

Senate Community Affairs Legislation Committee

SUPPLEMENTARY BUDGET ESTIMATES – 20 OCTOBER 2016 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Centrelink – payment administration costs

Question reference number: 46 (HS 47)

Senator: Siewert

Type of question: Written

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Number of pages: 2

Question:

What is the unit cost of administering each Centrelink payment?

Answer:

The department has a funding model which is agreed by Government.

The DHS Funding Model is an incremental funding model whereby the department's appropriation is adjusted for any incremental changes in volumes (either increasing or decreasing). The department updates its estimates based on the expected volumes for customers, transactions and cases. A reconciliation process is undertaken at the end of the financial year with respect to actual volumes for the year.

Unit Prices for administering Centrelink payments (those payments administered by Centrelink pre-integration) are provided in *Table 1: DHS Funding Model Unit Prices*.

The unit prices reflect the average cost of servicing a single recipient over the full year and are subject to indexation based on parameters supplied by the Department of Finance. The Efficiency Dividend is also applied.

Table 1: DHS Funding Model Unit Prices

| Program | Unit Price 2016-2017 |
|------------------------------------|-------------------------|
| Social Security and Welfare | |
| ABSTUDY | \$ 311.10 |
| ABSTUDY PES | \$ 120.98 |
| Age Pension - Max Rate | \$ 45.52 |
| Age Pension - Part Rate | \$ 100.90 |
| Assistance for Isolated Children | \$ 56.18 |
| Assurance of Support | \$ 24.42 |
| Austudy Payment | \$ 276.35 |
| Bereavement Allowance | \$ 2,633.94 |
| Carer Allowance | \$ 43.86 |
| Carer Payment | \$ 144.98 |
| Child Care Benefit | \$ 52.62 |
| Crisis Payment | \$ 52.97 |
| Disability Support Pension | \$ 145.26 |
| Double Orphan Pension | \$ 30.40 |
| Family Tax Benefit | \$ 47.21 |
| JET Child Care Fee Assistance | \$ 29.46 |
| Low Income Card | \$ 59.49 |
| Mobility Allowance | \$ 41.82 |
| Newstart Allowance | \$ 757.62 |
| Paid Parental Leave | \$ 82.55 |
| Parenting Payment - Partnered | \$ 292.71 |
| Parenting Payment - Single | \$ 281.04 |
| Partner Allowance | \$ 36.24 |
| Pensioner Education Supplement | \$ 86.54 |
| Residential Care Assistance | \$ 21.46 |
| Senior Health Card | \$ 28.63 |
| Sickness Allowance | \$ 1,727.91 |
| Special Benefit | \$ 791.70 |
| Widow Allowance | \$ 116.19 |
| Widow B Pension | \$ 70.24 |
| Wife Pension - Age | \$ 47.11 |
| Wife Pension - Disability | \$ 55.56 |
| Youth Allowance - Student | \$ 218.05 |
| Youth Allowance - Jobseeker | \$ 1,255.84 |