

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Human Services Portfolio**

**Department of Human Services**

Additional Estimates February 2005

**Question: HS32**

**Outcome 1, Output 1.1 – Effective Delivery of Australian Government services to eligible customers**

**Topic: Part 1 – ‘Efficiency’ dividend**

**Hansard Page/Written Question on Notice: Written**

Senator Evans asked on 15 February 2005:

- (1) What is the current efficiency dividend required by the government from Centrelink?
- (2) What does this equate to in dollar terms for each of the next four financial years?
- (3) How is the dividend being funded?
- (4) What are the projections of staff reductions over the next four financial years that are being undertaken to contribute to funding the efficiency dividend?

Answer:

- (1) The annual efficiency dividend required by government from Centrelink is currently 1% per annum.
- (2) The dollar impact of the efficiency dividend for the next four financial years is approximately \$17 million, \$36 million, \$56 million and \$77 million.
- (3) The 1% efficiency dividend is calculated and reduced from Centrelink’s revenue as each new forward year is created. Therefore forward year estimates of Centrelink’s revenue already exclude the dividend returned to government. Centrelink manages its business within the available revenue through productivity improvements and reprioritisation of workloads.
- (4) There are no specific staff reductions that are attributable to the funding of the efficiency dividend.