="list-style-type: none">• end the role of for-profit providers by replacing them with a new public-sector CES• provide accessible, high-quality employment services by making the CES universally available, conducting initial assessments, and offering voluntary face-to-face case management in every employment region• strengthen local job facilitation by enabling the CES to coordinate employment opportunities, commission local services, and maintain effective online and contact centre support• transition to a public system by redirecting funds from private providers to the CES as contracts end. <p>The proposal would be ongoing and start on 1 July 2026.</p>	
<p>Additional information (based on further advice provided):</p> <p>Funding for the CES would be provided as follows:</p> <ul style="list-style-type: none">• \$100 million base funding annually starting 1 July 2026• in addition, \$1 billion provided annually from 2026-27 until the end of current employment service contracts (30 June 2028)• in 2028-29, funding to the CES in addition to the base funding would be the amount provided to for-profit providers in 2027-28, with this amount indexed by the Consumer Price Index (CPI) for subsequent years.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$2.9 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

Table 1: Social services – Return delivery of employment services to the Commonwealth – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-1,100.0	-1,100.0	-670.0	-2,870.0
Underlying cash balance	-	-1,100.0	-1,100.0	-670.0	-2,870.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

Key assumptions and methodology

The proposal is capped at a fixed amount, distributed from the commencement date as specified.

It is assumed that the new service would be established as a corporate Commonwealth entity. Accordingly, all expenses would be administered in nature and are as specified. Capped amounts for 2028-29 and subsequent years were informed by the projected Workforce Australia expenditure in 2027-28 in the Department of Employment and Workplace Relations (DEWR) 2025-26 Portfolio Budget Statement (PBS) (page 23). We assume that no funds allocated to a given year are left unspent.

- Informed by data from the 2023-24 DEWR Annual Report, the PBO assumes that payments to Workforce Australia providers as a proportion of the total Workforce Australia appropriation would be approximately 85% across the forward estimates and medium term.
- Of these payments, approximately 45% would be made to for-profit providers, equivalent to the proportions from 2022-23 to 2024-25 as advised by DEWR.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Department of Employment and Workplace Relations (2024), [Annual Report 2023-24](#), accessed 19 May 2025.

Department of Employment and Workplace Relations (2025), [Portfolio Budget Statements 2025-26](#), accessed 19 May 2025.

The Department of Employment and Workplace Relations provided information on the forward estimates projections for expenditure on Workforce Australia providers, and the proportion of expenditure made to for-profit providers.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Social services – Return delivery of employment services to the Commonwealth – Financial implications

Table A1: Social services – return delivery of employment services to the Commonwealth – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Total – administered	-	-1,100.0	-1,100.0	-670.0	-680.0	-700.0	-710.0	-730.0	-740.0	-760.0	-770.0	-2,870.0	-7,960.0
Total (excluding PDI)	-	-1,100.0	-1,100.0	-670.0	-680.0	-700.0	-710.0	-730.0	-740.0	-760.0	-770.0	-2,870.0	-7,960.0

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

Table A2: Social services – return delivery of employment services to the Commonwealth – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-	-24.0	-74.0	-117.0	-152.0	-189.0	-229.0	-272.0	-317.0	-366.0	-418.0	-215.0	-2,158.0
Underlying cash balance	-	-18.0	-62.0	-106.0	-143.0	-180.0	-219.0	-261.0	-306.0	-354.0	-405.0	-186.0	-2,054.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.²
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)