

EXPLANATORY STATEMENT

Issued by the Minister for Human Services

Commonwealth Services Delivery Agency Act 1997

Commonwealth Services Delivery Agency (Functions of Chief Executive Officer)
Direction 2007

Background

The Commonwealth Services Delivery Agency (known as Centrelink) is established by section 6 of the *Commonwealth Services Delivery Agency Act 1997* (CSDA Act). Centrelink's functions, defined by section 6A of the CSDA Act, are to assist the Chief Executive Officer of Centrelink (the Chief Executive Officer) in the performance of the Chief Executive Officer's functions.

The functions of the Chief Executive Officer, set out in section 8 of the CSDA Act, include functions that the Minister, by writing, directs the Chief Executive Officer to perform (paragraph 8(1)(c)).

Purpose the Direction

Centrelink has been identified as being well placed to provide additional services to members of the public and to provide certain services to Australian Government Departments and agencies.

The purpose of the Commonwealth Services Delivery Agency (Functions of Chief Executive Officer) Direction 2007 (the Direction) is for the Minister for Human Services to confer, on the Chief Executive Officer, the function of providing 'Centrelink services' and thereby to authorise Centrelink to assist in delivering those services.

The Direction is a legislative instrument for the purposes of the *Legislative Instruments Act 2003* but is not subject to the disallowance or sunset provisions.

Details of the Direction

Section 1 – Name of Direction

The section provides that the name of the Direction is the Commonwealth Services Delivery Agency (Functions of Chief Executive Officer) Direction 2007.

Section 2 - Commencement

The Direction will commence on the day after it is registered.

Section 3 – Definitions

This section sets out the terms defined for the purposes of the Direction.

Section 4 – Direction to perform function

This section confers on the Chief Executive Officer the function of providing Centrelink services in accordance with supplementary service arrangements.

It is a direction by the Minister, to the Chief Executive Officer, to perform a function consistent with paragraph 8(1)(c) of the CSDA Act.

By conferring this function on the Chief Executive Officer, Centrelink is authorised to assist the Chief Executive Officer in the provision of Centrelink services.

Section 5 – Supplementary service arrangements

Subsection 5(1) authorises the Chief Executive Officer to enter into a supplementary service arrangement under which Centrelink services will be provided.

The Chief Executive Officer may enter into a supplementary service arrangement with a number of bodies, including a State or Territory, a local government or a non-government organisation (which includes organisations that are a charity or not for profit organisation) for the purposes of delivering Centrelink services of the kind identified in Schedule 1.

The Chief Executive Officer may only enter into a supplementary service agreement for the provision of ‘corporate services’ (listed in Schedule 2), with a ‘Commonwealth body’ (subsection 5(2)). ‘Commonwealth body’ is a defined term and is intended to cover Australian Government Departments and agencies and Commonwealth companies.

It is anticipated that, in particular, smaller Commonwealth agencies and Commonwealth companies can achieve increased value for money and a reduction in corporate overheads by partnering with Centrelink to obtain corporate services.

The Direction will provide Commonwealth bodies with the *ability* to obtain corporate services from, or through, Centrelink (by authorising Centrelink to provide those services). Purchasing agencies will still need to discharge their respective procurement obligations when sourcing those services from Centrelink.

Subsection 5(3) provides that a supplementary service agreement may include arrangements for Centrelink to do things, or to provide services, that are directly related to providing the Centrelink service which is the subject of the supplementary service arrangement.

Subsection 5(4) nominates a number of factors that may be dealt with, and agreed to, as part of a supplementary service arrangement.

Subsection 5(5) expressly contemplates the ability for Centrelink to impose a fee in respect of the provision of Centrelink services.

Subsection 5(6) contemplates that Centrelink services may be provided in conjunction with ‘Commonwealth services’ provided under a service arrangement made under section 7 of the CSDA Act.

Schedule 1 – Centrelink services (other than corporate services)

Items 101 to 103 identify the Centrelink services.

Item 101 relates to services, benefits, programs or facilities that are intended to provide efficient and effective delivery of government services to the public. The item is intended to facilitate the provision of seamless service delivery by all levels of government. The item expressly includes services that may be provided in the case of an emergency, or in the course of preparing for an emergency (in order to be in a position to respond to an emergency). The item also extends to services that are directed to inmates of a correctional facility.

Item 102 relates to the Centrepay service which assists customers to manage their financial commitments by paying amounts directly to relevant third parties. This includes living costs, rent and utilities.

Item 103 relates to the Centrelink confirmation e-service facility under which customers consent to Centrelink sharing their information with a third party.

Schedule 2 – corporate services

Items 201 to 206 identify examples of corporate services that may be provided by Centrelink to a Commonwealth body.

Consultation

The Direction was settled following consultation between Centrelink and the Department of Human Services.