

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Budget Estimates 2005-2006, 26 May 2005

Question: HS58

Outcome 1, Output Group 1.1

Topic: Centrelink – Efficiency dividend

Hansard Page/Written Question on Notice: Written

SENATOR CARR asked:

- (1) What financial impact will the increased efficiency dividend have on your Department/agency this financial year and in the out years?
- (2) The increase in the efficiency dividend was announced in last year's elections, what plans have you made to meet it?
- (3) What will this mean for staff numbers?
- (4) Will any specific programs be cut? Please specify which ones and the size of the estimated savings?
- (5) Will any core functions be affected by these savings measures?
- (6) How will meeting the efficiency dividend affect your graduate recruitment plans?
- (7) How will meeting the efficiency dividend affect your ability to retain experienced staff?

Answer:

(1) The 0.25 per cent increase to the Efficiency Dividend comes into effect from 1 July 2005 so there is nil impact to Centrelink's revenue in 2004-05. The out year impacts are shown in the following table:

2005-06	2006-07	2007-08	2008-09
\$'000	\$'000	\$'000	\$'000
-5,387	-11,137	-17,160	-17,116

Note that the efficiency dividend will be reviewed in the 2008-09 Budget therefore no increase to dividend is shown here for 2008-09.

(2) The 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.

(3) There are no specific staff reductions that are attributable to the funding of the efficiency dividend.

(4) No.

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(5) No.

(6) Nil impact.

(7) Nil impact.