

**Senate Finance and Public Administration Standing Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**ADDITIONAL ESTIMATES – 24 FEBRUARY 2009**

**Human Services Portfolio**

**Department/Agency:** Centrelink

**Outcome/Output Group:** Outcome 1/Output Group 1.1

**Topic:** Centrelink costs of delivering the Economic Security Strategy payments

**Senator:** Scullion

**Question reference number:** HS9

**Type of question:** Hansard F&PA 126, 24 February 2009

**Date set by the committee for the return of answer:** 9 April 2009

**Question:**

**HS9: Senator BOYCE**—But what other costs are there? Did you have more processors, admin staff?

**Mr Pratt**—Certainly. In addition to the call centre network costs there were costs associated with IT. We had to adapt our systems around the payments for pensioners, seniors and carers. We also had to develop a system in relation to the payments for low-and middle-income families, for the one-off lump sum payment of \$1,000. There were some relatively modest costs around media, marketing and communications. The vast majority of that related to the cost of mail, sending letters out to people. There were extra costs in relation to customer service centres because of course there was an increase in traffic in relation to some of these packages. Some people, rather than calling up, will go into a customer service centre to get information.

**Senator BOYCE**—So you have more staff working in the centres.

**Mr Pratt**—Correct, although in relatively minor numbers. Similarly, there were very small additional costs in relation to area offices and the National Support Office.

**Senator BOYCE**—Are we able to put a figure on that?

**Mr Pratt**—Yes, we will take that on notice, and we can break all that up for you. But the total figure that we were funded for in this financial year was \$16.3 million.

**Answer:**

**HS9:** The 2008-09 costs for Centrelink for implementing the Economic Security Strategy payments are approximately \$16,316,000 comprising the following costs:

<b>Cost item</b>	<b>\$ Cost</b>
Staffing	10,860,000
Mail	2,967,000
Information technology	1,685,000
Communication	778,000
Other administrative costs	26,000
<b>TOTAL</b>	<b>16,316,000</b>

Payments were made automatically through Centrelink's computer systems. Additional employees were employed to assist with increased enquiries in Call Centres and Customer Service Centres and the costs for these staff are included in the table above.

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