



Restoring the Commonwealth Employment Service – Additional Centrelink staff to reduce phone wait times to 5 minutes

Party: Australian Greens

Summary of proposal:

The proposal would increase the number of Centrelink staff so that the average phone wait times for social security and welfare (SSW) calls would be reduced to less than 5 minutes.

The proposal would commence on 1 July 2025 and be ongoing.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$1.6 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Restoring the Commonwealth Employment Service – Additional Centrelink staff to reduce phone wait times to 5 minutes – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-317.0	-434.0	-438.0	-444.0	-1,633.0
Underlying cash balance	-317.0	-434.0	-438.0	-444.0	-1,633.0

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

(b) PDI impacts are not included in the totals.

Uncertainties

The financial implications of the proposal are highly uncertain and sensitive to a range of factors. A primary risk factor relates to the significant uncertainty around the resource allocation for the relevant telephony services and hence how any additional resourcing would impact on the call wait time over the forward estimates period.

- The 2023-24 Mid-Year Economic and Fiscal Outlook (MYEFO) included a measure, *Services Australia – additional Resourcing*, which provided \$228 million to deploy 3,000 additional staff over 7 months, and the 2024-25 Budget included a measure, *Services Australia – additional resourcing*, which provided \$1.8 billion, including an additional 4,030 staff in 2024-25 and 3,530 in 2025-26.
 - Services Australia has advised that the frontline customer service improvements targeted in these budget measures were focused on claims processing and thus the Agency did not undertake any modelling of forward phone demand as part of the Budget process.

- It was, however, noted that by targeting and improving claims processing times, the number of calls would be expected to decline, and call wait times would improve as a by-product of faster claims processing, as the Agency's Customer Services Delivery (CSD) staff work across all programs (including Health and Child Support) and across a range of channels, including the processing of customer claims.

The financial implications are also sensitive to the future demand for the relevant Centrelink telephony services, the complexity of calls managed by Centrelink staff, as well as the assumptions around the staffing profile of the additional resourcing and the factors underpinning staff remuneration arrangements over the costing period.

- The demand for Centrelink telephony services is highly dynamic, and this costing does not involve projections for the number of calls expected in the medium term.

While our analysis is based on the latest available information, the limitations of the data are significant. Figures shown are based on assumptions that are subject to a high level of uncertainty, and application of the PBO's professional judgment. As such, this costing should be considered as indicative rather than precise.

Key assumptions

The PBO has made the following assumptions in costing this proposal:

- The annual number of SSW phone calls answered by Services Australia CSD staff and the average call wait time in the absence of additional resourcing over the costing period would be the same as the estimates for 2023-24.
 - Given the highly dynamic nature of the number of calls made to Centrelink and the lack of available information, the PBO has not modelled the change in abandoned calls or congestion messages under the proposal.
- The per person capacity in reducing call wait times under the proposal would be approximately 55% of the estimate provided by the then Department of Human Services (DHS) in response to the Australian National Audit Office (ANAO) 2015 report *Management of Smart Centres' Centrelink Telephone Services*.
 - This reduction in per person capacity reflects the increase in call handling times from approximately 8.5 minutes in 2013-14 to 15.5 minutes in 2023-24.
 - The ratio is approximately 1.8 (15.5 minutes / 8.5 minutes), which is used to estimate the number of additional staff under the proposal.
- The profile of the additional staffing required under the proposal would mirror the staffing profile of the 2023-24 MYEFO measure.
 - The staffing profile of the 2024-25 Budget measure was not available.
- All additional CSD staff under the proposal would be allocated to SSW telephony services.
 - Approximately 56% of their time would be dedicated to telephony services.
 - Consistent with estimates provided by Services Australia, the remaining 44% would be allocated to other activities including quality assurance.
 - The additional staff would undertake no claims processing or face-to-face activities.

- Approximately 18% of staff employed under the 2024-25 Budget measure in the first year of the proposal would be allocated to telephony services.
 - This is consistent with estimates provided by Services Australia.
- The number of additional CSD staff required under the proposal would be constant over the medium term.
- All additional staff would commence from 1 July 2025.
- The 2023-24 MYEFO measure would terminate by the end of 2023-24 as per the 2023-24 MYEFO.
- The staffing component of the 2024-25 Budget measure would terminate by the end of 2025-26 as per the 2024-25 Budget.

Methodology

The financial implications were estimated using the PBO departmental costs calculator, accounting for:

- the estimated number of calls
- the average wait time in the absence of policy change, and
- the per person capacity in call wait time reduction under the proposal – all outlined in *Key assumptions*.

The additional resourcing under the 2024-25 Budget measure have been accounted for in the first year of the proposal, as per *Key assumptions*.

The estimates are indexed to the Wage Cost Index, adjusted for the public service efficiency dividend.

Reflective of the ongoing nature of employment, remuneration calculations take into account elements such as property costs, superannuation, long service leave, training and development, amongst other things.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

ANAO (2015) [Management of Smart Centres' Centrelink Telephone Services](#), ANAO, accessed on 26 March 2024.

Commonwealth of Australia, 2023. *2023-24 Mid-Year Economic and Fiscal Outlook*, Canberra: Commonwealth of Australia.

Commonwealth of Australia, 2024. *2024-25 Budget*, Canberra: Commonwealth of Australia.

Services Australia provided information on: the number of calls answered and the average call handling time for the past 5 years; the proportion of time spent by CSD staff on customer services activities; and the staffing profile of CSD staff for the past 5 years, as at 31 March 2025.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Restoring the Commonwealth Employment Service – Additional Centrelink staff to reduce phone wait times to 5 minutes – Financial implications

Table A1: Restoring the Commonwealth Employment Service – Additional Centrelink staff to reduce phone wait times to 5 minutes – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
<i>Departmental</i>													
<i>Services Australia</i>	-317.0	-434.0	-438.0	-444.0	-450.0	-455.0	-461.0	-467.0	-473.0	-479.0	-485.0	-1,633.0	-4,903.0
Total – expenses	-317.0	-434.0	-438.0	-444.0	-450.0	-455.0	-461.0	-467.0	-473.0	-479.0	-485.0	-1,633.0	-4,903.0
Total (excluding PDI)	-317.0	-434.0	-438.0	-444.0	-450.0	-455.0	-461.0	-467.0	-473.0	-479.0	-485.0	-1,633.0	-4,903.0

(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.

Table A2: Restoring the Commonwealth Employment Service – Additional Centrelink staff to reduce phone wait times to 5 minutes – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-7.0	-24.0	-44.0	-66.0	-89.0	-113.0	-138.0	-165.0	-194.0	-225.0	-257.0	-141.0	-1,322.0
Underlying cash balance	-5.0	-20.0	-39.0	-60.0	-83.0	-107.0	-132.0	-159.0	-187.0	-217.0	-249.0	-124.0	-1,258.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) 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.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)