



## Policy costing

Preventing family violence – better Centrelink services	
Party:	Australian Labor Party
<p>Summary of proposal:</p> <p>This proposal has five components that aim to provide better support and services for those affected by family violence.</p> <ul style="list-style-type: none"><li>• Component 1: Provide 25 family violence specialists to deliver informed and rapid support for people experiencing family violence.</li><li>• Component 2: Create a dedicated family violence phone line and prioritise processing of family violence reports to enable people to receive payments quickly and immediately access a specialist to help them.</li><li>• Component 3: Allow people up to one month to claim crisis payments in cases of family violence (an increase from seven days).</li><li>• Component 4: Allow social security debt to be waived if it was incurred through an act of family violence. The cost would be offset by allowing the Commonwealth to pursue the perpetrator of family violence for the debt, rather than the victim, when safe to do so.</li><li>• Component 5: Review Centrelink processes and services to ensure staff have up-to-date family violence training. Also make it easier for people to identify that they are experiencing family violence and get help; on the phone, at terminals, through forms and at Centrelink offices.</li></ul> <p>All components would have effect from 1 July 2020.</p>	

## Costing overview

This proposal would be expected to decrease both the fiscal and underlying cash balances by \$2 million over the 2019-20 Budget forward estimates period. This reflects an increase in administered expenses of \$1.7 million and departmental expenses of \$0.3 million. A detailed breakdown of the financial implications over this period is provided at [Attachment A](#).

This proposal would be expected to have an ongoing impact that extends beyond the 2019-20 Budget forward estimates period.

The costs of employing additional staff under Component 1 are not included in this costing, as they are included in *PER379 – 1,200 additional Department of Human Services (DHS) staff*.

The proposal is sensitive to the estimated number of crisis payment recipients, the number of people affected by family violence and the crisis payment rate.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	<b>Total to 2022–23</b>
Fiscal balance	-	-0.6	-0.7	-0.7	<b>-2.0</b>
Underlying cash balance	-	-0.6	-0.7	-0.7	<b>-2.0</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Components 2 and 5 would be funded from within Centrelink’s existing resources.
- The number of crisis payment recipients affected by family violence under Component 4 would grow by 10 per cent per annum.
- Departmental expenses relating to Component 4 would be immaterial.

## Methodology

For Component 3:

- Administered expenses were estimated by multiplying the number of additional crisis payment recipients, after the extension of the claim period, by the average payment rate. The PBO projected the recipient numbers over the medium term by applying a growth rate that reflects changes in the working age population. The average payment rate is increased in line with the consumer price index.
- Departmental expenses were estimated by multiplying the additional crisis payment recipients by the estimated cost of administering the payment.

Social security debts resulting from family violence were assumed to be offset by pursuing the perpetrator of family violence for the debt under Component 4.

Components 2 and 5 are not expected to involve additional costs.

All estimates have been rounded to the nearest \$100,000.

## Data sources

The Treasury provided indexation and working age population parameters as at the 2019-20 Budget.

The Department of Human Services provided the costs of administering the crisis payment as at the 2019-20 Budget.

Australian Bureau of Statistics, 2017. *Personal Safety, Australia*, ABS Cat. No. 4906.0, 11 August 2017.

## Attachment A – Preventing family violence – better Centrelink services – financial implications

**Table A1: Preventing family violence – better Centrelink services – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
<b>Expenses</b>					
<i>Administered</i>					
<i>Component 1 – 25 family violence specialists (SEE PER379)</i>	-	-	-	-	-
<i>Component 2 – dedicated phone line and priority processing</i>	-	-	-	-	-
<i>Component 3 – extend crisis payment claim window</i>	-	-0.5	-0.6	-0.6	-1.7
<i>Component 4 – waive family violence social security debt</i>	-	..	..	..	..
<i>Component 5 – review Centrelink processes and services</i>	-	-	-	-	-
<b>Total – administered</b>	-	-0.5	-0.6	-0.6	-1.7
<i>Departmental</i>					
<i>Component 1 – 25 family violence specialists (SEE PER379)</i>	-	-	-	-	-
<i>Component 2 – dedicated phone line and priority processing</i>	-	-	-	-	-
<i>Component 3 – extend crisis payment claim window</i>	-	-0.1	-0.1	-0.1	-0.3
<i>Component 4 – waive family violence social security debt</i>	-	-	-	-	-
<i>Component 5 – review Centrelink processes and services</i>	-	-	-	-	-
<b>Total – departmental</b>	-	-0.1	-0.1	-0.1	-0.3
<b>Total – expenses</b>	-	-0.6	-0.7	-0.7	-2.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

.. Not zero but rounded to zero.

- Indicates nil.