



Australian Government
Department of Human Services
Child Support Agency
Medicare Australia



Incoming Government Brief

Human Services Portfolio

BLUE BOOK

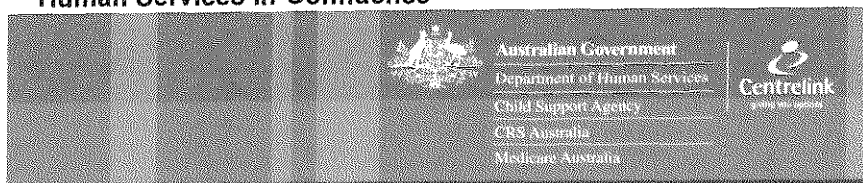
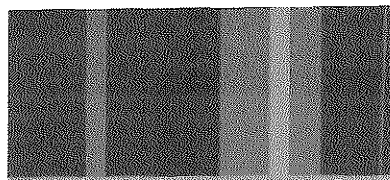
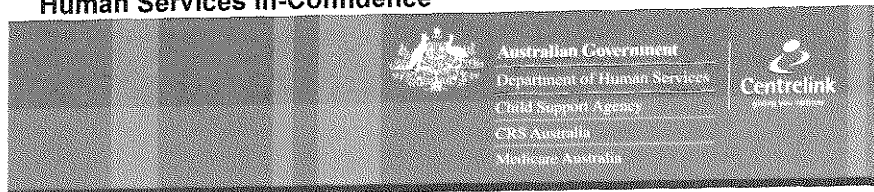
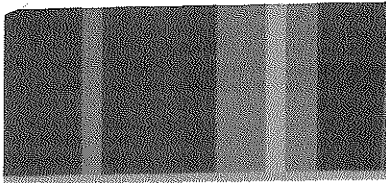


TABLE OF CONTENTS

Secretary's Overview	3
Election Commitments	13
1.1 Improved Customer Service	25
1.2 Service Delivery Engagement in Program Design and Implementation	28
2.1 Portfolio Overview	29
2.2 DHS ICT Infrastructure	60
2.3 Australian National Audit Office – Audit Activity	61
2.4 Ministerial Office Support	66
2.5 Portfolio Enterprise Agreement	69
3.1 Centrelink Overview	70
3.2 Implementation of New Income Management in the Northern Territory	80
3.3 Paid Parental Leave	84
3.4 Supreme Court of Australia Judgement	86
3.5 Job Capacity Assessments	87
3.6 School Enrolment and Attendance Measure	88
3.7 Network Performance Results	90
3.8 Job Seeker Reporting and Contact Arrangements	93
3.9 Management of Stream Service Reviews for Job Seekers	95
3.10 Reduction in Rural Services Officers and Rural Social Workers	97
3.11 Changes to Income Support for Students (Bradley Review)	99
3.12 Compliance Framework	101
3.13 Keeping Self-Service Assistance in Place post 1 July 2010	103
3.14 Preparedness for Emergencies	105
3.15 Local Connections to Work Program	108
3.16 Centrelink Call Centre Funding	110
3.17 Compliance – Payment Integrity	112
4.1 Medicare Australia Overview	114
4.2 Medicare Australia Programs	118
4.3 eBusiness – Electronic Claiming	120
4.4 eBusiness – Healthcare Identifiers	121
4.5 Budget Initiatives 2010-11	122
4.6 Key Partnerships and Stakeholders	124
4.7 Compliance	126
4.8 Chronic Disease Dental Scheme Audits	128
4.9 Superannuation Clearing House	129
4.10 Early Release of Superannuation on Compassionate Grounds	130
5.1 Child Support Program Overview	131
5.2 Child Support Program Customer Statistics	134
5.3 Policy Development & Implementation	136
5.4 Income Reconciliation Program	137
5.5 Service Delivery – Change of Assessment Re-engineering	139
5.6 Delivering Quality Outcomes Review	140
5.7 Collection Program Initiatives and Compliance	141
6.1 CRS Australia Overview	143
6.2 Future Governance Arrangements for CRS Australia	144
6.3 Financial Implications of Low Job Seeker Referrals for CRS Australia	145
7.1 Australian Hearing	146



Secretary's Overview

CONTACT

Linda Holub
02 6223 4113

KEY POINTS

The Human Services portfolio is responsible for the delivery of a range of programs, services and payments on behalf of government. The Human Services portfolio has a substantial "Business As Usual" workload, undertaking seven billion customer transactions each year on behalf of approximately 30 agencies. The portfolio serves 99.9 per cent of the Australian population providing services via 90 million face-to-face contacts, 55 million phone calls and 100 million letters.

It will have a key role in the delivery of a number of the Government's election commitments and will need to be closely engaged in the development of the detailed implementation plans. No significant issues are anticipated at this stage.

Since it was formed in 2004, the key agendas for the portfolio have been to improve the efficiency of government services, reduce red tape for customers and businesses in their dealings with government, improve services for all Australians, strengthen compliance, and leverage the opportunities provided by new technology including to provide people with choice about how and when they interact with government.

There is scope for a significant reform program within the portfolio, including the potential for more efficiencies and greater opportunity for ensuring individuals are able to determine the level and manner in which services are provided to them.

Over the past six or so months the portfolio has been integrating its enabling services as a first step towards moving to a single department of state. This included functions such as corporate services, legal, ICT, people services, audit and assurance and communications.

Work involving co-locations of Medicare Australia and Centrelink offices is also in train. The first 21 co-located offices are scheduled for completion by the end of 2010, a further 21 offices are scheduled to be completed by July 2011.

I will be seeking an early meeting to discuss how portfolio directions can be shaped to support the Government's priorities. Clearly, major change has to be carefully managed to ensure it does not impact negatively on day-to-day delivery of government services.

Further detail on the portfolio and current portfolio priorities including relevant election commitments, possible reforms of the delivery of portfolio services and noteworthy policy reforms currently being progressed on behalf of your ministerial colleagues is provided

below.

THE ROLE OF THE DEPARTMENT OF HUMAN SERVICES

The establishment of the Department of Human Services (DHS) was an initiative of the previous Coalition government.

Under the Administrative Arrangements Order (AAO), DHS is responsible for the development, delivery and co-ordination of government services, and the development of policy on service delivery. Legislation administered by you as outlined in the AAOs is detailed at Attachment A.

OVERVIEW OF PORTFOLIO

The Human Services portfolio comprises DHS (including the Child Support Program and CRS Australia), Centrelink, Medicare Australia and Australian Hearing.

A copy of the organisational structure chart is included in the briefing folder.

The Human Services portfolio employs around 40,000 staff and manages outlays of around \$130 billion per year (approximately 36 per cent of the Budget). The portfolio's appropriation is approximately \$4 billion.

DHS is the central policy and coordination department of the portfolio. DHS works with policy departments and central agencies to ensure that the Government is able to get the best value for money in service delivery while emphasising continuous improvement and a whole-of-government approach. A key emphasis in these endeavours is on leveraging the economies of scale provided by the breadth and reach of the portfolio's service delivery network and strategically exploiting the opportunities provided by new technology.

Centrelink is a statutory agency within the Human Services portfolio and was established to provide government services in accordance with service arrangements under the *Commonwealth Services Delivery Agency Act 1997*. During the 2009-10 financial year, Centrelink delivered approximately \$84.2 billion in payments and services on behalf of over 35 policy departments and other organisations. Centrelink delivered 11.4 million individual entitlements to over 7 million customers and employed more than 27,000 staff.

Medicare Australia is a statutory agency and provides access to a range of government health and other payments, as well as information services to the Australian public and health professionals. Major programs delivered are Medicare, the Pharmaceutical Benefits Scheme, Aged Care payments, the Australian Childhood Immunisation Register, the Australian Organ Donor Register and the National Bowel Cancer Screening Register.

ELECTION COMMITMENTS

DHS agencies including Centrelink and Medicare Australia will have a key role in delivering the Government's election commitments and

we will work closely with policy departments to ensure service delivery considerations are factored into detailed policy and implementation planning.

Key election commitments that are likely to require engagement with, and delivery by, the Human Services portfolio include:

Youth Allowance Improvements for young people who, because of the geographical location of their family home, are required to relocate for full time study. More generous workforce participation criteria for independence will apply for Youth Allowance and ABSTUDY (commitment briefing A refers).

Ceasing the Job Capacity Account will remove duplication of funding sources available to job service providers for the purchase of services for job seekers (commitment briefing B refers).

The **Reduction in Public Servant Numbers** will apply to non-front line positions within the portfolio (commitment briefing C refers).

Postponement of Electronic Health Records – deferral of spending on electronic health records (commitment briefing D refers).

Indigenous Australians – an overview of the portfolio's involvement in policy commitments (commitment briefing E refers).

Efficiency Dividend Increase – proposal to increase the efficiency dividend from 1.25 per cent to 2 per cent (commitment briefing F refers).

Mental Health – will provide a nationwide network of staged care to assist Australians access quality mental health services (commitment briefing G refers).

The Government's **Paid Parental Leave Direct Action Plan** will enhance child and maternal well-being by providing financial support to mothers while they are outside the paid workforce recovering from childbirth (brief 3.3 refers).

We will also work closely with the relevant policy departments in implementing the following commitments:

Job Commitment Bonus Plan – payments to individuals who remain off welfare payment and in paid employment for two years.

Support Senior Australians – targeted incentive payments to encourage hiring and retention of registered jobseekers aged 50 and over.

Relocation Allowance – payable to long-term unemployed.

OTHER PORTFOLIO PRIORITIES

Other priorities for the portfolio include:

- improved customer service;
- improvements in our data centre management; and
- a whole of government fraud and compliance strategy.

Improved Customer Service

Building on work commenced when the portfolio was first formed in 2004, reforming and improving the way we provide services has

become a key priority for the portfolio and is overseen by a management team comprising myself, the CEO of Medicare Australia, Ms Lynelle Briggs, and the CEO of Centrelink, Ms Carolyn Hogg.

Work is underway to create a better service delivery experience for people that provides greater choice, reduced red tape, and brings the payment and information services of the portfolio into the 21st century to match the expectations of the Australian community. The co-location of Medicare Australia, Centrelink and Child Support Agency offices is already occurring, so that people can access all the services they need from the one location.

As outlined above, I will be seeking an early opportunity to discuss how this will support the Government's priorities.

The portfolio has also embarked on an integration of national office functions to remove duplication. Agency enabling services like communications, ICT, legal and human resources functions have now been joined up to ensure greater consistency, build on agency best practice and generate savings.

Approaches to privacy, stakeholder engagement, and governance have been implemented.

Service Delivery Issues

The agencies are also continuously involved in important day-to-day service delivery. Some pressing agency issues are set out below.

ICT – Data Centre Outages

The portfolio relies heavily on its IT network to make daily payments and funds transfers between parents. Over recent years the portfolio has raised with governments the risks involved with the reliance on old data centres. For instance, an IT network outage on 11 June 2010 had national impact on Centrelink offices and payments. Manual payments were made, however, some errors occurred due to changes in customer circumstances since the previous reporting period not being processed. This resulted in 27,033 potential overpayments and payments to 123 deceased estates. There have also been other instances. Work is progressing to address these incidences. On the broader front we are exploring options for funding the development of new more reliable data centres.

A Whole of Government Fraud and Compliance Strategy

DHS has the lead role in improving compliance with social, health and welfare payment requirements across the portfolio (including the Department of Veterans' Affairs payments and Child Support Program payments) with an emphasis on prevention. The Department works in collaboration with central agencies, policy departments and service delivery agencies to drive a strategic and integrated approach to fraud and non compliance.

This approach has resulted in the use of new data mining and service profiling techniques which focus on clients at greatest risk of non compliance. This strategic intelligence-led approach also

facilitates a more cost effective use of fraud and non compliance resources and frees up resources to address systemic social welfare payment fraud perpetrated by organised crime.

Centrelink

Centrelink is in the process of implementing a number of measures introduced by the previous government.

Income Management

The Government has indicated its support for the new model of Income Management that will:

- see larger proportions of non Indigenous customers being income managed due to it applying across eligible customer groups and not being an Indigenous only measure;
- apply to eligible customers across urban, rural and remote areas in the Northern Territory – it will introduce Income Management to specific working age payments and vulnerable customer groups, and expand the child protection and voluntary income measures into the Northern Territory;
- be implemented in the Northern Territory between 9 August 2010 and 4 October 2010. Customers who are income managed under the Northern Territory Emergency Response (NTER) Income Management Measure can be exited from the NTER Income Measure, or transitioned onto the new model of Income Management, once the zone they live in is declared; and
- allow for the *Racial Discrimination Act 1975* suspension to be lifted from midnight 31 December 2010.

Bradley Review of Australian Higher Education

Major changes to student income support payments were implemented from 1 July 2010 in response to recommendations included in the Bradley Review. The changes mean that this customer group is now more likely to have fluctuating payments, as any change in a sibling's circumstances may impact on their payment. Debts are also more likely to occur for these customer groups.

Reduction in the Rural Services Officers and Rural Social Workers

The Rural Social Support network (including Rural Services Officers (RSOs) and Social Workers) is a key component of Centrelink's *Supporting Rural Australia* strategy.

A significant proportion of funds for Centrelink's RSOs are sourced from specific budget measures, a number of which expired on 30 June 2010. This means that separate funding that supported the RSO program ceased from 1 July 2010. As a result, it is estimated that the RSO network will be reduced from over 60 to approximately 52, a number of which will now be part time positions.

Centrelink will continue to review the distribution of RSOs having regard to the needs of rural communities and as funding allows.

Paid Parental Leave

Subject to the passage of legislation, the Government's Paid Parental Leave (PPL) scheme will be introduced on 1 July 2012. Until the Government's scheme is fully operational, the previously legislated PPL scheme, due to commence on 1 January 2011, is expected to be maintained. Work will be undertaken with FaHCSIA to ensure a smooth transition to the new scheme.

Centrelink's implementation plans are well advanced, with claims being able to be lodged from 1 October 2010. Brief 3.3 provides additional detail on this issue.

Medicare Australia

Business Services

Most of Medicare Australia's work is done directly with business – doctors, pharmacists and aged care services. The agency has developed a high level of efficiency and effectiveness in dealing with the business community. It is for this reason that more non-health work has been directed to Medicare Australia. Increasingly the organisation is becoming the business facing part of the portfolio with electronic services operating 24/7 and direct access business call lines being the cornerstone of the business. Recent additions to our responsibilities are a Superannuation Clearing House for small business and payments to insulators. Medicare Australia is focusing on developing a new business service strategy to support any further government service provision to the business sector.

National Authentication Service for Health

Medicare Australia has been involved in progressing a national eHealth agenda. Legislation for the Healthcare Identifier Service was passed by the Parliament on 24 June 2010 and Medicare Australia began delivering the service from 1 July 2010.

The National E-Health Transition Authority has also been considering how to deliver a National Authentication Service for Health (NASH) to enable secure electronic communications by health care providers and, eventually, by the public. We had been exploring opportunities to leverage the existing infrastructure and service network in Medicare Australia for the delivery of this Service.

In light of the Government's commitment to defer spending on electronic health records until the budget is back in surplus, priority discussions about the ongoing role of the NASH and the role of Medicare Australia in the initiative will now need to occur with the Department of Health and Ageing (DoHA).

Child Support Program

Within DHS, a key priority is the implementation of the findings of the Richmond Review of the Child Support Agency, which was undertaken in late 2009. The independent review sought to obtain assurance that the design and implementation of decision making processes within the Child Support Program (CSP) were appropriate and best practice. In implementing the outcomes of the review the focus has been on improving all the factors that impeded staff from

effectively performing their role, reducing complexity of processes and improving the electronic case management system.

Debt and Collection

The CSP is focused on reducing Child Support Debt and improving collection so that more receiving parents have confidence in getting their child support. Total Child Support Debt is currently \$1.16 billion (comprising \$862 million in domestic debt and \$296 million in international debt). This represents the total debt accumulated since the beginning of the Child Support Scheme in 1988.

To address the significant issue with debt there is a robust compliance program. The growth in debt is being disproportionately driven by international cases. There is a major effort being made to resolve the legal and procedural issues associated with International Debt to enable its reduction and a greater focus on collection of domestic child support.

Australian Hearing Financial Sustainability

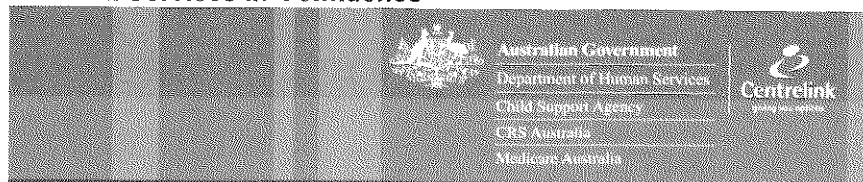
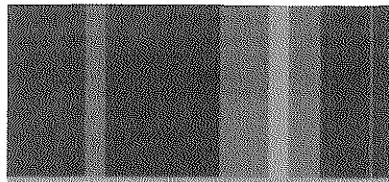
Australian Hearing is a statutory authority and is accountable to the Minister for Human Services. Australian Hearing delivers hearing services as a Community Service Obligation reporting to DoHA and competes to provide other hearing services to recipients of Hearing Vouchers that are issued by DoHA. Australian Hearing is accountable to you through DHS for its overall financial performance.

Redacted under section 22 as exempt under section 47C.

Legislation administered by the Minister for Human Services

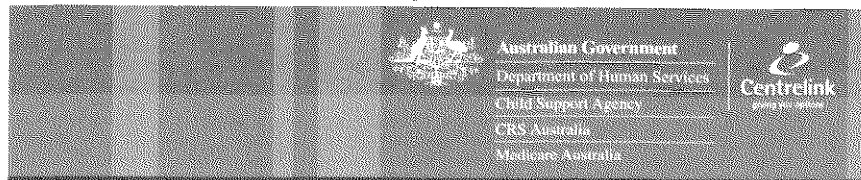
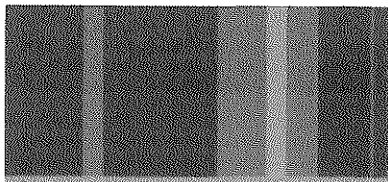
- *Australian Hearing Services Act 1991*, except to the extent that it is administered by the Minister for Health and Ageing;
- *Child Support (Assessment) Act 1989*, insofar as it relates to the exercise of the powers and functions conferred on the Child Support Registrar under the Act;
- *Child Support Legislation Amendment (Reform of the Child Support Scheme – Initial Measures) Act 2006*, insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act;
- *Child Support Legislation Amendment (Reform of the Child Support Scheme – New Formula and Other Measures) Act 2006*, insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act;
- *Child Support (Registration and Collection) Act 1988*, insofar as it relates to the appointment of the Child Support registrar and the exercise of powers and functions conferred on the registrar under the Act;
- *Commonwealth Services Delivery Act 1997*; and
- *Medicare Australia Act 1973*.





Key Executive Contact Details

Position	Name	Phone number	Mobile number
Secretary	Finn Pratt	6223 4411	47E(d) and 47C
Deputy Secretary, ICT Infrastructure	John Wadeson	6211 5067	47E(d) and 47C
Deputy Secretary, Delivery Policy and Compliance	Jeff Popple (Linda Holub A/g)	6223 4113	47E(d) and 47C
Deputy Secretary, Child Support	Philippa Godwin	6218 9875	47E(d) and 47C
Deputy Secretary, Service Delivery Reform Implementation	Kerri Hartland	6223 4744	47E(d) and 47C
Deputy Secretary, Taskforce on Strengthening Government Service Delivery for Job Seekers	Graham Carters	6223 4166	47E(d) and 47C
General Manager, CRS Australia	Margaret Carmody	6211 6910	47E(d) and 47C
CEO, Medicare Australia	Lynelle Briggs	6124 6300	47E(d) and 47C
Deputy CEO, People and Operations	Gary Dunn	6124 7412	47E(d) and 47C
Deputy CEO, Health	Malisa Golightly	6124 7601	47E(d) and 47C
CEO, Centrelink	Carolyn Hogg	6155 2074	47E(d) and 47C
Deputy CEO, Customer Service	Grant Tidswell	6155 2948	47E(d) and 47C
Deputy CEO, Business Development	Barry Sandison	6155 2076	47E(d) and 47C
Deputy CEO, Corporate Support	Barbara Bennett	6155 2079	47E(d) and 47C



Election Commitments

A) Coalition Election Commitment – Youth Allowance Improvements

CONTACT

Moya Drayton
02 6155 2065

KEY POINTS

The Government has announced a relaxed work test for students from inner regional areas who wish to claim Youth Allowance or ABSTUDY as an independent. This would amend the current policy which requires that, from 1 January 2011, only students from outer regional, remote and very remote areas will have access to two elements of the self-supporting criterion (earnings and part-time work) that existed before 1 July 2010.

The Remoteness Structure classifies Australia into regions which share common characteristics of remoteness, based on the physical road distance to the nearest town or service centre in each of five population size classes. The inclusion of inner regional areas means that all individuals outside of the major cities would be able to test their eligibility against the self-supporting criterion for independence. Major cities include: Canberra; Adelaide; Melbourne and Geelong; Perth and the surrounding area; Sydney including Shellharbour, Wollongong and Newcastle; and Brisbane including Tweed Heads, Strathpine and Maroochydore.

LEGISLATIVE REQUIREMENTS

The Department of Education, Employment and Workplace Relations (DEEWR) will be responsible for the legislative changes required to implement this policy.

APPROACHES TO IMPLEMENTATION

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

The announcement noted that parental income must be 'less than \$150,000 per annum'.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

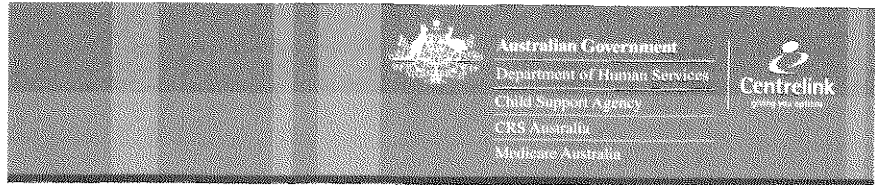
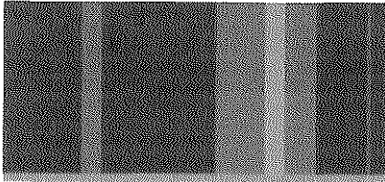
Centrelink has commenced discussions with DEEWR to clarify the policy requirements of these changes. It is also identifying the required changes to the system, business processes, forms, publications and letters.

STAKEHOLDERS

- Students and parents who may be affected by this change, particularly those in rural areas;
- Educational institutions and community groups which work with students; and
- DEEWR.

FINANCIAL IMPLICATIONS

Not known at this stage.



B) Coalition Election Commitment – Ceasing the Job Capacity Account

CONTACT
Paul Cowan
02 6155 1826

KEY POINTS

The Government announced, in their “Plan for Real Action for Australia’s Future”, that they would match the previous Government’s announcement that it will remove the overlap and duplication in funding sources available to job service providers for the purchase of services for job seekers by removing the Job Capacity Account to deliver savings of \$79.5 million over four years.

LEGISLATIVE REQUIREMENTS

Legislative changes are not required to implement this policy.

APPROACHES TO IMPLEMENTATION

The Job Capacity Account is used by Job Capacity Assessors to purchase allied health services to assist job seekers during their first three months of participation in lower levels of Job Services Australia assistance.

The Department of Education, Employment and Workplace Relations (DEEWR) is responsible for the Job Capacity Account.

Redacted under section 22 as exempt under section 47C.

Redacted

under section 22 as exempt under section 47C.

BACKGROUND

Redacted under section 22 as exempt under section 47C.

DEEWR is responsible for communicating this change to all stakeholders, including Centrelink and CRS Australia.

Delivery of professional services, such as those purchased using the Job Capacity Account, is a significant part of maintaining professional registration for Health and Allied Health Professionals employed by Centrelink and CRS Australia.

Redacted under section 22 as exempt under section 47C.

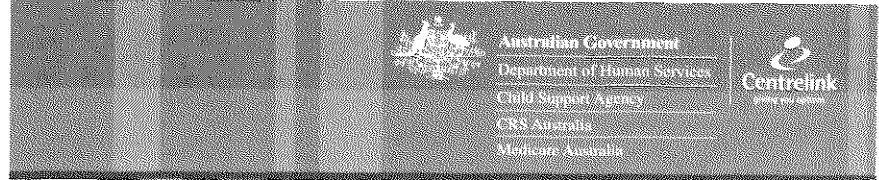
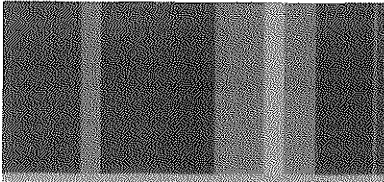
STAKEHOLDERS

- DEEWR;
 - Job Capacity Assessment providers;
 - providers of JCA services; and
 - Job Services Australia providers.
-

FINANCIAL IMPLICATIONS

Centrelink and CRS Australia are funded for Job Capacity Account referrals and services on a 'fee for service' basis by DEEWR.

Redacted under section 22 as exempt under section 47C.



C) Coalition Election Commitment – Reduction of Public Servant Numbers

CONTACT
Gary Dunn
02 6124 7412

KEY POINTS

The Government announced that it proposes to freeze APS recruitment for two years to reduce public servant numbers by 12,000. If implemented, the reduction would exclude reductions in “uniformed and front-line service positions”.

LEGISLATIVE REQUIREMENTS

Legislative changes are not required to implement this policy.

APPROACHES TO IMPLEMENTATION

The Human Services portfolio is already reviewing recruitment practices across the portfolio. Consideration is being given to streamlining and simplifying processes as well as more tightly managing all approvals for advertising.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

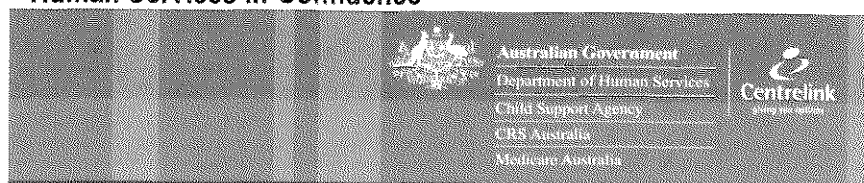
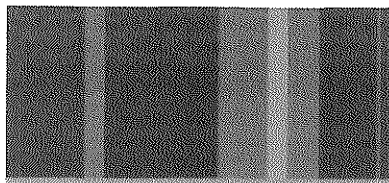
BACKGROUND

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

FINANCIAL IMPLICATIONS

Redacted under section 22 as exempt under section 47C.



D) Coalition Election Commitment – Postponement of Electronic Health Records

CONTACT
Mark Young
02 6124 6635

KEY POINTS

The Government has proposed deferring spending on electronic health records until the Budget is back in surplus.

LEGISLATIVE REQUIREMENTS

Currently, there is no legislation in place to implement electronic health records.

APPROACHES TO IMPLEMENTATION

Medicare Australia is well placed to assist with the delivery of an electronic health record when this matter is revisited.

The National E-Health Transition Authority is a Commonwealth – State body set up to implement a joint approach to electronic health records. The authority commissioned Medicare Australia to deliver the Healthcare Identifier Service – one of the key building blocks for the electronic health record. The Healthcare Identifier Service was delivered successfully on 1 July 2010.

Redacted under section 22 as exempt under section 47C

Discussions have been underway in the National E-Health Transition Authority Board about the next steps in the implementation of the electronic health record. These included the development of the Council of Australian Governments funded National Authentication Service for Health which will enable the use of secure electronic communications across the entire health sector.

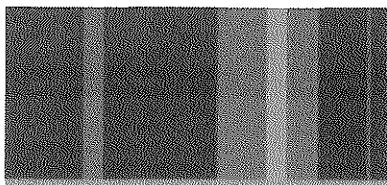
Medicare Australia Redacted under section 22 as exempt under section 47C. already provide authentication services to the public and healthcare professionals, as well as Public Key Infrastructure digital certificates to enable healthcare providers and health funds to transmit claims and information securely with us.

STAKEHOLDERS

Redacted under section 22 as exempt under section 47C.

FINANCIAL IMPLICATIONS

Medicare Australia has not costed any activity associated with the delivery of electronic health records.



E) Coalition Election Commitment – Indigenous Australians

CONTACT

Roxanne Ramsey
47E(d) and 47F

KEY POINTS

The policy put forward by the Government with regard to Indigenous Servicing will see an expansion of the Family Responsibilities Commission (FRC) as part of the Cape York Welfare Reform Trial. This expansion will require the involvement of the portfolio.

The establishment of a Director-General of Indigenous Policy Implementation may have some impact on the portfolio,
Redacted under section 22 as exempt under section 47C.

The statement mentions the Boarding School Project, particularly in the Northern Territory. The portfolio will have some involvement regarding the delivery of ABSTUDY and other payments to participants.

Redacted under section 22 as exempt under section 47C

APPROACHES TO IMPLEMENTATION

The portfolio has supported the work of the Cape York FRC during the Welfare Reform Trial and will continue to do so during any proposed expansion.

The Boarding School Project will only have minimal impact on the portfolio as the delivery of payments is part of the business as usual functions.

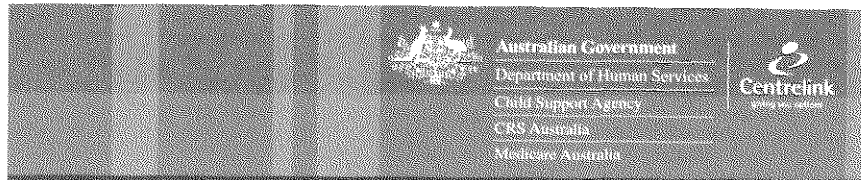
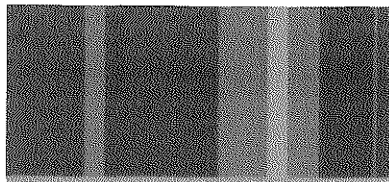
STAKEHOLDERS

- Department of Families, Housing, Community Services and Indigenous Affairs; and
- Department of Education, Employment and Workplace Relations.

FINANCIAL IMPLICATIONS

Redacted under section 22 as exempt under section 47C.

No costings have been provided for the Boarding School project.



F) Coalition Election Commitment – Further Increasing the Efficiency Dividend from 1.25 per cent to 2 per cent

CONTACT
Jennifer Gale
02 6223 4433

KEY POINTS

The current estimates are based on an efficiency dividend of a 1.25 per cent per year reduction in departmental appropriation funding up to 2010-11 but reverted to a 1 per cent reduction for the years 2011-12 to 2013-14. The Government announced on 18 August 2010 that it would further increase the efficiency dividend from the previous Government's proposal of 1.25 per cent to 2 per cent over the forward estimates and ongoing.

APPROACHES TO IMPLEMENTATION

Agencies are required to achieve efficiency improvements year on year in order to maintain their outputs with a reducing funding base. A major proportion of departmental costs are staffing costs.

Redacted under section 22 as exempt under section 47C.

STAKEHOLDERS

The efficiency dividend arrangements are applied in such a way so as intended not to impact on the delivery of government services to the general community. They are intended to be only an issue for agency management over the use of resources.

FINANCIAL IMPLICATIONS

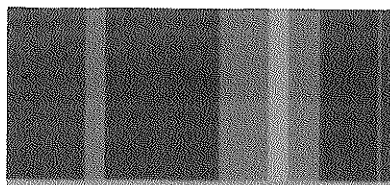
The proposal provides savings through a reduction in funding for all appropriation funded agencies. The exact savings depend upon details of implementation which have yet to be announced.

The commitment was costed by independent costers with data presented only for the entire Commonwealth general government sector. Data for individual agencies or portfolios is not presented.

Redacted under section 22 as exempt under section 47C.

Human Services In-Confidence

	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m
Administered	0.0	0.0	0.0	0.0	0.0
Departmental					
DHS	0.0	0.0			
Centrelink	0.0	0.0	Redacted	47C	
Medicare	0.0	0.0			
Total HS portfolio	0.0	0.0			



G) Coalition Election Commitment – Mental Health

CONTACT
Sheila Bird
02 6124 4641

KEY POINTS

The Government announced its \$1.5 billion Real Action Plan for Better Mental Health will provide a nationwide network of staged care to assist Australians access quality mental health services and pursue productive and fulfilling lives.

This will include:

- 20 Early Psychosis Intervention Centres;
- 800 mental health beds; and
- 60 additional youth headspace sites.

LEGISLATIVE REQUIREMENTS

The Department of Health and Ageing (DoHA) would develop any legislative changes if required to implement this policy.

APPROACHES TO IMPLEMENTATION

This announcement provides \$225 million towards an additional 60 Headspace sites. 'Headspace' is a service partner at the Frankston (Vic) Local Connections to Work. The Local Connections to Work initiative coordinated by Centrelink facilitates better connections to mental health services for extremely long term unemployed and disadvantaged youth through local partnerships with state and local government agencies and non-government organisations.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

Medicare Australia

Medicare Australia administers the Mental Health Nurse Incentive Program which funds community based general practices, private psychiatric practices and other appropriate organisations to engage mental health nurses to assist in the provision of coordinated clinical care for people with severe mental health disorders.

A range of Medicare rebateable services are available for eligible people with a diagnosed mental disorder.

Centrelink

Social workers provide crisis intervention for customers in distress, in addition to counselling, support and referral services.

Centrelink registered psychologists and job capacity assessors can diagnose relevant mental health conditions without the requirement of a detailed medical report to make the customer's transition to the disability support pension easier.

Suicide prevention training is regularly provided to Centrelink's front line staff by Centrelink social workers.

Child Support Program (CSP)

CSP has a range of partnerships to support separated and separating families including *beyondblue* – the national depression initiative.

Provides assisted telephone referrals for customers requiring a more supported approach to linking them with mental health services.

Administers the Staying Connected program which aims to take support to separated parents (primarily fathers) in the workplace.

CRS Australia

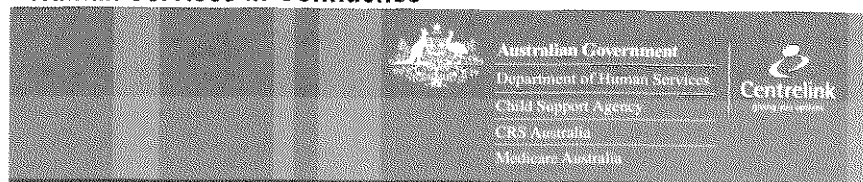
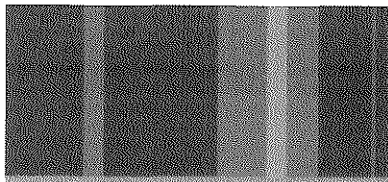
Coordinates health, education and employment strategies for people with mental illness as part of its delivery of Disability Employment Services for the Department of Education, Employment and Workplace Relations.

STAKEHOLDERS

- DoHA is responsible for mental health policy initiatives; and
- Department of Education, Employment and Workplace Relations is a policy partner for Local Connections to Work.

FINANCIAL IMPLICATIONS

Portfolio impacts related to mental health election commitments have not been costed. Costings may be sought once the policy is refined.



1.1 Improved Customer Service

CONTACT

Kerri Hartland

02 6223 4744

KEY POINTS

The service delivery infrastructure of the Human Services portfolio has successfully supported the delivery of services to the Australian people for the last several decades. However, advances in technology, increasing community expectations, and increasing demand driven by a growing and ageing population are creating significant challenges and opportunity for service delivery. Internationally a number of governments are making progress in the improvement of customer service pathways for their citizens. Service Canada is an example of major reform to service delivery.

The existing infrastructure is centred on programs and on the delivery organisation rather than the person receiving the service. Consequently, services are often fragmented and lack co-ordination across government agencies. Customers need to provide the same information more than once and work hard to determine what services are available to them.

The Howard Government recognised the need to differentiate between service delivery and policy development and also the need to refocus on improvements to service delivery when it established DHS in late 2004. Since its establishment the Department has been working to reduce the duplication of administration, achieve better alignment between service delivery and the policy development cycle of government and more effective delivery of services to the Australian people.

A significant opportunity to improve service delivery for customers is by making access to services easier. This would involve co-locating the office networks of Medicare Australia and Centrelink into one stop shops (a model similar to the co-location of Family Assistance Offices with Medicare Australia under the Howard Government). This integration would be extended to incorporate other access channels like telephone and online where a single telephone number and website would be provided to assist people to navigate the government service delivery system. The previous government had commenced trials in these areas.

There is an opportunity to drive efficiency from the current service delivery infrastructure which could then be redirected to drive substantial improvements in customer service and return savings to the budget. In this context, the previous government had announced the integration of Centrelink, Medicare Australia and DHS (including Child Support and CRS) into a single department of state as a means of improving the efficiency of the portfolio.

To date, there has been the virtual integration of enabling corporate

services such as IT, property management, procurement and human resources across the portfolio. There has also been preparation for the establishment of the single department from 1 July 2011. There are further opportunities beyond the integration of the agencies to increase efficiencies in the portfolio including arrangements to improve the productivity of the workforce through modernising workflow management practises and tools.

The efficiencies generated through changes to the operation of the portfolio could be reinvested into improved customer services in ways that put people at the centre of the process and allowing them to self manage more of their interactions with government. These improvements would take advantage of advancements in technology which allows more activity to occur securely over the internet and in ways where customers only provide updates of information to government once. With customer consent these updates could be shared across the portfolio to remove the burden of "retelling the story" from the customer.

These sorts of changes would reduce the amount of effort people need in their dealings with government and interactions could occur at a time and place that better meets their circumstances.

Efficiencies could be further invested in better service arrangements for those customers in most need. When customers find themselves in a position of crisis or disadvantage, an increased level of service and support is required. An opportunity exists to introduce case coordination and customer relationship management services to enable early intervention and prevention for customers in need of intensive support. These types of initiatives would assist to encourage a more holistic approach to service delivery including closer partnerships with non-government organisations.

BACKGROUND

In October 2004, DHS was established to improve the development and delivery of government social and health-related services to the Australian people.

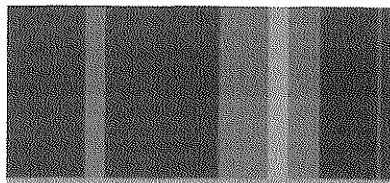
In establishing the Department, the then Government highlighted the need to improve the coordination and integration of service delivery to improve citizens' experiences and outcomes. This was re-inforced in a global report of service delivery undertaken by Accenture. Accenture found that Australia had slipped from third place in 2005, to eighth place in the 2007 Accenture rankings of customer service, and that reform was needed to keep pace. Other countries such as Canada, New Zealand and the United Kingdom were in the process of transforming their service delivery systems to better meet the needs of their populations and, in particular, those who are socially disadvantaged.

In April 2006, the then Government announced that it would introduce an Access Card, to be built on smartcard technology, and used in the administration and payment of health, social services and veterans' benefits. After the change in government in 2007, the Access Card Program was ceased.

Following the closure of the Access Card Program, the Human Services portfolio re-focussed on other aspects of service delivery.

FINANCIAL IMPLICATIONS

International experience suggests that service delivery improvements can generate efficiencies for government, but require some upfront investment. International experience also shows that service delivery improvements also have the potential to significantly reduce people's time and effort in accessing government services.



1.2 Service Delivery Engagement in Program Design and Implementation

CONTACT

Linda Holub
02 6223 4113

KEY POINTS

During the election campaign it was announced that the Government intends to establish an Office of Due Diligence with responsibility for ensuring that programs, particularly those over \$100 million, were efficiently designed, had a detailed implementation plan and will be implemented in a manner that provides maximum value for the taxpayer.

This portfolio delivers a broad range of programs for government that would be affected by this proposal, and accordingly is well positioned to make a significant contribution to the work of such an Office.

Already this Department, jointly with the Department of Finance and Deregulation (DoFD), has been undertaking a body of work that would support early engagement and joint design between policy and service delivery agencies, with the objective of delivering the best services for government and the Australian community.

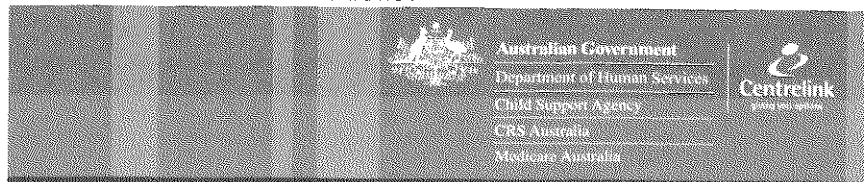
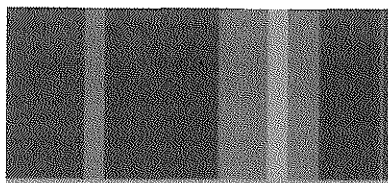
It is proposed to meet with your office in the near future to seek your views on how this portfolio could facilitate the work of the Office of Due Diligence.

BACKGROUND

DHS, with DoFD, has undertaken a range of consultations across most agencies to consider the effectiveness of mechanisms for engagement between policy and service delivery agencies, and to identify strategies that could enhance the joint design of programs. We would like to brief you on the key challenges and potential solutions identified to date.

FINANCIAL IMPLICATIONS

There are no financial implications.



2.1 Portfolio Overview

CONTACT

Linda Holub
02 6223 4113

KEY POINTS

This brief provides an overview of the financial position, staffing, property footprint and legal services for the portfolio.

A range of back office functions are now providing integrated services to DHS, Centrelink and Medicare Australia. These functions include people, property, and legal. A chart depicting the Organisational Structure of the portfolio is attached for your reference along with short biographies of the Secretary, Chief Executive Officers and their Deputies.

PEOPLE CONTACT

Michelle Cornish
02 6124 7541

PEOPLE & STAFFING OVERVIEW

Combined, the Human Services portfolio represents one quarter of the Australian Public Service.

Structure

The Chief Executive Officer of Medicare Australia, Ms Lynelle Briggs, is the portfolio lead on people issues for DHS, Centrelink and Medicare Australia.

There are two People Divisions – People Services and People Capability – that offer integrated people services and programs across the portfolio and report to Ms Briggs through Deputy Chief Executive Officer Mr Gary Dunn.

Key People Issues

A new Portfolio Enterprise Agreement is being developed as all existing agency collective agreements expire in mid to late 2011 and to support the evolving business model to facilitate improved customer services.

The people needs of the portfolio are being enhanced by implementing a portfolio human capital planning framework, focusing on job design and classification management, providing targeted learning programs and implementing change management processes.

A top priority is supporting wider portfolio integration and change management.

Further work has been done on the integration systems, policies and programs across the portfolio and a review of talent management strategies is underway.

At 30 June 2010, the Human Services portfolio employed 39,647 employees which included:

- Centrelink – 27,305 employees
- Medicare Australia – 5,705 employees

Human Services In-Confidence

- DHS including Child Support Program – 4,584 employees
- CRS Australia – 2,053 employees

Table 1 – Staffing Numbers¹

	Portfolio Total	Centrelink	Medicare Australia	DHS/CSP	CRS Australia
Other ²	152	152	-	-	-
APS 1	421	248	139	9	25
APS 2	886	446	140	57	243
APS 3	6 867	2 556	3 128	969	214
APS 4	17 232	14 813	452	1 753	214
APS 5	3 956	2 639	619	530	168
APS 6	6 185	4 004	414	698	1 069
Sub-total (APS)	35 699 (90.0%)	24 858 (91.0%)	4 892 (85.8%)	4 016 (87.6%)	1 933 (94.2%)
EL 1	2 717	1 760	475	378	104
EL 2	1 056	604	292	147	13
Sub-total (EL)	3 773 (9.5%)	2 364 (8.7%)	767 (13.4%)	525 (11.5%)	117 (5.7%)
SES 1	135	68	35	30	2
SES 2	29	11	8	9	1
SES 3	8	3	2	3	0
Secretary/CEO	3	1	1	1	0
Sub-total (SES)	175³ (0.44%)	83 (0.3%)	46 (0.8%)	43 (0.9%)	3 (0.2%)
Total	39 647	27 305	5 705	4 584	2 053

¹ All figures are head count.

² Other equates to (Centrelink only) Trainees/Cadets/Graduates.

³ While this SES number is substantive, we have an SES allocation of 218. The balance of the positions (43) is filled on an acting basis. Note, we have a major recruitment round for SES Band 1s in progress.

Demographics Overview

As at 30 June 2010, the Human Services portfolio had the following key demographics:

- Indigenous Staff – 3.1%
- Staff with a Disability – 3.8%
- Diverse Cultural and Linguistic Background – 13.9%
- Male Staff – 27.8%
- Female Staff – 72.2%

Additional details are provided as follows:

Table 2 – Employee Demographics

	Portfolio Subtotal	Centrelink	Medicare Australia	DHS/CSP	CRS Australia
Indigenous Staff	1 242 (3.1%)	1 033 (3.8%)	116 (2.0%)	75 (1.6%)	18 (0.9%)
Staff with a Disability	1495 (3.8%)	1 232 (4.5%)	107 (1.9%)	76 (1.7%)	80 (3.9%)
Diverse Cultural / Linguistic Background	5526 (13.9%)	3 959 (14.5%)	1 018 (17.8%)	238 (5.2%)	310 (15.1%)
Male Employees	11 034 (27.8%)	8 315 (30.5%)	1 120 (19.6%)	1 262 (27.5%)	337 (16.4%)
Female Employees	28 613 (72.2%)	18 990 (69.6%)	4 585 (80.4%)	3 322 (72.5%)	1 716 (83.6%)
Ongoing Employees	37 502 (94.6%)	25 894 (94.8%)	5 419 (95.0%)	4 507 (98.3%)	1 682 (81.9%)
Non-ongoing Employees	2 145 (5.4%)	1 411 (5.2%)	286 (5.0%)	77 (1.7%)	371 (18.1%)
Full time Employees	30 108 (75.9%)	20 746 (76.0%)	4 379 (76.8%)	3 783 (82.5%)	1 209 (58.9%)
Part time Employees	9 527 (24.0%)	6 559 (24.0%)	1 326 (23.2%)	801 (17.5%)	844 (41.1%)

PROPERTY CONTACT
Karel Havlat
02 6155 0202

PROPERTY MANAGEMENT OVERVIEW

All portfolio property management teams were integrated from 1 March 2010.

Management of the property portfolio is focused on providing accommodation to meet the needs of a constantly changing service delivery environment. This requires offices to be well located, within reach of customers, and with good quality internal environments from which to deliver government services.

Centrelink

Centrelink maintains a leased portfolio of 445 sites occupying 591,099m². The property portfolio comprises 315 Centrelink Customer Service Centres, 25 Call Centres, 34 other customer service sites, 49 sites housing National and Area Support Offices and 22 other sites, including data centres and other storage. \$60.3 million was invested in capital improvements to Centrelink sites in 2009-10. Centrelink also provides staff housing in remote locations where a suitable rental market does not exist, sometimes in the form of transportable homes. It owns 33 such residences. In 2009-10, office lease and associated costs for the Centrelink component of the portfolio was \$251.5 million.

Medicare Australia

Medicare Australia maintains a leased portfolio of 265 sites occupying 105,529m². The property portfolio comprises nine sites in the ACT, with the remainder located in the other Australian capital cities and regions. \$35.1 million was invested in capital improvements to Medicare Australia sites in 2009-10. For the same period, office lease and associated costs for the Medicare Australia component of the portfolio was \$63.2 million.

Department of Human Services

DHS (excluding CRS Australia) maintains a leased portfolio of 19 sites occupying 71,648m². The property portfolio comprises three sites in the ACT, with the remainder located across the other Australian capital cities and regional areas. \$10.9 million was invested in capital improvements to DHS sites in 2009-10. For the same period, office lease and associated costs for the DHS component of the portfolio was \$41.1 million.

CRS Australia separately manages its property portfolio which comprises a network of 180 permanent and over 100 visiting sites located around Australia. In 2009-10, office lease and associated costs for CRS Australia's property portfolio was \$16.4 million.

Outsourced Property Management Services Provider

In July 2009, following an open market tender process conducted by Centrelink, Jones Lang LaSalle (JLL) was appointed as DHS outsourced property service provider to provide leasing and facilities management services. This contract includes the three portfolio agencies, with Centrelink as the lead contract management agency.

Portfolio Integration – Property

The consolidated 2010-11 property budgets for portfolio agencies, including all staffing, leasing, capital costs, outsourced property management services, facilities and services contractor costs, total \$487.6 million.

A complete listing of all property holdings can be provided if required.

LEGAL SERVICES OVERVIEW

All portfolio legal teams were integrated from 1 March 2010.

The integrated Legal Services Division provides services to DHS (including CRS Australia and the Child Support Program), Centrelink and Medicare Australia. Australian Hearing has a separate legal team.

The integration of legal services across the portfolio will result in efficiencies in the medium term.

The Division is responsible for:

- legal services;
- responding to FOI and other requests for the release of information;
- privacy; and
- the management and coordination of responses to Ombudsman queries/complaints.

In 2009-10, the portfolio spent approximately \$15.2 million procuring legal services from external legal advisers. Expenditure on internal legal services over the same period was approximately \$10.7 million.

FINANCIAL OVERVIEW

Funding Arrangements

The total appropriation for the Human Services portfolio (excluding

LEGAL CONTACT
Paul Menzies-McVey
02 6223 4512

FINANCE CONTACT
Jennifer Gale
02 6223 4433

Australian Hearing) in the 2010-11 Budget is \$3,972.5 million. This amount comprised:

- \$3,827.2 million under Appropriation Act 1;
- \$70.8 million under Appropriation Act 2; and
- \$74.5 million under Special Appropriations.

In addition to appropriation, agencies also receive funding from external sources of \$1,742.5 million. This comprises:

- \$1,146.4 million receipted into the Child Support Account to be paid to custodial parents;
- \$234.7 million received by Medicare Australia into the Recovery of Compensation for Health Care and Other Services Special Account;
- \$198.5 million received by CRS Australia for the provision of rehabilitation services; and
- \$89.0 million received by Centrelink, of which \$67.0 million is provided for job capacity assessments. The balance (\$22.0 million) relates to a range of services provided to other departments.

Australian Hearing is not included in the above financial information as it does not receive appropriation from the budget. Further information regarding Australian Hearing is contained in brief 7.1.

FINANCIAL BACKGROUND

Summary of 2010-11 Appropriation (\$m)

Departmental Appropriation	DHS	Centrelink	Medicare	HS portfolio
Appropriation Act 1	543.1	2,621.5	656.3	3,820.9
Equity Injection Act 2		55.0	15.6	70.6
Administered Appropriation				
Annual Expense Appropriation Act 1	6.3	n/a	n/a	6.3
Assets Appropriation Act 2	.2	n/a	n/a	.2
Special Appropriation	74.5	n/a	n/a	74.5
Total Approp	624.1	2,676.5	671.9	3,972.5

The Portfolio Additional Estimates Statements 2009-10 forecast total Departmental appropriation revenue for 2010-11 of \$3,887.3 million.

The portfolio received net additional funding of \$4.2 million at the 2010-11 Budget in Departmental appropriation under Appropriation Act 1.

This is due to:

- \$122.0 million in funding for new expense measures;
- \$43.4 million in funding for new capital measures;
- \$47.6 million in funding to Centrelink for 2009-10 Budget measures not previously funded;
- reductions in Centrelink workload funding of \$234.3 million (under the Centrelink Funding Model);
- \$221.1 million in capital funding under Operation Sunlight;
- removal of \$213.2 million in depreciation funding as part of Operation Sunlight; and
- additional \$17.7 million for other adjustment for parameters, transfer of function etc.

Administered appropriations which supplement funding of child support payments were reduced by \$16.6 million due to expected lower call on Commonwealth resources.

Attachment A summarises funding for the portfolio's measures and related appropriation and Attachment B provides a list of agency budget measures for 2010-11.

Department of Human Services

Total 2010-11 appropriations for the Department is \$624.2 million made up of \$543.1 million in departmental funding and \$81.0 million in Administered funding.

The Department received additional departmental funding of \$20.9 million mainly comprising of \$39.6 million in capital funding offset by a \$23.9 million reduction in depreciation funding (Operation Sunlight) and funding of \$5.1 million for new measures:

- Information and Communication Technology Business-as-Usual Reinvestment Fund (\$2.2 million for Automated Outbound Dialling);
- Fraud prevention and compliance – improving compliance with child support obligations (\$0.9 million for Child Support Intelligence Capability); and
- Fraud prevention and compliance – new approaches to reduce fraud and support compliance (\$2.0 million for Pilot Projects to Test and Inform Approaches to Compliance for Social, Health and Welfare Payment).

The Department further adjusted Administered funding down by \$16.6 million to reflect expected lower call on Commonwealth resources.

Centrelink

Total appropriation for Centrelink in the 2010-11 Portfolio Budget Statements is \$2,676.5 million including departmental equity injection

of \$55.0 million in capital funding under Appropriation Act 2.

Centrelink Departmental funding was reduced by \$43.6 million mainly resulting from:

- a reduction of \$234.3 million through the Centrelink Funding Model;
- \$200.4 million in capital funding and equity injection offset by a \$142.5 million reduction in depreciation funding; and
- \$34.8 million for departmental supplementation for 2009-10 expenses and funding of \$100.7 million for new expense measures.

Medicare Australia

Total 2010-11 appropriation for Medicare Australia is \$671.9 million, including departmental equity injection of \$15.6 million in capital funding under Appropriation Act 2.

Medicare Australia received additional departmental funding of \$26.9 million mainly comprising of \$36.7 million in capital funding (Operation Sunlight) offset by a \$46.8 million reduction in depreciation funding (Operation Sunlight) and funding of \$24.3 million for new measures, including:

- Fifth Community Pharmacy Agreement – more efficient funding of community pharmacies (\$15.3 million);
- Revised arrangements for efficient funding of chemotherapy drugs (\$3.6 million);
- National Health and Hospitals Network – Workforce – support for practice nurses (\$3.5 million); and
- National Health and Hospitals Network – general practice and primary care – co-ordinated diabetes care (\$1.3 million).

Summary of Funding for Portfolio Measures: 2010-11 Budget

	\$m
New expense measures	
Department of Human Services	5.1
Centrelink	100.7
Medicare Australia	16.2
<i>Total new expense measures</i>	<i>122.0</i>
New capital measures	
Department of Human Services	0
Centrelink	35.3
Medicare Australia	8.1
<i>Total new capital measures</i>	<i>43.4</i>
2009-10 measures not previously funded	
Centrelink expense	34.5
Centrelink capital	13.2
<i>Total measures not previously funded</i>	<i>47.7</i>

2010-11 Budget Measures

Measure description		Program	2010-11 \$'000	Expense	Capital	Total
Department of Human Services						
Information and Communication Technology Business-as-Usual Reinvestment Fund	Automated Outbound Dialling - trial for improved approach to outbound calls to customers.	1.1	2,176			2,176
Fraud prevention and compliance - improving compliance with child support obligations	To develop and implement an enhanced compliance capability to help ensure that parents meet their child support obligations.	1.1	909			909
- new approaches to reduce fraud and support compliance	To pilot new ways of preventing fraud and supporting compliance in the social, health and welfare payments system.	1.1	2,000			2,000
Total measures - DHS			5,085	-	5,085	

Note: The measures "A new scheme of income management in the Northern Territory" and "Child Support Income Estimates - transitional arrangements and long-term solution" will appear in the Budget Paper No.2 as they were decided after Mid - Year Economic an

Centrelink**Department of Families, Housing, Community Services and Indigenous Affairs**

Reform of Community Development Employment Projects (CDEP) program in the Torres Strait	Increased focus on work readiness, getting more people into jobs where opportunities exist, extending local training opportunities and promoting community development.	1.1	600			600
Streamlining notification processes for compensation recipients	Compensation payers, such as insurance companies, to notify Centrelink prior to making compensation payments to clients from 1 July 2011.	1.1	6,138		3201	9,339

Human Services In-Confidence

Bulk Verification of Community Housing Rents	Eligible recipients to receive their correct Rent Assistance entitlement whilst also reducing administrative costs.	1.1	1,792	1,792
Special Disability Trusts - greater accessibility	Enable parents and immediate family members to put money aside for the future care and accommodation needs of a family member with a severe disability.	1.1	333	333
Samoan tsunami and Sumatran earthquakes - assistance (2009-10 measure)	Assist Australians adversely affected by the Samoan tsunami and Sumatran earthquakes on 30 September 2009 and 1 October 2009.	1.1	-	-
<u>NSW Mid-North Coast floods</u> - assistance for March 2009 event (2009-10 measure)	Ex-gratia assistance to people who, on or after 29 September 2009, were still adversely affected by the floods that occurred in the Mid-North Coast and Northern Rivers regions of NSW in March 2009.	-	-	-
- assistance for November 2009 event (2009-10 measure)	To assist people adversely affected by the floods in the Mid-North Coast and Northern Rivers regions of NSW in November 2009.	1.1	-	-
Western Australian bushfires - assistance (2009-10 measure)	To assist people adversely affected by the bushfires in the Western Australian shires of Toodyay, Coorow and Dandaragan in December 2009.	1.1	-	-
Victorian storms - assistance (2009-10 measure)	To assist people adversely affected by severe storms in Melbourne in March 2010.	1.1	48	48
South West Queensland floods - assistance (2009-10 measure)	To assist people adversely affected by severe flooding in south-west Queensland in March 2010.	1.1	199	199
Family Tax Benefit Part A - improved participation requirements for 16 to 20 year olds (2009-10 measure)	Participation in full time training or education will be required in order for families to remain eligible for FTB-A.	1.1	10,055	0 10,055
Paid Parental Leave - implementation (2009-10 measure)	The measure is aimed at ensuring that employers and employees can access their rights, gain their entitlements and meet their responsibilities under the scheme.	1.1	3,513	3,513
Income management in cases of child neglect and by voluntary choice - continuation of trial	To continue the trial of income management in the Kimberley region of Western Australia and metropolitan Perth.	1.1	10,867	28 10,895

Human Services In-Confidence

Family Tax Benefit Non-lodger Fortnightly Payment Prohibition - more flexible arrangements (2009-10 measure)

All Family Tax Benefit (FTB) recipients who had not lodged tax returns for more than 12 months and had not responded to Centrelink requests to do so, would no longer receive FTB payments through fortnightly instalments until they lodge their tax return.

1.1 1,637 1,637

Stronger, fairer, simpler tax reform

- 50 per cent discount for interest income

From 1 July 2011, provides individuals with a 50 per cent discount on up to \$1,000 of interest earned by individuals.

1.1 369 369

- standard deduction for work-related expenses and the cost of managing tax affairs

Provide individual taxpayers with a standard deduction of \$500 for work-related expenses and the cost of managing tax affairs from 1 July 2012.

1.1 - -

Note: These highlighted measures were presented under Department of Human Services and not under Centrelink in Budget Paper No.2.

Department of Education, Employment and Workplace Relations

School Enrolment and Attendance Trial - continuation

Trial is to increase the level of school enrolment and school attendance.

1.1 2,366 2,366

Drought assistance - Assistance for Isolated Children Scheme - extension

Ensure that current levels of financial assistance are maintained for rural families who may be experiencing hardship as a result of living in drought-affected areas.

1.1 464 464

Job Capacity Assessment - more efficient and accurate assessments for Disability Support Pension and employment services

Improve assessments for disadvantaged jobseekers and Disability Support Pension claimants who are currently required to undergo a Job Capacity Assessment to ensure that appropriate employment and income support are provided.

1.1 8,344 3152 11,496

Child Care Rebate - return the annual cap of \$7,500 and pause indexation (2009-10 measure)

Caps the annual Child Care Rebate at the 2008-09 level of \$7,500 per child from the current annual cap of \$7,778 per child and pause the indexation of the cap for four years.

1.1 367 367

Department of Agriculture, Fisheries and Forestry

Drought assistance
- Exceptional Circumstances assistance for primary producers (2009-10 measure)

Provides interest rates subsidies and income support to assist viable farm business and farm families who have been adversely affected by prolonged drought.

1.1 2,712 2,712

Human Services In-Confidence

- Exceptional Circumstances assistance for small business	Provides interest rate subsidies and income support to assist viable farm-dependent businesses and families who have been adversely affected by prolonged drought.	1.1	322	322
- professional advice and planning - extension (2009-10 measure)	To continue to provide taxable grants of up to \$5,500 to eligible farmers in Exceptional Circumstances-declared areas for professional business and financial planning.	1.1	2,037	2,037
- re-establishment assistance - extension	To continue to assist primary producers in severe financial difficulty who decide to leave their farm.	1.1	385	385
- transitional income support - extension	To continue providing eligible farm families experiencing hardship with up to 12 months of income support payments equivalent to the Newstart Allowance.	1.1	-	-
Drought policy reform - pilot of new measures in Western Australia (2009-10 measure)	Designed to encourage farmers and farm families to adopt self-reliant approaches to managing farm risks and adjust to the impacts of climate change and reduced water availability.	1.1	2,927	2,927

Department of Human Services

Fraud prevention and compliance - Centrelink debts - review of non-standard debt repayment rates	Review the repayment rates of people repaying debts to Centrelink at a rate below the standard repayment of 15 per cent of their welfare benefit.	1.1	7,986	7,986
- Centrelink debts - improvements to the tax garnishee process	To improve current process for garnishing tax returns of ex-Centrelink customers who have an outstanding debt with Centrelink and no arrangement in place to repay that debt.	1.1	2,121	2,121
- enhanced capability for Centrelink to detect and respond to emerging fraud risks	This measure will enable Centrelink to employ specialist analysts and investigators to increase referrals to law enforcement agencies and refer serious cases to the Commonwealth Director of Public Prosecutions.	1.1	17,608	5256 22,864
Drought assistance - mobile service and rural servicing support - extension	To provide a range of services for families living in drought-affected areas without a Centrelink Customer Service Centre.	1.1	-	-
Secure and sustainable pension reform - additional funding for service delivery (2009-10 measure)	To implement reforms under the Secure and Sustainable Pensions package which was announced in the 2009-10 Budget.	1.1	2,478	2368 4,846

Human Services In-Confidence

An Innovation and Higher Education System for the 21st Century - Student income support - additional funding for service delivery (2009-10 measure)	1.1	7,345	423	7,768
<u>Jobs and Training Compact</u> - Youth Attainment and Transitions National Partnership - additional funding (2009-10 measure)	1.1	420		420
- improved participation requirements for 15-20 year olds - additional funding for service delivery (2009-10 measure)	1.1	5,488		5,488
Department of Finance and Deregulation				
Information and Communication Technology Business-as-Usual Reinvestment Fund				
Expense component for two measures: Virtual Infrastructure capability to improve BAU efficiencies; and a Shared Services platform - foundation components for a common ICT platform for services to staff and customers for multiple agencies use.	1.1	1,809	20,909	22,718
Department of Immigration and Citizenship				
Migration Program - allocation of places for 2010-11	1.1	*		
Will provide up to 168,700 places in the 2010-11 Migration Program, unchanged from the 2009-10 planning level.				
Total measures - Centrelink		100,730	35,337	136,067

Note: The measure "A New Scheme of Income Management" was reported in the 2009-10 Portfolio Additional Estimates Statements therefore will not appear in the 2010-11 Portfolio Budget Statements. However, the full measure description and package details are

Medicare

Department of Health and Ageing				
Addressing domestic violence - continuing training for health workers in regional and rural areas	1.1	-		
Fifth Community Pharmacy Agreement	1.2	10,657	4632	15,289
Support the community pharmacy network and more patient-centred approaches and services.				

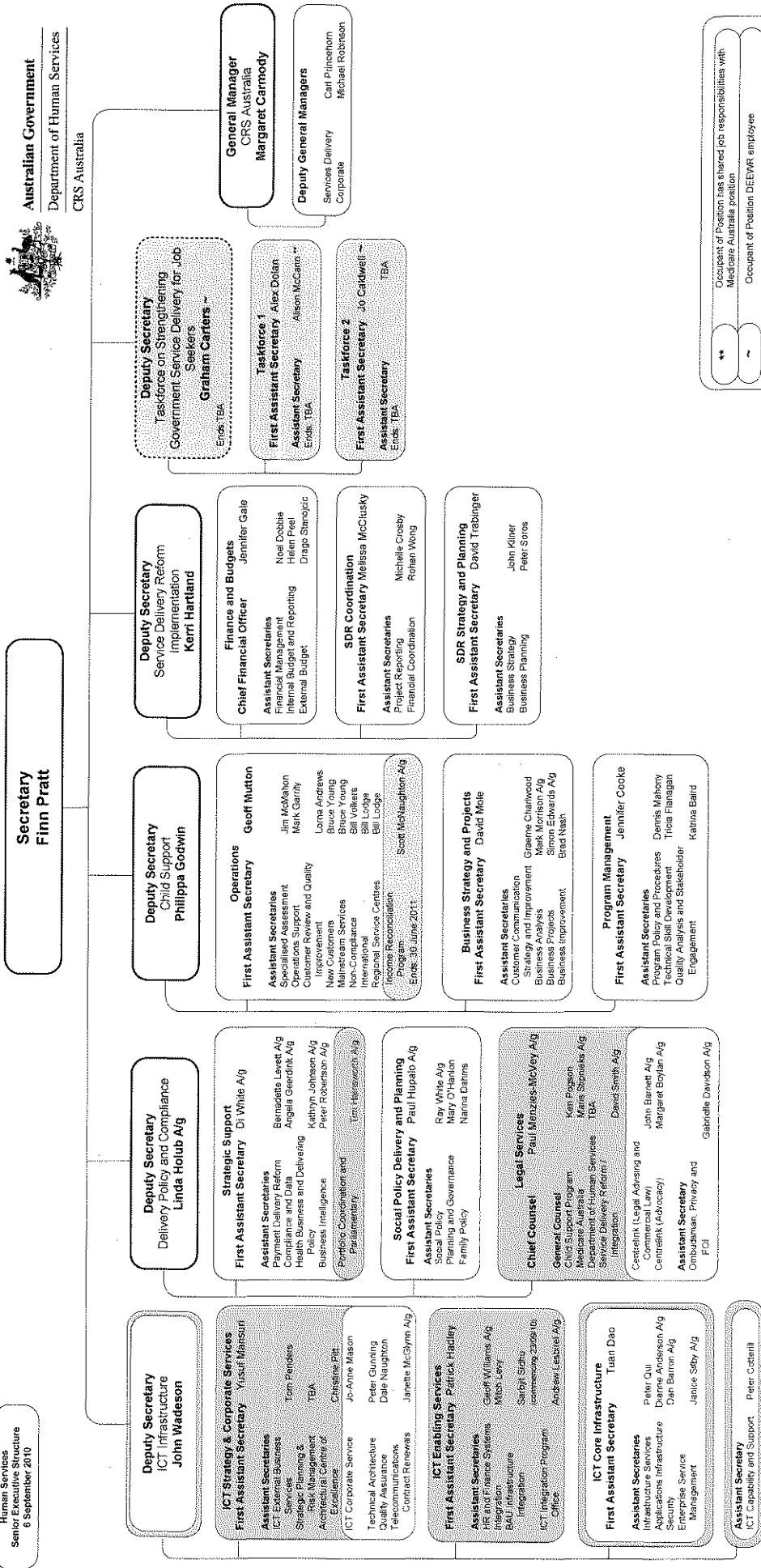
Human Services In-Confidence

Medicare Benefits Schedule - restructure of items to provide better primary care services	Increasing rebates for long and complex consultations with general practitioners.	1.1, 1.2	(2,021)	(2,021)
- new and revised listings	Amendments to Medicare Benefits Schedule and Veterans' Benefits for new and revised listings.	1.1	(3)	(3)
- revision of access for specialist consultation items	Extend access to the Medicare Benefits Schedule for three newly recognised medical specialties.	1.1	303	303
National Health and Hospitals Network	Support additional primary care services for older Australians in aged care.	1.1	487	254
- Aged care - improving access to General Practice and primary health care	To improve the quality and coordination of primary health care services provided to people with diabetes from 1 July 2012.	1.1	1,308	0
- General practice and primary care - improved access to after hours primary care	To establish a nation-wide network of Primary Health Care Organisations to be known as Medicare Locals, and improve access to after hours primary care.	1.1	592	592
- Mental health - flexible care packages for patients with severe mental illnesses	To establish personal multidisciplinary care packages for patients with severe mental illness.	1.1	57	57
- Workforce - more General Practice training rotations for junior doctors	Provides opportunities for junior doctors to gain clinical experience in primary care with the aim of encouraging them to take up general practice as a career.	1.1, 1.2	132	132
- Workforce - more places on the General Practice Training Program	To improve access and availability of GP services and help take pressure off the hospital system.	1.1, 1.2	-	-
- Workforce - support for practice nurses	New practice nurse grants initiative which will replace existing incentives for general practices to engage practice nurses.	1.1	2,139	1,383
Pharmaceutical Benefits Scheme - minor new listings	Administering payments for minor new listings.	1.2	154	154

Human Services In-Confidence

Practice Incentives Program - changes to incentive payments for cervical cancer screening	Increases the target that general practices need to achieve in order to receive the Cervical Screening Incentive payment that is available under the Practice Incentives Program.	1.1	283	92	375
Private health insurance - supporting lifetime health cover	Provides information about the lifetime health cover surcharge to individuals who are approaching their 31st birthday and new migrants.	1.1	217		217
Revised arrangements for efficient funding of chemotherapy drugs	New arrangements to reduce wastage in the dispensing of intravenous drugs used for chemotherapy treatment.	1.2	1,883	1707	3,590
Department of Human Services					
Medicare Australia - continuation of funding for Medicare Australia Access Points	Provide a network of self-service outlets for accessing certain government services.	1.3		-	-
Department of Immigration and Citizenship					
Migration Program - allocation of places for 2010-11	Will provide up to 168,700 places in the 2010-11 Migration Program, unchanged from the 2009-10 planning level.		*	*	*
Total measures - Medicare					
			16,188	8,068	24,256
Total measures - HS Portfolio					
			122,003	43,405	165,408

Human Services
Senior Executive Structure
6 September 2010



**	Occupant of Position has shared job responsibilities with Medicare Australia position
~	Occupant of Position DEWR employee
GREEN	Areas providing portfolio-wide services
YELLOW	Occupant of position from Centrelink
RED	New position-name / New occupant
BLUE	Temporary arrangement
A/g	ACTING arrangement for 4 WEEKS or more
The Organisational Chart is updated fortnightly on MONDAY with changes notified to the GOVERNANCE SECTION@Centrelink.gov.au mailbox by noon of that day	
NOTES	

Chief Executive Officer
Carolyn Hogg

DCEO
Business Development
Barry Sandison

General Manager
Strategy and Relationships
Catherine Rule

National Managers
Families, Social Inclusion and New Policy
Strategy and Service Delivery
Relationships
Business Process and Demand Management
Participation and Partnerships
Service Delivery Policy and Operations

Pam Saunders
Jo Gaha
Cathy Sear
Jenny Epton
Tony Gargan

General Manager
Education, Employment and Support Programs
Moya Drayton

National Managers
Education and Employment Programs
Education and Employment Network
Multiple Disadvantage
Centrelink Jobs Exports
Ends: 31 December 2010

Kate Hay
Paul Goodwin
Sam Campbell
Malcolm Mill
Ag

General Manager
Seniors, Families, Disability and Carers
Paul Cowan

National Managers
Seniors and International
Families and Child Care Programs
Disability and Child Care Network
Disability and Carers

Stephen Kelly
Rob Salvage
Bridget Marner
Melissa Lund
Ag

General Manager
Seniors and Carers Network

Mandy Ritchie

General Manager
Centrelink Applications
Ella Seftonstantia

National Managers
Business Systems
Employment and Online Systems
Service Network Systems
Payment and Income Management Systems
Employment Substructure
Seniors and Customer Contact Systems
Network Support Tools

Mike Brett
Pat Fegan
Rob Doughty
Edmund Tice
Brian Olson
Graham Archer
Steve Robson
Ag

General Manager
Business Integrity
Mark Withnell

National Managers
Payment and Compliance
Payment Accuracy
Debt Management

Scott Britton
Mark Rye
Jan Bailey
Debbie Wase
Ag

General Manager
Child Support and Families Systems
Luke Woolmer

National Managers
Families Systems
Child Support Delivery Systems
Child Support Information Management

Devika Wernatne
Ag
Ag
Ag

DCEO
Customer Services
Grant Tidswell

General Manager
Network Operations
Graham Maloney

National Managers
Centrelink Call Operations
Customer Operations
Knowledge Management Services
Ends: 05 January 2011

San Neely
TBA
John Degen

Service Delivery Reform Customer Access
Ends: 30 June 2011

Christine McPaul

Area Managers

Area Hunter
Area South East Victoria
Area West Victoria
Area North Central Victoria
Area South Australia
Area Western Australia
Area Tasmania
Area South West NSW
Area South and West Queensland
Area Pacific Central
Area South and East Queensland
Area Sydney West
Area Sydney East

Louise Hamilton
Mandy Ritchie
Scott Chant
Colin Parker
Brian Silvester
Anna Williams
Michelle Lees
Peter Gillies
Paul Molae
Brian Small
Marianne Evans
Judy Bae
Ag
Steven Parnell
Ag

General Manager
Network Performance
Sheryl Lewin

National Managers
Social Work
Network Coordination
Centrelink Call Performance

Desley Macgregor
Jenny Tesco
Leanne Smith
Ag

Portfolio Manager
Portfolio Emergency Management
Ends: 17 October 2010

Jenny Thomson
Trevor Jones

General Manager
Indigenous, Rural and Remote Services
Roxanne Ramsey

Area Managers
Area North Australia
Area Central and Northern
Area South and Western
Income Management
Indigenous Strategies

Barbara Clouston
Chantal Overham
Ag
Carmel Stok
Ag
Shane Hoffman

DCEO
Corporate Support
Barbara Bennett

Chief Financial Officer
Portfolio Managers
Customer Service Property
Corporate Property and Environment
Ends: 30 June 2011

Karel Hayat
Mark Wellington
Neil Bell

National Managers
Financial Management and Services
Budget and Management Accounting

Lyn Valentine
Frank Sarabi
Ag

General Manager
Communication
Hank Jansen

Portfolio Managers
Communication Development and Management
Media and Network Communication
External Communication
Corporate Communication
Ends: 30 June 2011

Rick Moloney
Scott Anderson
Ag
Jenny Barbour
Jacqui Gieson

General Manager
Forecasting, Information and Performance
Rhonda Morris
Ag

National Managers
Data Services
Performance and Information Management

Julie Fuzman
Laura Gannon

General Manager
Service Delivery Reform and Productivity
Elaene Nham
Ag

National Managers
Productivity Efficiency Measures

TEA

General Manager
Corporate Operations
Cliffy Biscoe

Portfolio Managers
Planning, Risk and Continuity
Corporate Records Management
Ends: 30 June 2011

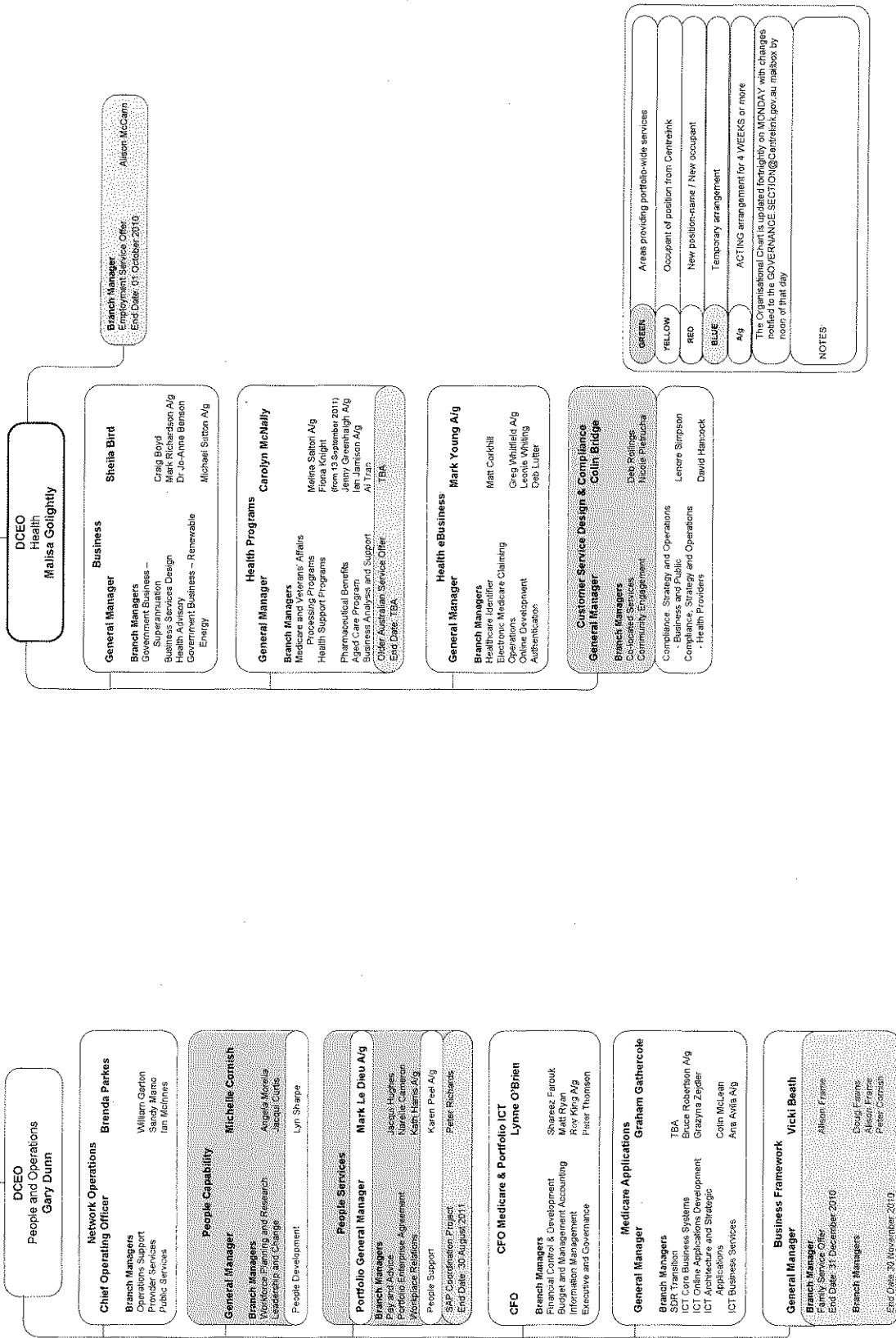
Cheryl Anne May
Jason Armstrong
Ag
PSI Undermeyer

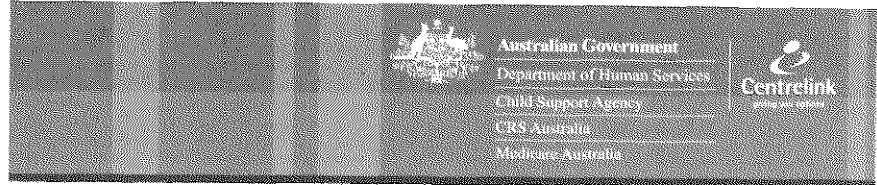
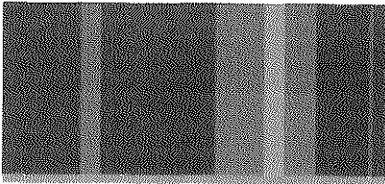
Portfolio General Manager
Audio and Assurance
Daren Box

Portfolio Managers
Internal Audit (Centrelink)
Internal Audit (Medicare Australia)
Chris Byrne

CHANGE	Occupant of position from DHS
POPLE	Occupant of Position from Medicare Australia
GREEN	Area providing portfolio-wide services
RED	New position name / New occupant
BLUE	Temporary arrangement
Ag	ACTING arrangement for 4 WEEKS or more
The Organisational Chart is updated fortnightly on MONDAY with changes to the GOVERNANCE SECTION made by noon of that day	
Note: GMI Network Operations & GMI Network Performance have shared responsibility for Area Managers	
The following have been removed from the Centrelink Organisational Structure: ICT Group -> DHS Organisational Structure People Division -> Medicare Organisational Structure Public & Corporate Law & Procurement, Advocacy & Privacy & FDI Reform Branches -> DHS Organisational Structure	

Chief Executive Officer
Lynelle Briggs





BIOGRAPHY

FINN PRATT

Secretary

Department of Human Services

Finn Pratt was appointed Secretary of the Department of Human Services in September 2009.

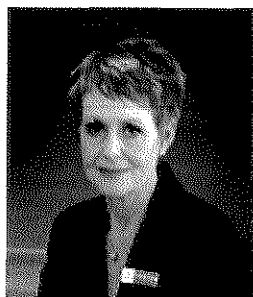
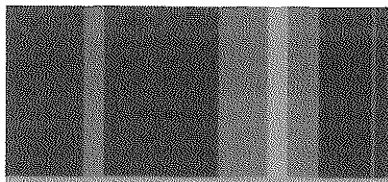
In this role, Finn is currently leading the major reform of Australian Government service delivery in order to give Australians better access to social, health and welfare services.

Finn has a distinguished career and more than 26 years of experience including developing employment policies, managing labour market services and programs. He played a major role in developing and implementing Job Network and the Working Nation programs.

In 2008, Finn was appointed the Associate Secretary of the Department of Education, Employment and Workplace Relations (DEEWR). He was responsible for the Workplace Relations functions of DEEWR providing policy and legal advice on workplace relations, occupational health and safety and workers' compensation matters.

Prior to his appointment as Secretary of the Department of Human Services, Finn was the CEO of Centrelink where he made it a priority to experience first-hand Centrelink's front line operations.

Finn was awarded the Public Service Medal in 2008, for driving significant and innovative reforms to public employment services and workplace relations in Australia.



BIOGRAPHY

CAROLYN HOGG

CEO

Centrelink

The Minister announced the appointment of Carolyn as Chief Executive Officer on 16 December 2009.

Carolyn joined the APS in 1973, working in the Service Delivery Network for 13 years with the Department of Social Security (DSS), before moving to Canberra.

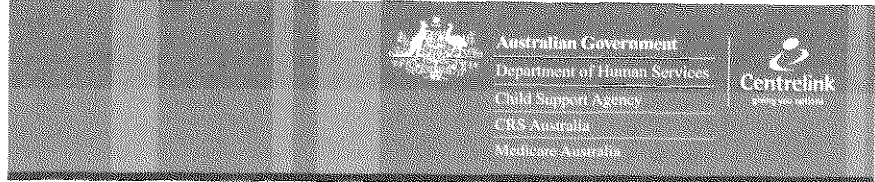
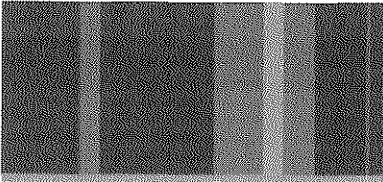
Once in Canberra Carolyn worked in the Learning, Development and Policy Development areas within DSS and then with Australian Government Publishing Service in the Department of Administrative Services.

Carolyn has been a Senior Executive in the Australian Government since 1993 and returned to Centrelink in 1997 to take-up the role of National Manager, Employment Services.

Carolyn was then appointed General Manager of the Gateway Division and following this General Manager of the Service Integration Shop.

In 2005, Carolyn became Deputy Chief Executive Officer Stakeholder Relationships, and in July 2006 took over the role of Deputy Chief Executive Officer, Customer Service.

During the three years prior to her appointment as Chief Executive Officer, Carolyn had acted in the role of Chief Executive Officer on many occasions and has wide experience across the range of Centrelink business.



BIOGRAPHY
LYNELLE BRIGGS
CEO
Medicare Australia

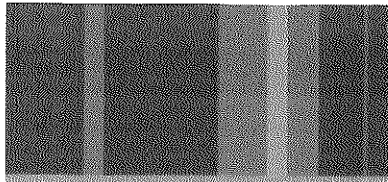
In August 2009, Lynelle Briggs became the Chief Executive Officer of Medicare Australia.

She is leading the challenge to deliver 21st Century services. Lynelle is committed to ensuring Medicare Australia's capability is able to be used to deliver a range of Government programs while remaining focussed on its core business role within Australia's health system. She is a strong advocate of service delivery reform so that it becomes easy, high quality and works for you.

Lynelle has been with the Australian Public Service for 30 years. During this time she has worked in a wide range of fields including social security, health and community services, external territories, employment, labour market support and veterans' affairs. She has been closely involved in unemployment and retirement incomes policies, health care agreements, private health policy and health care delivery. In the mid-1980s she was a policy adviser to the Minister for Community Services before spending two years working for the New Zealand Treasury in Wellington.

Lynelle joined the Department of Transport and Regional Services as Deputy Secretary in June 2001. Her achievements include the AusLink White Paper, the ARTC rail track lease with NSW and the Energy White Paper.

In November 2004, Lynelle was appointed to the role of Australian Public Service Commissioner where she was responsible for the ethical and employment leadership of the Australian Public Service (APS). She administered the Public Service Act, and provided a range of support and leadership services to the Australian Government and the APS. Lynelle has been acknowledged for her contribution to leadership of the APS.



BIOGRAPHY

KERRI HARTLAND

Deputy Secretary

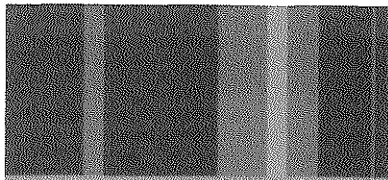
Service Delivery Reform Implementation

Department of Human Services

Kerri Hartland was appointed in August 2006 as Deputy Secretary, Department of Human Services.

Kerri was previously the Chief Information Officer (CIO) and head of eBusiness Division in the Department of Industry, Tourism and Resources (DITR). Prior to this she headed Biotechnology Australia and several Divisions and Branches in DITR including as Deputy Executive General Manager in Invest Australia. In 2001 she was responsible for the Secretariat for the Prime Minister's Taskforce on Investment Attraction into Australia.

Kerri has worked in a range of other Australian Government departments and agencies. In 1997 she spent a year seconded to the Department of Natural Resources in Canada working on APEC energy issues. Kerri has degrees in Economics, Law and Arts and her early career was as a journalist.



BIOGRAPHY

JEFF POPPLE

Deputy Secretary

Delivery Policy & Compliance

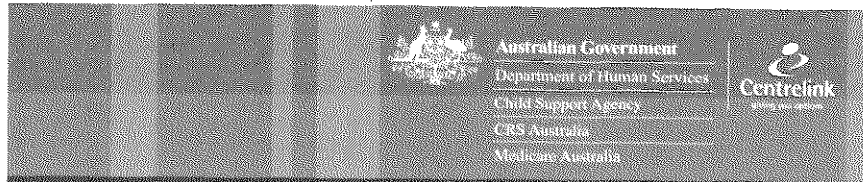
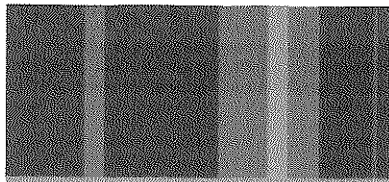
Department of Human Services

Jeff Popple is the Deputy Secretary, Delivery Policy and Compliance in the Department of Human Services. In this role, Jeff is responsible for the overall management of the service delivery policy role of the Department, providing strategic and policy advice on a range of service delivery issues and also managing the portfolio's legal services area.

Jeff has over 25 years experience in the Australian Public Service in a range of Departments, including Defence, the Public Service Commission and the Department of Social Security.

From 1998 to 2006, Jeff occupied a range of senior policy advising and program management positions in the Department of Family and Community Services where he was responsible for a range of areas including Child Care, Family and Children's Policy and the Youth Bureau.

In 2006 Jeff commenced with the Department of Human Services with responsibility for families, income support, health, employment and fraud and non-compliance.



BIOGRAPHY

LINDA HOLUB

Acting Deputy Secretary

Delivery Policy and Compliance

Department of Human Services

Linda Holub is acting in the role of Deputy Secretary, Delivery Policy and Compliance until early October 2010 while Jeff Popple is overseas.

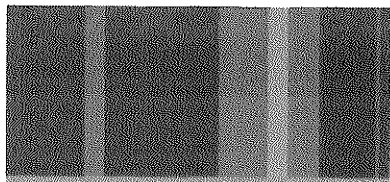
Linda's substantive position is First Assistant Secretary in the Social Policy Planning and Delivery division at the Department of Human Services which she commenced in late June 2010.

Prior to that, Linda had responsibility for the implementation of the Health Programs Division at Medicare Australia for almost four years.

Over the course of her career, Linda has had strategic policy involvement and program implementation experience in a variety of settings including in relation to water reform at the National Water Commission, infrastructure funding, local government and regional policy at the then Department of Transport and Regional Services, as well as health workforce and financing in the Department of Health and Ageing.

She has also worked in the Departments of Agriculture, Fisheries and Forestry and Finance.

Linda holds a Masters Degree in Public Policy from the Australian National University and a Bachelor of Arts from the University of New South Wales.



BIOGRAPHY

PHILIPPA GODWIN

Deputy Secretary

Child Support

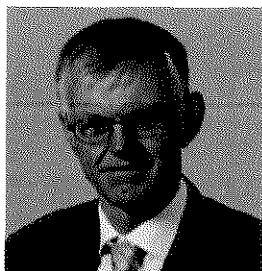
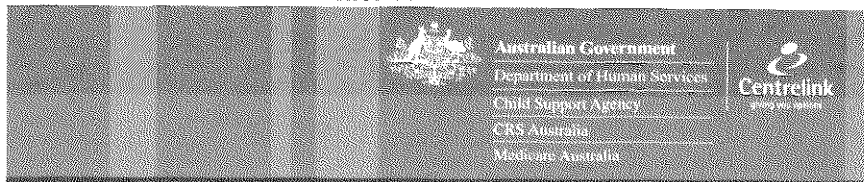
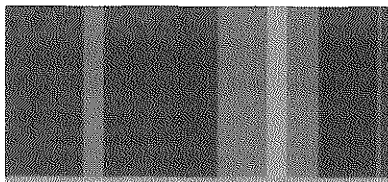
Department of Human Services

Philippa Godwin is Deputy Secretary of Child Support Program, Department of Human Services. She took up this role on 7 September 2009.

Philippa came to the Child Support Program after four years at Medicare Australia, where she was Deputy Chief Executive Officer. From November 2008 to August 2009 she acted in the role of Chief Executive Officer, Medicare Australia.

Prior to moving to Medicare Australia in 2005, Philippa was Deputy Secretary in the Department of Immigration and Multicultural and Indigenous Affairs from 2002 to 2005. She had previously held senior positions in a number of areas in that department, including Settlement and Adult Migrant English Programs; Onshore Refugee Policy and Program Management; Migration, Temporary Entry, Family Migration and Humanitarian Migration Programs; Border Control and Compliance, and Detention and Unauthorised Arrivals. In 1996, Philippa spent 12 months in Canada on an Executive exchange in Citizenship and Immigration, Canada.

Prior to joining the Immigration Department in 1989, Philippa had extensive experience at regional and State office level in Commonwealth and State Government departments (Social Security, NSW Health, Community Services and the Office for the Aged) working first as a social worker before moving into social welfare administration, and then program management and policy development in the area of Aged Care.



BIOGRAPHY

JOHN WADESON

Deputy Secretary

ICT Infrastructure

Department of Human Services

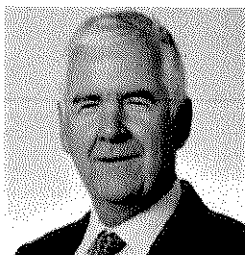
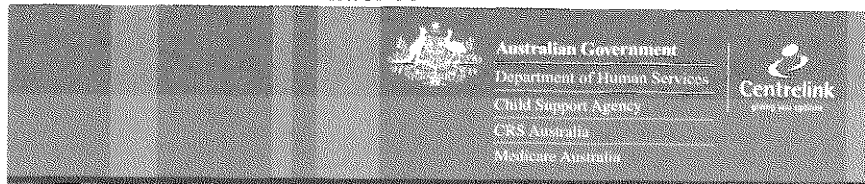
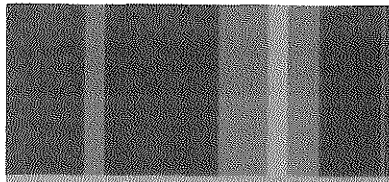
John Wadeson has recently moved into his current role as Deputy Secretary ICT Infrastructure, Department of Human Services as part of the Human Service portfolio enabling services integration.

From 2006, John was the Deputy CEO Information & Communication Technology in Centrelink where he was responsible for IT delivery within the Agency.

John has worked in various roles across Centrelink such as, CIO, responsible for the IT delivery, Major Projects/New Solutions where he had primary responsibility for large development projects and Business Development/Major Projects where he was responsible for liaising with major client agencies on a number of major projects.

In 1996, John commenced with Centrelink as General Manager Gateway Management, where he was responsible for the network liaison functions and service network development.

John commenced with the APS in 1971 and joined the former Department of Social Security in 1985.



BIOGRAPHY

GRANT TIDSWELL

Deputy CEO

Customer Service

Centrelink

Human Services Portfolio

Mr Tidswell has recently been promoted to Deputy CEO Customer Service, Centrelink.

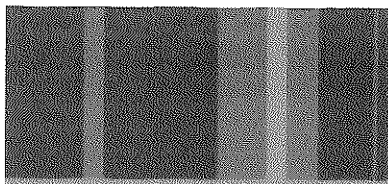
Prior roles include Deputy CEO Business Development and General Manager of Network Operations, Centrelink.

As the DCEO of Business Development, Grant was responsible for managing and maintaining relationships with policy departments and developing Centrelink's strategic direction and associated planning to implement cost effective and customer focused service delivery arrangements for all customers. The role is accountable for enhancing Centrelink's internal capability by building business applications, maintaining business integrity and delivering income support programs.

Mr Tidswell started in the Public Service in 1982 in the South Australian Government with the Department of Family and Community Services. He has worked in various roles across Centrelink including, National Manager, Families Branch; General Manager, Families Division; General Manager, People and Planning Division and the Victorian Bushfires Emergency Response.

It was Mr Tidswell who was instrumental in pulling together a variety of Centrelink services and successfully coordinating relief across Federal, State and Local Government Agencies, enabling the fire-affected communities of Victoria to receive assistance appropriate to their needs. As one of the first Commonwealth officers to arrive in the areas, he was responsible for the development and deployment of the teams of Centrelink staff into those areas.

For his work, in response to the Victorian Bushfire crisis, Mr Tidswell was the recipient of the Public Service Medal in this year's Queens Birthday Honours List.



BIOGRAPHY

BARBARA BENNETT

Deputy CEO

Corporate Support

Centrelink

Human Services Portfolio

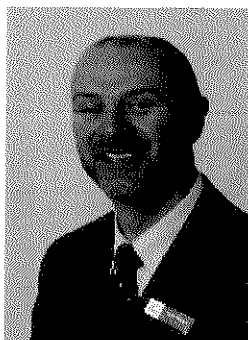
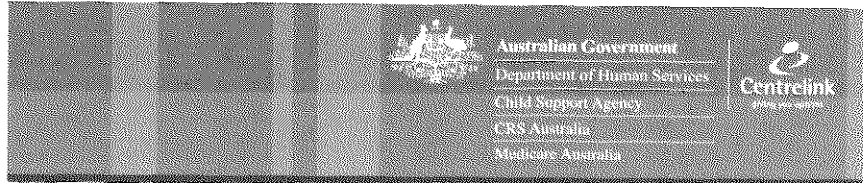
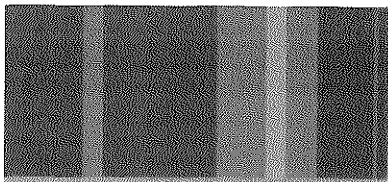
Barbara Bennett is the Deputy CEO, Corporate Support, in Centrelink.

The Corporate Support Division has responsibility for managing the following functions: finance and property, communication, forecasting, information and performance, Service Delivery Reform and the Productivity Program Office and Corporate Operations.

Barbara was previously the First Assistant Secretary, Social Policy Delivery and Planning Division in the Department of Human Services. The Division's role is to consider the service delivery implications in the development and implementation of government policy, with particular emphasis in seeking new ways in which government deals with individuals, the community, the business sector and the third sector.

Barbara's public service career has included policy, program management and service delivery in the areas of education, employment, health and safety and industrial relations. A common thread of hers has been in understanding, developing and designing programs to assist citizens who are vulnerable or with complex needs.

She has been CEO of two government agencies and has extensive experience in leading organisations through periods of change and uncertainty.



BIOGRAPHY

GARY DUNN

Deputy CEO

People and Operations

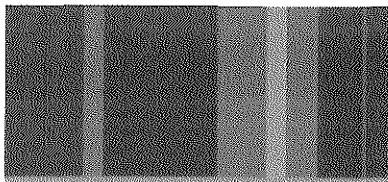
Medicare Australia

Human Services Portfolio

Gary Dunn has recently been promoted to Deputy CEO People and Operations, Medicare Australia. Prior to this Gary worked as Deputy CEO Service Delivery and Emergency Management and then as Customer Service, Centrelink.

Gary commenced with the APS in 1982 and with Centrelink in 2005 as General Manager, Families, Seniors, Rural and Community. He has worked in various roles across Centrelink including Northern Territory Emergency Response Group, Customer Service Planning & Design and People and Ministerial Division.

Previous roles have included Assistant Secretary, Delivery Policy Branch at DHS, Senior Adviser to Senator Kay Patterson, Assistant Secretary in the Budget Development Branch and the Centrelink Relationship Branch at Families and Community Services, Executive Officer to the Office of the Secretary, National Project Manager, Youth and Students Branch, also at Families and Community Services.



BIOGRAPHY

MALISA GOLIGHTLY

Deputy CEO

Health

Medicare Australia

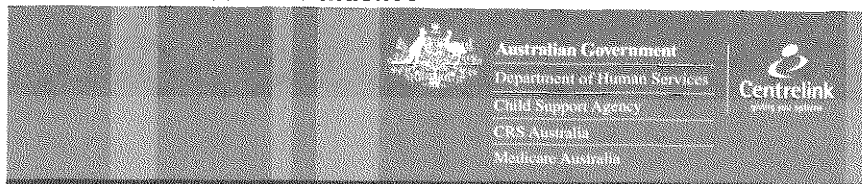
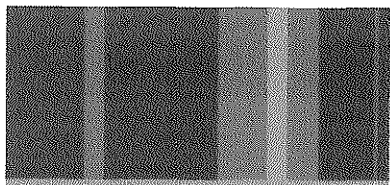
Human Services Portfolio

Malisa started her career as a graduate with the Australian National Audit Office in Canberra where she gained extensive experience in performance and financial statement audits. She has a Bachelor of Business Degree from Central Queensland University and is also a Fellow of CPA Australia.

Malisa joined the Department of Employment and Workplace Relations in 1999 and worked across a number of areas of the department, including working as the Chief Financial Officer for a number of years and as the Group Manager of the Community Development Employment Projects Group.

Malisa Golightly was appointed Deputy Secretary, Employment on 17 December 2004 and had responsibility for the delivery of efficient and effective labour market assistance. She was responsible for the administration of the working age income support payments (which included Newstart and Parenting Payment). Malisa was later responsible for the management and delivery of the portfolio's extensive employment services Job Services Australia, Indigenous Employment Program and Disability Employment Services.

Malisa was awarded a Public Service Medal in the Queens Honours List on 14 June 2010 for outstanding public service in leading the successful implementation of Job Services Australia.



2.2 DHS ICT Infrastructure

CONTACT

John Wadeson
02 6211 5967

KEY POINTS

ICT infrastructure is critical to the operation of the Human Services portfolio supporting around 40,000 staff and services to millions of Australians. In addition to 'business as usual' work, priorities are:

- DHS ICT Infrastructure Integration;
- portfolio data centre strategy;
- Out of portfolio Shared Service provision; and
- a range of improved customer service initiatives.

BACKGROUND

ICT Infrastructure Integration

The portfolio is undertaking a major program of work to integrate its core ICT infrastructure. The program is designed to remove duplication and provide a unified, modern technology backbone to support the business of the agencies and the department. The delivery of work is scheduled to extend into 2014.

Portfolio Data Centre Strategy

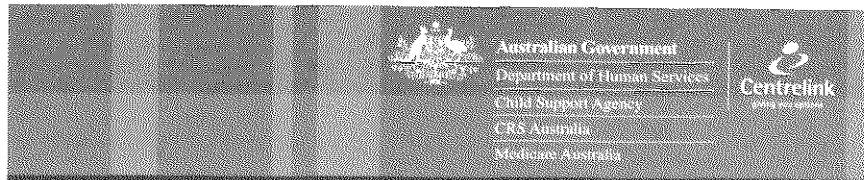
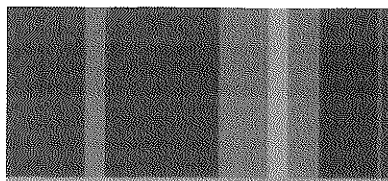
DHS has seven data centres. A strategy has been developed to address portfolio data centre needs in the future. Core to the strategy is the transition of critical equipment to the new data centre in Hume, ACT. This move started in July 2010 and will address the risk presented by Centrelink's two ageing data centres. Both centres continue to experience outages which disrupt services to customers.

Out of portfolio Shared Services

Department of Veterans' Affairs (DVA) and Department of Immigration and Citizenship (DIAC) services are delivered by commercial providers. A proposal for DVA Infrastructure services to be provided by DHS has been accepted and transition to these new arrangements is planned for FY 2010-11. DIAC has approached DHS for a proposal for provision of mainframe infrastructure.

FINANCIAL IMPLICATIONS

Financial implications will be detailed in a later brief.



2.3 Australian National Audit Office – Audit Activity

CONTACT
Darren Box
02 6155 1235

KEY POINTS

As at 31 August 2010, there are seven Australian National Audit Office (ANAO) audits underway in the Human Services portfolio. The one that may attract adverse publicity relates to Fraud Investigation in Centrelink.

A detailed brief for each individual audit shall be provided closer to the scheduled tabling date.

BACKGROUND

Department of Human Services

Management of the Tender Process for the Replacement BasicsCard

Overview

The Welfare Payments Reform program announced in July 2007 as part of the Northern Territory Emergency Response included income management as one of five measures in the program. Income management directs between 50 to 70 per cent of certain income support and family payments and 100 per cent of all lump sum payments to essential expenses such as food, clothing, housing and utilities, which can be purchased using a BasicsCard. The BasicsCard is a PIN-protected card which allows customers to access their income-managed money through EFTPOS facilities at approved stores and businesses.

In 2008-09 approximately 15,000 Centrelink customers in the Northern Territory were on income management. In the 2009-10 Commonwealth Budget, \$105.9 million was allocated to continue compulsory income management in the Northern Territory and to provide financial management services to income support recipients.

Objective

The objective of this audit is to assess the effectiveness of the DHS management of the tender process for a replacement BasicsCard to support the delivery of the income management scheme.

Current Status

Fieldwork has commenced on this audit and an Entry Interview was held on 11 August 2010.

Anticipated closure

The ANAO forecast that the Section 19 report (which allows agencies to comment prior to the final release of the audit to Parliament) will be provided to the Department in February 2011, with tabling to

Parliament scheduled for March 2011.

Centrelink

Fraud Investigations

Overview

Centrelink has a range of compliance and fraud management programs aimed at reviewing customer's eligibility for Centrelink benefits. During 2007-08, Centrelink conducted 35,885 fraud related investigations. This led to \$104.2 million in debts and savings.

This audit is one of a series of fraud-related ANAO audits that included a survey of key aspects of fraud control arrangements in the APS and the proposed update of the ANAO Better Practice Guide on *Fraud Control in Australian Government Agencies* that reflects current practices in dealing with fraud.

Objective

The objective of the audit is to examine the effectiveness of Centrelink's approach to managing fraud. The scope of the audit includes the effectiveness of Centrelink's fraud control arrangements in preventing, detecting and responding to external fraud and serious non-compliance.

Current Status

Centrelink has responded to the s19 report. The report contains four recommendations, all of which are agreed to by Centrelink and Centrelink is actively taking steps to address the recommendations.

Anticipated closure

Although a revised report is yet to be received from the ANAO, it is anticipated that the final report will be tabled in the Spring 2010 Parliamentary Sitzings.

Centrelink's Role in the Process of Appeal to the Social Security Appeals Tribunal (SSAT) and the Administrative Appeals Tribunal (AAT)

Overview

Customers who want to have their Centrelink decision reviewed externally can appeal consecutively to the Social Security Appeals Tribunal (SSAT) and to the Administrative Appeals Tribunal (AAT). As part of this process Centrelink has three key roles, namely:

- to provide customers with adequate information about their appeal rights;
- to provide the Tribunals with relevant information to allow them to conduct their reviews; and
- to implement Tribunal decisions in a timely manner.

The appeal process also provides valuable information that can be used to inform broader administration, service delivery and policy development considerations.

Objective

The objective of the audit is to assess whether, in relation to appeals to the SSAT and the AAT, Centrelink undertakes its role effectively to support the timely implementation of Tribunals' decisions about customers' entitlements.

Current Status

An Issues Paper was provided to Centrelink on 24 June 2010. Centrelink prepared a response to this paper and a formal exit meeting was held 30 July 2010. Centrelink does not anticipate any contentious issues arising from this report.

Anticipated closure

The audit report is expected to be tabled in the Spring 2010 Parliamentary Sitzings.

Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts

Overview

The Senate Order for Departmental and Agency Contracts requires agencies operating under the *Financial Management and Accountability Act 1997* to place lists of contracts valued at \$100,000 or more on the Internet. These lists must, among other things, indicate whether each contract requires the parties to maintain the confidentiality of any of the contract's provisions. The appeal process also provides valuable information that can be used to inform broader administration, service delivery and policy development considerations.

Objective

The objective of this audit is to assess the appropriateness of the use of confidentiality provisions in selected contracts reported in the 2009 listings and assess the effectiveness of the processes used by selected agencies for compiling contract listings.

Current Status

Centrelink has responded to the issues paper. A Section 19 report is currently being drafted. As Centrelink is not mentioned in the report, the Section 19 report will not be issued to Centrelink.

Anticipated closure

The audit report is expected to be tabled in the Spring 2010 Parliamentary Sitzings.

Medicare Australia

Home Insulation Program

Overview

The Energy Efficient Homes Package formed part of the package of measures under the Nation Building – Economic Stimulus Plan (\$42 billion). The package was part of the Government's response to the global economic crisis and was announced by the former Prime Minister on 3 February 2009. The Energy Efficient Homes Package

included the:

- Home Insulation Program – incentives for householders and renters in private rental accommodation to install insulation (\$3.3 billion); and
- Solar Hot Water Rebate Program – expansion of incentives for householders to install solar hot water heaters (\$0.5 million).

As a service delivery partner for the Program, Medicare Australia is involved in the audit.

Objective

The objective of the audit is to assess key aspects of the establishment and administration of the Home Insulation Program by the Department of the Environment, Water, Heritage and the Arts. Particular emphasis will be given to the: design and establishment of the program; governance arrangements supporting the program; registration and training of installers; financial management and payment of rebates; and compliance strategy underpinning the program.

Current Status

A discussion paper has recently been provided to Medicare Australia for comment.

Anticipated closure

The audit report was expected to be tabled in the Winter 2010 Parliamentary Sitzings, it is now scheduled for September 2010.

The Administration of General Practitioners – Practice Incentives Program (PIP)

Overview

The Practice Incentives Program (PIP) aims to recognise and provide financial incentives to General Practices that provide comprehensive quality care and that are either accredited or working towards meeting the Royal Australian College of General Practitioners Standards for General Practices. Some \$298 million was paid to General Practices and GPs under PIP in 2008-09.

Responsibility for program delivery is shared; Department of Health and Aging (DoHA) is responsible for program policy development, including eligibility criteria, and Medicare Australia is responsible for assessing all applications from General Practices for participation in the program.

Objective

The audit is assessing DoHA's effectiveness in undertaking PIP program planning, program monitoring and review; and with Medicare Australia, in ensuring PIP program delivery to General Practices and their medical practitioners.

Current Status

Medicare Australia provided a formal response to the Section 19 report on 29 July 2010. None of the recommendations directly

impact on Medicare Australia.

Anticipated closure

The audit report is expected to be tabled in the Spring 2010 Parliamentary Sittings, currently scheduled for September 2010.

CRS Australia

Service Delivery in CRS Australia

Overview

CRS Australia is a business unit within DHS and has been providing vocational rehabilitation for some 69 years, first commencing operations in 1941. The majority of CRS Australia's work is derived from its service delivery agreement with the Department of Employment, Education and Workplace Relations (*sic*)(DEEWR) for the provision of vocational rehabilitation and job placement services for clients referred from Centrelink or Job Capacity Assessments. CRS Australia also provides services to other agencies and the private sector for vocational rehabilitation and occupational and health and safety advice. CRS Australia provides its services from more than 170 sites in urban, rural and remote Australia, including through visiting and outreach services.

Objective

The objective of the audit is to assess the effectiveness of CRS Australia's delivery of vocational rehabilitation, job placement and related services.

Current Status

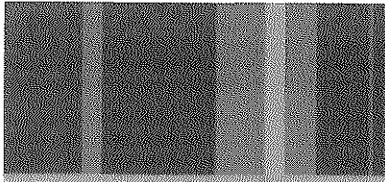
This audit is currently in the fieldwork stage and is expected to be completed in December 2010.

Anticipated closure

The audit report is expected to be tabled in the Autumn 2011 Parliamentary Sittings, currently scheduled for February 2011.

FINANCIAL IMPLICATIONS

There are no financial implications.



2.4 Ministerial Office Support

CONTACT

Linda Holub
02 6223 4113

KEY POINTS

This brief is an overview of the current processes for handling ministerial documents and the support provided to your office.

BACKGROUND

Ministerial Briefings

All Human Services portfolio briefings are provided to your office through the integrated portfolio Parliamentary Services team. Briefing provided by the Department or the agencies will incorporate consultation across the portfolio and will represent a whole of portfolio position on the subject.

Briefs are provided to the Departmental Liaison Officer (DLO) in your office electronically via the Department's parliamentary workflow system and also in hard copy. Colour coded folders are used to identify the category of brief (urgent, for information and so on).

After you have considered the brief, it is returned to the relevant agency through the DLO. This process allows for the maintenance of a central workflow system called Slipstream. This system incorporates a database of briefings considered and a record of decisions/action taken that can be used as a reference tool by your staff as well as by portfolio officers.

Question Time Briefs (QTBs)

QTBs are provided to the office on sitting days and are updated on a case by case basis during parliamentary breaks. QTBs will provide a whole of portfolio perspective on the issue.

Ministerial Correspondence

All correspondence received by the Minister's Office is registered by the Ministerial Correspondence team on Slipstream.

Correspondence is then actioned within this team or sent to the relevant portfolio agency for appropriate action and response. We will discuss with your office any preference you may have regarding your level of involvement and that of your office in the correspondence process, along with your style preferences.

Cabinet Business

The DLO will assist you in preparing your folders and briefing for Cabinet meetings. As a matter of course, DHS provides briefing on items that you are bringing forward. For other items of business, we provide advice on the impact of submissions on the Human Services portfolio as required. The DLO discusses these matters with your Chief of Staff upon receipt of the business list via CabNet.

Departmental Liaison Officers

Due to the size of the Human Services portfolio, the practice has been to have three DLOs located in the office.

The DHS DLO has primary responsibility for managing the information flow between your office, the DHS Secretary and portfolio agencies. Two other DLOs are provided, one from Centrelink and one from the Child Support Program within DHS, as these are the areas that generate the most correspondence and enquiries.

Ministerial Support

The Parliamentary Services team is responsible for ensuring that you and your office are supported in your ministerial duties. The Entitlements Handbook issued by the Department of Finance and Deregulation provides the framework within which support requests from your office are considered. A support budget is administered within DHS and will be reviewed in consultation with your Chief of Staff.

Ministerial and Parliamentary Contact

All ministerial, parliamentary and portfolio coordination tasks are managed within the Portfolio Coordination and Parliamentary Branch in DHS. This team has experience in parliamentary processes and procedures and is available to assist your office with any questions regarding ministerial and parliamentary activity.

The Acting Assistant Secretary, Portfolio Coordination and Parliamentary, Mr Tim Hainsworth, will be in contact with your Chief of Staff in the near future to arrange an initial meeting and discussion concerning the above matters and other stylistic preferences. Mr Hainsworth can be contacted on 02 6223 4700 or **s47E(d) & 47F**.

Media Support

The Human Services portfolio Communication Division includes the portfolio media section which supports you and your office through the provision of cleared, draft responses to media enquiries directed to your Office and draft media releases promoting key service delivery messages.

A separate brief outlining current media issues, upcoming ministerial media and event opportunities, and contact lists for the media section has been prepared as the basis for discussion between your media adviser/s and senior media section staff.

Portfolio agencies are actively engaged with media. As service delivery agencies, media releases placed in local media are often essential communication tools to ensure customers and potential customers are informed of payments and services available to them, mechanisms to avoid overpayments and debts and the risk of prosecution for deliberate fraud of the welfare system.

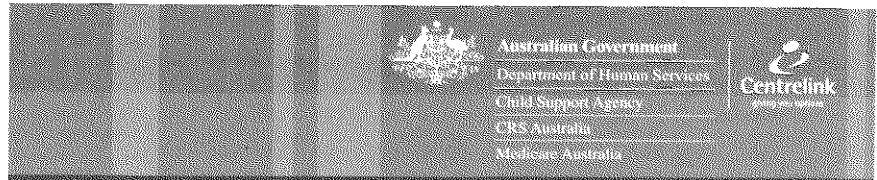
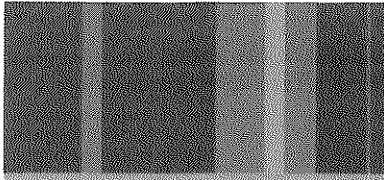
The Division also co-ordinates Ministerial events across the portfolio, such as office openings, and provides draft media material to support your attendance at these events.

The General Manager of the Human Services portfolio

Communication Division, Hank Jongen, is responsible for media and issues management and Ministerial events activities across all agencies within the portfolio. Mr Jongen also acts as the portfolio's key spokesperson and can be contacted on 02 6155 0100 or s47E(d) & 47F.

FINANCIAL IMPLICATIONS

There is a budget of approximately \$200,000 per annum that supports the day to day operations of your Ministerial Office to assist you in carrying out your portfolio related responsibilities.



2.5 Portfolio Enterprise Agreement

CONTACT
Sue Chapman
02 6124 7566

KEY POINTS

Work has commenced on the development of a single portfolio enterprise agreement covering employees in Centrelink, Medicare Australia and DHS (including the Child Support Program).

A decision is yet to be made on whether the agreement will also cover CRS Australia employees. CRS Australia is currently part of DHS, however, the current CRS Australia Certified Agreement does not end until 2012. Consideration also needs to be given to the future governance of CRS Australia (brief 6.2 refers).

The agreement is expected to be implemented from 1 July 2011. Formal bargaining with staff and their representatives is expected to commence in January 2011.

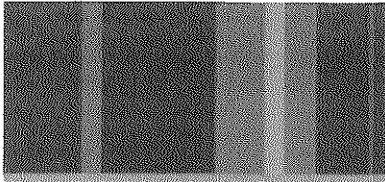
The portfolio is working with central agencies, in particular the Department of Education, Employment and Workplace Relations and the Australian Public Service Commission, on the agreement.

BACKGROUND

Agency specific Collective Agreements for Centrelink, Medicare Australia and DHS reach their nominal expiry dates between June and December 2011.

FINANCIAL IMPLICATIONS

The agreement will provide for productivity improvements to offset the costs of increases in pay and improvements to employment conditions.



3.1 Centrelink Overview

CONTACT

Carolyn Hogg
02 6155 2074

KEY POINTS

During the 2009-10 financial year, Centrelink delivered approximately \$84.2 billion in payments and services on behalf of over 35 partner agencies and other organisations (refer [Attachment A](#)). Centrelink delivered 11.4 million individual entitlements to over 7 million customers and employed more than 27,000 staff.

Centrelink's business dimensions for the 2009-10 financial year can be summarised as follows:

- over 1,000 service delivery points Australia-wide (refer [Attachment B](#)), including:
 - 313 Customer Service Centres,
 - 25 Call Centres, and
 - 582 Centrelink Agents and Access Points;
- 2.78 million new claims granted;
- 32.7 million telephone calls; and
- more than 30 million self service transactions.

Comprehensive information on the payments and services delivered by Centrelink is being provided to your office.

BACKGROUND

Legislation and Business Arrangements

Centrelink was established to provide government services in accordance with service arrangements under the *Commonwealth Services Delivery Agency Act 1997*, which sets out the functions and powers of the Chief Executive Officer (CEO). The Act came into effect on 1 July 1997 and Centrelink was formally launched on 24 September 1997.

Centrelink's governance framework changed on 1 October 2005 with the commencement of the *Human Services Legislation Amendment Act 2005* and the abolition of the Centrelink Board of Management.

Since then, the CEO has been solely accountable to the Minister, through the Secretary of DHS, for Centrelink's strategic, operational and financial management, and for ensuring Centrelink achieves its purpose: 'Serving Australia by assisting people to become self-sufficient and supporting those in need'.

Centrelink is a statutory agency within the Human Services portfolio, but is not part of DHS.

Centrelink's employees are employed under the *Public Service*

Act 1999.

The *Financial Management and Accountability Act 1997* sets out the functions and responsibilities of the CEO relating to Centrelink's financial management.

Since 1 July 2009, the majority of Centrelink's funding is directly appropriated from the Budget. This replaces previous arrangements whereby funding was provided through agreements with policy agencies. The new arrangements are designed to strengthen the transparency of the service delivery system and to ensure better connections between policy and service delivery outcomes.

To support the new funding arrangements, revised governance has been put in place with the Department of Education, Employment and Workplace Relations and the Department of Families, Housing, Community Services and Indigenous Affairs. These streamlined governance arrangements focus on ensuring performance outcomes and clear accountability.

Revised governance arrangements will also be put in place with other policy departments when existing agreements expire.

Outcome

Centrelink has one outcome for 2010-11:

"Self sufficiency for individuals and families through access to personalised assistance and co-ordinated delivery of payments and services on behalf of government."

Centrelink Strategic Priorities

- support the Minister and DHS to improve service delivery;
- support our people to deliver the Government's Budget and other commitments;
- contribute to and implement proposals to reduce red tape for our customers and providers;
- reduce fraud and non-compliance and increase payment accuracy;
- support the development of Indigenous initiatives and ensure that service delivery is sensitive and effective for Indigenous Australians;
- improve service delivery to rural and regional locations to better meet the needs of their communities;
- ensure our service delivery is convenient, accessible and suits the diverse needs of individuals and providers; and
- ensure workforce and ICT systems capacity underpins Centrelink's ability to deliver integrated customer service in a complex and evolving environment with short and long term policy objectives.

Other Priorities

Income Management

From 9 August 2010, the new model of Income Management progressively implemented across all regions of the Northern Territory, replacing the scheme that is currently operating in prescribed areas of the Northern Territory. The new model:

- will allow the *Racial Discrimination Act 1975* suspension to be lifted from midnight 31 December 2010; and
- is not based on a customer's Indigenous status. Income Management will apply to eligible customers across the Northern Territory.

Emergencies

Centrelink is responsible for co-ordinating the portfolio's efforts, on behalf of the Australian Government and/or State and Territory Government's where appropriate, to natural disasters and critical incidents affecting Australian citizens overseas and in Australia (brief 3.14 refers).

FINANCIAL IMPLICATIONS

Total appropriation for Centrelink in the 2010-11 Portfolio Budget

Statements is \$2,676.5 million, including departmental equity injection of \$55.0 million in capital funding under Appropriation Act 2.

Centrelink's operating revenue reduces by more than \$280 million, or approximately 10 per cent, in 2010-11 compared to 2009-10 levels. This figure is exclusive of the removal of funding for depreciation under Operation Sunlight. The main reasons for the revenue reduction relate to:

- reduced revenue under the Centrelink Funding Model, mainly due to lower than forecast unemployed customers as a result of better than expected economic recovery;
- less revenue provided in the 2010-11 Budget for new measures compared to previous years; and
- the impact of savings measures such as those introduced at 2009 Additional Estimates and the impact of the Gershon Review.

Centrelink staffing levels will need to reduce by approximately 1,880. These reductions will be managed as 'business as usual' for Centrelink.

3.1 CENTRELINK SERVICES (as at July 2010)

FEDERAL GOVERNMENT

Attorney Generals' Department

- Document Verification Service
- National Security Hotline

Australian Crime Commission

- Financial Intelligence Assessment Team
- Australian Identity Protection Register

Australian Electoral Commission

- Improving public access to enrolment forms, reply paid envelopes and promotional material
- Provision of data services on behalf of the AEC for data matching purposes
- Provision of services related to the Federal election including Call Centre Services and Voting Services for the Blind and Low Vision Citizens

Australian Federal Police

- Investigation and Ancillary Services
- Outposted Agents

Australian Fisheries Management Authority

- Joint Compliance and Intelligence Activities

Australian Hearing

- Accommodation for Hearing Screenings
- Mobile Office Services

Australian Taxation Office

- Australian Business Register / Australian Business Number confirmation services
- Application for a Tax File Number
- Provision of limited tax information to customers – shared services
- Electronic transfer of payment summary information
- Family Assistance Data Exchange
- Inter-Agency Cash Economy Working Group
- ATO pre-filling program for e-tax and Tax Agents with Centrelink data

Australian Transaction Reports and Analysis Centre (AUSTRAC)

- Financial Transaction Reports

Child Support Program

- Electronic Data Exchange
- Records Management Services
- Compliance and Fraud Investigations
- Mobile Office Services

- Co-Location
- Non Parent Carer Assessments

Commonwealth Director of Public Prosecutions

- Protocols for the prosecution of alleged criminal offences in relation to Social Security programs, staff, facilities and operations.

CRS Australia

- IT Infrastructure Support and Services
- Co-location
- Interpreter Services

Department of Agriculture, Fisheries and Forestry

- Drought Assistance;
 - Exceptional Circumstances Relief Payment
 - Exceptional Circumstance Certificates
 - Interim Income Support
 - Small Business Assistance
 - Professional Advice and Planning Grant
- Exceptional Circumstances Exit Assistance
 - Exit Grant
 - Advice and Re-training Grant
 - Relocation Grant
 - Transitional Income Support

Department of Broadband, Communications and the Digital Economy

- Provision of Services relating to the Digital Television Switchover

Department of Education, Employment and Workplace Relations (DEEWR)

- Education Payments
 - ABSTUDY
 - ABSTUDY Pensioner Education Supplement
 - Assessment Subsidy for Overseas Trained Professionals Program (ASDOT)
 - Assistance for Isolated Children Scheme
 - Austudy
 - Youth Allowance
 - Fares Allowance
 - Student Start-up Scholarship
 - Relocation Scholarship
- Education Referrals and other services
 - Referrals of eligible customers to the Australian Apprenticeships Access Program
 - Referral to Australian Apprenticeships Centres
 - Career Information Centres (CICs)
 - Referrals of eligible customers to Connections.
 - Group training in the Trades Prevocational Program
 - Referrals to the Language, Literacy and Numeracy Program
 - Payment of Language, Literacy and Numeracy Supplement

- Employment Payments
 - Education Entry Payment
 - Ex-Gratia Payment
 - Training and Learning Bonus
 - Mobility Allowance
 - National Green Jobs Corps Supplement
 - Newstart Allowance
 - Parenting Payment
 - Partner Allowance
 - Pensioner Education Supplement
 - Sickness Allowance
 - Training Supplement
 - Utilities Allowance
 - Widow Allowance
 - Approved Programs of Work Supplement
 - Youth Allowance(Other)
- Employment Referrals and other services
 - Assessment, referral, compliance and related services
 - Indigenous Wage Subsidy Card
 - Referrals to National Green Jobs Corps
 - School Enrolment and Attendance Measure (jointly with FaHCSIA)
 - School Nutrition Program
 - Voluntary work organisation approval
 - Youth Pathways
 - Centrelink Jobs Expos – Keep Australia Working
- Child Care Payments
 - JET Child Care Fee Assistance
 - Child Care Benefit
 - Child Care Rebate
- Co-location

Department of Families, Housing, Community Services and Indigenous Affairs

- Families
 - Family Tax Benefit Part A and B
 - Baby Bonus
 - Double Orphan Pension
 - Paid Parental Leave Scheme (implemented from 1 January 2011)
 - Maternity Immunisation Allowance
 - Family Relationship Advice Line
 - Family Support Drought Response
- Housing
 - Rent Assistance
 - Household Organisational Management Expenses Advice Program
 - Reconnect
- Community Capability and the Vulnerable
 - Special Benefit

- Crisis Payment
- Australian Government Disaster Recovery Payment
- Ex-gratia payments
- Bereavement Allowance
- Payments under Special Circumstances (ex-gratia)
- Income Management
- Seniors
 - Age Pension
 - Pension Supplement
 - Widow B Pension
 - Wife Pension (Age)
 - Seniors Supplement
 - Pension Bonus Scheme
 - Financial Information Service
- Disability and Carers
 - Disability Support Pension
 - Carer Allowance (Adult)
 - Carer Allowance (Child)
 - Carer Payment (Adult)
 - Carer Payment (Child)
 - Child Disability Assistance Payment
 - Wife Pension (Disability)
 - Carer Supplement
 - Ex-gratia payments to unsuccessful applicants of Carer Payment (Child)
- Indigenous
 - Community Development Employment Projects Program
 - School Enrolment Attendance Measure (jointly with DEEWR)
- Cross outcome
 - Compensation Services
 - International Services
 - Multicultural Services / Assurance of Support
 - Member of a Couple Policy
 - Debt and Compliance frameworks and strategies
- Co-location

Department of Foreign Affairs and Trade

- Australian Passport Information Service
- Smartraveller Advisory Telephone Services
- Vulnerable Australians Repatriated from Overseas

Department of Health and Aging

- Home Quarantine Call Centre
- Insulin Pump Budget Measure (Income Confirmation)
- Medicare Safety Net (Family Tax Benefit customer validation)
- Medicare Teen Dental Plan
- Office of Hearing Services

- Pharmaceutical Benefits Scheme
- Residential Aged Care

Department of Immigration and Citizenship

- Assistance with Citizenship Testing
- Domestic Violence / Family Violence Social Work Assessment
- Electronic Data Exchange (Datalink)
- Guide to Ethnic Naming Practices
- Joint Compliance Activities
- Interpreting Services

Department of Innovation, Industry, Science and Research

- LPG Vehicle Scheme

Department of Infrastructure, Transport, Regional Development and Local Government

- Bass Strait Passenger Vehicle Equalisation Scheme
- Tasmanian Freight Equalisation Scheme
- Tasmanian Wheat Freight Scheme

Department of Veterans' Affairs

- Carer Supplement
- Clearances
- Community Support Service
- Compliance and Fraud Services
- Defence Force Income Support Allowance
- Digital Television Switchover Services to Veterans
- Identity matching (Including Births Deaths and Marriages)
- Managed Investment and Listed Securities Data Services
- On-Line Concession Eligibility Confirmation Services
- Services to the Veteran Community
- UK Data Exchange
- Veterans Children Entitlement Scheme
- Veterans Information Service
- Veterans Agent Service
- Welfare payment Reform for DVA customers

Medicare Australia

- Data Matching to allow Medicare Australia to determine eligibility for concessions under the Pharmaceutical Benefits Scheme and Medicare Safety net
- Mobile Office Services
- Co-location

Torres Strait Regional Authority

- Community Development Employment Projects Program

STATE GOVERNMENT and other AGENCIES

ACT Government

- Emergency Call Centre Assistance

Commonwealth Bank of Australia

- Bank Account Verification
- Electronic Data Exchange

Family Court of Australia

- Provision of translator and interpreter services

Foreign Governments

- Reciprocal Service Arrangements with a number of countries

NSW Government

- Emergency Call Centre Assistance

NT Government

- Emergency Call Centre Assistance

Private Organisations

- Centrelink has contracts and agreements with many private businesses and non-government organisations to ensure the operation of;
 - Customer Confirmation e-Services
 - Centrepay
 - Income Management

QLD Government

- Emergency Call Centre Assistance

SA Government

- Provision of DroughtLink Hotline
- Emergency Call Centre Assistance

State and Territory Housing Authorities

- Income Confirmation
- Rent Deduction Scheme
- Co-location arrangements

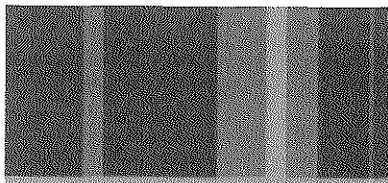
TAS Government

- Emergency Call Centre Assistance

VIC Government

- Emergency Call Centre Assistance

x



3.2 Implementation of New Income Management in the Northern Territory

CONTACT

Roxanne Ramsey
s47E(d) & 47F

KEY POINTS

The *Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination) Act 2010* received Royal Assent on 29 June 2010.

As a result, a new model of Income Management (IM) is being implemented over a six month period from July 2010 and will replace the scheme currently operating in prescribed areas of the Northern Territory. The new scheme commenced implementation across urban, rural and remote regions of the Northern Territory on 9 August 2010.

The new IM arrangements will see a number of customers who are currently income managed being removed from IM and a greater number of new customers coming onto IM. The new IM model will allow the lifting of the suspension of the *Racial Discrimination Act 1975* from midnight 31 December 2010.

The new IM model is not based on a customer's Indigenous status. Under the new arrangements, IM will apply to eligible customers over the entire Northern Territory.

BACKGROUND

On 27 July 2010, the Government in opposition indicated support for the IM measures and flagged a review to consider broadening the scope of IM.

Changes to the Legislation

The new IM measures will see:

- the introduction of IM to specific customer groups;
- the expansion of "Voluntary Income Management" and the "Child Protection Measure" into the NT;
- the introduction of a Voluntary Income Management Incentive Payment; and
- the introduction of a Matched Savings Payment.

Groups of Customers Affected

- People aged at least 15 and less than 25 years of age who have been in receipt of either Youth Allowance (YA), Newstart Allowance (NSA), Special Benefit (SpB), Parenting Payment Partnered (PPP) or Parenting Payment Single (PPS) for 13 of the last 26 weeks;
- people aged over 25 years but under Age Pension age, who have been in receipt of either YA, NSA, SpB, Austudy, PPP or PPS

who have been in receipt of payment for 52 of the last 104 weeks;

- people who have been assessed as 'Vulnerable' by a Centrelink Social Worker; and
- people referred for income management by child protection authorities.

Matched Savings Payment

Customers who are income managed under one of the compulsory measures can apply for a matched savings payment.

- A customer can apply for the matched savings payment by showing that they have maintained a regular and consistent pattern of savings and that they have a qualifying savings amount;
- the customer must also complete an approved course, for example, a financial management or money management course; and
- the money held in a customer's income managed funds does not constitute savings.

Voluntary Income Management

- Any customer on an income support payment including customers on Age Pension, Disability Support Pension and Carer Payment can apply for Voluntary Income Management, as long as they are located in a prescribed area that has been declared under the new IM model and they are not currently being income managed under the compulsory measures; and
- Voluntary Income Management customers will receive a \$250 incentive payment for every 26 weeks of continuous income management. This payment is 100 per cent income managed.

Exemptions from Income Management

- Customers who are eligible under the compulsory measure can apply for an exemption from IM;
- customers with dependent children will need to provide evidence that their school aged children are enrolled and regularly attending school;
- customers with children younger than school age will be asked to provide evidence of their or their child's participation in approved activities such as child immunisation details, attendance at regular health check-ups or attendance in pre-school or early childhood activities;
- customers without dependent children will be asked to provide evidence that they have been working for more than 15 hours per week, for at least 6 months in the last 12 months or evidence that they are full-time students or new apprentices; and
- Centrelink will review exemptions every 12 months.

Transition of Customers from Northern Territory Emergency Response (NTER) Measure

- Customers who are income managed under the NTER IM Measure and who will not be eligible for IM under the new measures can be transitioned off once the area where they live is declared under the new measures. These customers will be contacted by Centrelink to be transitioned off IM or be offered voluntary income management; and
- customers who are income managed under NTER IM Measure and who will be eligible for IM will be automatically transferred to the new measure. Centrelink will discuss with these customers about their appeal rights and how the customers can apply for an exemption.

New Customers Eligible for Income Management

- Customers who have never been income managed or were not on NTER IM as at 30 June 2009 will be contacted by Centrelink. Centrelink will discuss with these customers about IM, their appeal rights and how the customers can apply for an exemption.

Community Engagement

- FaHCSIA has implemented a team made up of FaHCSIA State Office staff and Centrelink Area Staff that will travel to the 73 prescribed communities and provide a policy overview; and
- Centrelink Remote Servicing Teams will follow and provide customer focussed presentations and one-on-one information about the changes.

Communications

- Centrelink's website provides information on the changes;
- Centrelink will also conduct a mail out to existing IM customers and eligible customers under the new IM model;
- Centrelink will also be updating all publications, including existing IM products, Life Event booklets and the Centrelink handbook. Other communication tools such as factsheets, posters, radio advertisements and the Centrelink website will be developed to explain the changes; and
- Centrelink is also translating the communication products for a number of key Indigenous and Diverse Cultural and Linguistic Background languages.

Implementation

- The staggered implementation of the new IM model commenced on 9 August 2010;
- the first zone, the Barkly Shire, is a trial zone. The Barkly Shire includes both urban and remote areas, and areas that are currently included under NTER and areas that are not; and
- the table below shows the agreed areas, start dates and number

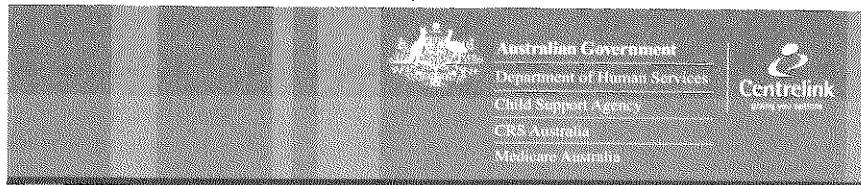
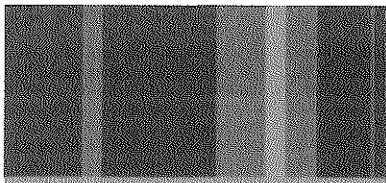
of customers directly impacted.

Region	Shire Boundaries	Start Date	Total Workload Exiting / Transitioning and New Customers
Region 1	Barkly Shire	9 August 2010	2,330
Region 2	Alice Springs Municipality, MacDonnell Shire, Katherine Municipality, Roper Gulf Shire and East Arnhem shire	30 August 2010	12,044
Region 3	Central Desert Shire, Victoria-Daly Shire, Tiwi Island Shire, Belyuen Shire, Coomalie Shire, West Arnhem Shire	20 September 2010	7,017
Region 4	Darwin Municipality and Darwin Rate Act Area, Palmerston Municipality, Litchfield Shire, Wagait Shire and any remaining undeclared areas in the NT	4 October 2010	5,633
Grand Total all Regions			27,024

FINANCIAL IMPLICATIONS

The departmental revenue as published in the Portfolio Additional Estimates Statements 2009-10 is as follows:

2010-11	2011-12	2012-13
\$m	\$m	\$m
82.8	76.0	69.7



3.3 Paid Parental Leave

CONTACT

Paul Cowan
02 6155 1826

KEY POINTS

The Government's Election Policy on Paid Parental Leave (PPL) will maintain the legislated PPL scheme, due to commence on 1 January 2011, until the passage of new legislation which is expected to take effect from 1 July 2012. The PPL scheme will be paid and administered through the Family Assistance Office (FAO) so there will be no additional paper work for employers.

Centrelink is on track for the implementation of the legislated PPL scheme on behalf of the Department of Families, Housing, Community Services and Indigenous Affairs.

Customers will be able to pre claim from 1 October 2010 for babies born or adopted from 1 January 2011 and fortnightly payments to eligible PPL customers will commence from 1 January 2011, either via the FAO or via their employer.

Centrelink will provide the infrastructure for the FAO to administer PPL.

Impact from 1 July 2012

Redacted under section 22 as exempt under section 47C.

The FAO is positioned to deliver the implementation activities based on the legislated scheme. Further detail can be provided as required.

FINANCIAL IMPLICATIONS

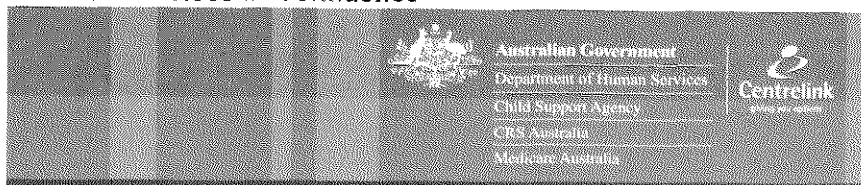
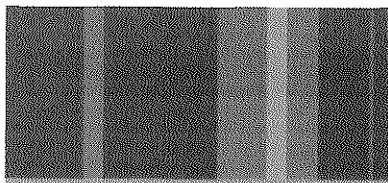
Redacted under section 22 as exempt under section 47C.

The funding received for this measure in the 2010-11 Budget was:

2010-11	2011-12	2012-13	2013-14
\$m	\$m	\$m	\$m
3.513	4.265	2.911	2.291

Redacted under section 22 as exempt under section 47C

At this stage, it is unknown whether a similar level of funding would be required from 2011-12 and the forward years.



3.4 Supreme Court of Australia Judgement

CONTACT

Mark Withnell
02 6155 1482

KEY POINTS

On 2 August 2010, the Supreme Court of Australia upheld an appeal of **section 47F** against her conviction and sentence in the Adelaide Magistrates Court in relation to 17 counts of obtaining a financial advantage from the Commonwealth pursuant to section 135.2 of the Criminal Code (Commonwealth). These charges related to her failure to advise Centrelink of employment income.

The decision does not reflect any procedural failure on Centrelink's part, but relates to a legal interpretation of what constitutes an offence by an omission under section 135.2. For an omission to attract criminal liability a person must fail to perform a legal obligation. Details of the decision can be made available.

The outcome of this case has resulted in the adjournment of a number of Centrelink fraud cases around Australia.

The Commonwealth Director of Public Prosecutions (CDPP) filed a High Court appeal over the ruling on 16 August 2010. Details of the appeal can be made available.

Centrelink is developing a strategy with the CDPP to ensure that future cases will not be impacted by this ruling as it stands. Legal obligations are placed on customers to advise Centrelink of a change in their circumstances by various notice provisions under social security law. These notices are signed by authorised delegates. If notices are given to customers and appropriately detail the signatory as a delegate it is possible that the CDPP can rely on legal presumptions to determine a legal obligation existed.

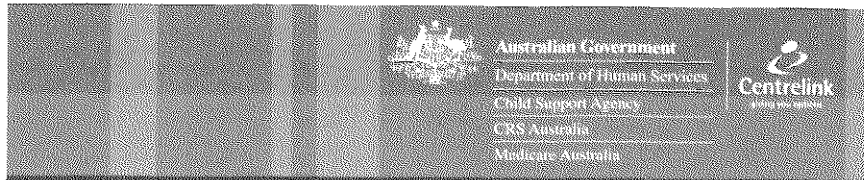
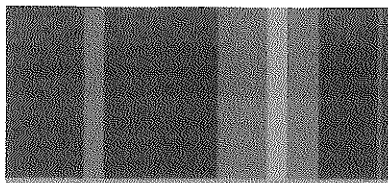
BACKGROUND

Section 47F pleaded guilty to 17 counts of obtaining a financial advantage from the Commonwealth knowing that she had no entitlement to it. The offences related to 17 commission payments received by **section 47F** between August 2005 and May 2007 while in receipt of Parenting Payment Single which she did not declare to Centrelink.

Redacted under section 22 as exempt under section 47F.

FINANCIAL IMPLICATIONS

The financial implications are unknown at this stage.



3.5 Job Capacity Assessments

CONTACT
Paul Cowan
02 6155 1826

KEY POINTS

The following changes to the Job Capacity Assessment program were announced in the 2010-11 Federal Budget:

- from 1 July 2010, job seekers seeking a temporary exemption from their participation requirements, due to illness or injury, no longer need a Job Capacity Assessment;
- from 1 July 2011, there will be new streamlined assessment processes for job seekers with potential barriers to employment who are being referred to an Employment Services Provider. All assessments will be completed by Health and Allied Health Professional staff in Centrelink, with the assistance of CRS Australia Professional staff; and
- from 1 January 2012, new Disability Support Pension (DSP) assessments will help people with disabilities return to the workforce by focusing on their ability, rather than their disability. While eligibility for DSP will not change, claimants will be required to provide sufficient evidence that they are unable to work independently, even with assistance and support.

BACKGROUND

Centrelink and CRS Australia are working together with policy departments to develop a transition plan to manage the introduction of these changes.

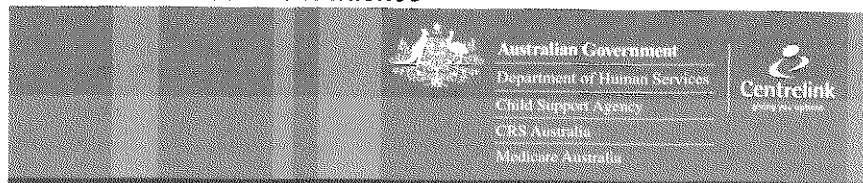
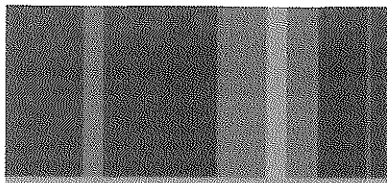
FINANCIAL IMPLICATIONS

It is estimated these reforms will deliver a saving to Australian taxpayers of \$383.4 million over four years to 2014.

Program allocations and outlays are determined by the Department of Education, Employment and Workplace Relations and the Department of Families, Housing, Community Services and Indigenous Affairs.

Funding details as contained in the DHS portfolio 2010-11 budget papers:

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Expense	0	8.3	82.7	86.4	91.2
Related Capital	0	3.2	1.1	0	0



3.6 School Enrolment and Attendance Measure

CONTACT

Moya Drayton
02 6155 2065

KEY POINTS

In May 2008, the previous Government announced a trial to increase enrolment and regular attendance at school. The trial targets compulsory school aged children whose parents receive income support and live in a trial location.

All parents within the selected trial locations are required to provide details of their child's school enrolment to Centrelink.

Parents are also expected to ensure their children are regularly attending school. In instances where a child is not attending regularly, the relevant state/territory Education Authority can inform Centrelink. Parents are required to show they are actively trying to improve their child's school attendance. Those who fail to do this will have their income support payments suspended until action is taken.

BACKGROUND

In January 2009, the School Enrolment and Attendance Measure (SEAM) trial commenced in the Northern Territory in the following locations:

- Katherine;
- Katherine Town Camps;
- Hermannsburg;
- Wallace Rockhole;
- Tiwi Islands; and
- Wadeye.

In October 2009, Queensland participation in the SEAM trial commenced in the following locations:

- Woodridge;
- Kingston;
- Logan Central;
- Eagleby;
- Doomadgee; and
- Mornington Island.

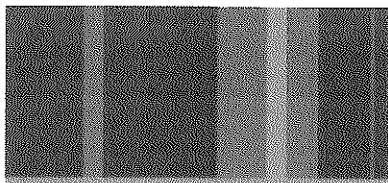
As at 1 September 2010, there have been 46 suspension incidents under the enrolment or attendance component of the measure.

Under the attendance component of the measure, but prior to any suspension, Centrelink provides the parents with a notice advising

them that they must take reasonable steps to improve attendance. Centrelink is also required to investigate whether the parent has personal and/or family circumstances that may impact on the child's school attendance.

FINANCIAL IMPLICATIONS

The financial impact for the 2010-11 financial year is \$2.4 million (there is no ongoing funding past 30 June 2011).



3.7 Network Performance Results

CONTACT

Sheryl Lewin
02 6155 0152

KEY POINTS

This brief provides an overview of the current performance in the Centrelink service delivery network.

BACKGROUND

This brief provides information relating to Centrelink targets and performance for:

- Customer Service Centre (CSC) wait times;
- the Call Centre Network;
- customer satisfaction; and
- customer feedback.

Customer Service Centre Wait Times

In 2005 Centrelink implemented a method of measuring queue wait times at reception in Customer Service Centres. Performance is measured against a target of 10 minutes.

Approximately 20 per cent of customers seen at reception at a CSC need to be referred to another Customer Service Advisor due to the complexity or specialist nature of their enquiry. The wait times for these customers are measured against a target of 15 minutes.

KPI	2008/09		2009/10		Trend
	Target	Result	Target	Result	
Stand up wait times – point in time, month of June	10 minutes	3.63 minutes (average wait time for June 2009)	10 minutes	2.67 minutes (average wait time for June 2010)	Performance Improvement
Sit down wait times – point in time, month of June	15 minutes	14.76 minutes (average wait time for June 2009)	15 minutes	11.48 minutes (average wait time for June 2010)	Performance Improvement

Centrelink Call Performance

Key Performance Indicators for Centrelink Call were all met in the 2009-10 financial year. Results were:

KPI	2008/09		2009/10		Trend
	Target	Result	Target	Result	
Seconds in which 70 per cent of calls are answered within.	150 seconds	57.9%	150 seconds	77%	Performance Improvement
Percentage of callers successful on their first attempt ¹	80%	73.2%	80%	88.7%	Performance Improvement
Unmet demand ²	9% in peak demand	Achieved target 3 of 7 periods	8%	4.8%	Performance Improvement
	8% in non-peak demand	Achieved target 3 of 6 periods			
Customer complaints regarding access ³	22,000	13,946	15,000	6,429	Performance Improvement

Customer Satisfaction

Centrelink administers a regular customer satisfaction survey program to measure customer satisfaction with the overall quality of Centrelink's people, services and information. Performance is measured against a target of 88 per cent.

KPI	2008/09		2009/10		Trend
	Target	Result	Target	Result	
Centrelink Call Centre customer satisfaction	88%	91%	88%	91.7%	Performance Improvement
Centrelink Customer Service Centre customer satisfaction	88%	86.8%	88%	89.5%	Performance Improvement

Customer Feedback

Centrelink also gathers unsolicited feedback. Customers are able to provide compliments, suggestions and complaints to Centrelink via a number of channels, such as through Centrelink's Customer Relations Unit (Freecall 1800 050 004), 'Tell Us What You Think' comment cards, in person to a Customer Service Advisor, and on

¹ Callers successful on first attempt – those callers who successfully access the Centrelink Call Network IVR.

² Unmet Demand – The number of callers unable to successfully enter the Centrelink Call Network on any day during the week.

³ Complaints regarding access – Refers to complaints from customers who have had difficulty accessing Centrelink Call services.

line via the Centrelink web site.

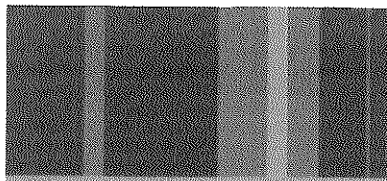
KPI	2008/09		2009/10		Trend
	Target	Result	Target	Result	
Complaints ⁴	No target	64,487	No target	49,618	Performance Improvement
Compliments	No target	9,422	No target	13,571	Performance Improvement

In July 2010 the impacts of the traditional seasonal peak, Federal Budget Initiatives (with an implementation date of 1 July 2010) and issues with access through Centrelink Self-Services, have resulted in increased demand at both Centrelink Call Centres and CSCs.

FINANCIAL IMPLICATIONS

There are no financial implications.

⁴ Complaints regarding access to Centrelink Call services are a subset of the overall complaint figure.



3.8 Job Seeker Reporting and Contact Arrangements

CONTACT

Moya Drayton
02 6155 2065

KEY POINTS

On 1 July 2010, Centrelink commenced a new reporting and contact regime for job seekers.

Job seekers are required to regularly report to Centrelink on their compliance with their participation requirements and advise of any earnings, income from employment or changes in circumstances that may affect their payment.

The changes introduced on 1 July 2010 mean that job seekers can undertake their reporting requirements via the Internet, phone or in person with a paper form.

In addition to their regular reporting requirements, all job seekers are required to attend a face-to-face Personal Contact Interview (PCI) on two, four, six or 12 weekly frequency. The frequency of these contacts is determined by profiling the individual job seeker's circumstances.

While this initiative will place a high load on Centrelink's self-service channels, system capability is in place (brief 3.13 refers).

For the fortnight ending 16 July 2010, approximately 31.4 per cent of job seekers had taken up the option of self service channels to undertake their reporting requirements with Centrelink. This is continuing to increase each fortnight.

BACKGROUND

Traditionally, job seekers have been required to complete a paper "Application for Payment SU19" form and lodge that with Centrelink to provide current details in order to have their payment made on a regular basis. This form provides details of the job seeker's compliance with their activity test requirements. They were also required to advise of any earnings from employment or changes in their circumstances that may affect their income support payment.

The old paper-based reporting arrangements for job seekers had remained unchanged since the 1980s. The changes that have been put in place open up alternative channels for reporting while introducing an additional PCI requirement that will strengthen a job seeker's compliance with their participation obligations.

Reporting Requirements

Self service channels still require job seekers to answer questions about their activity test compliance. Where a job seeker fails the activity test or there are issues that require staff intervention, their report remains unfinalised and they must have contact with Centrelink to discuss the issue before a determination can be made

to release their payment.

With the changes that have been introduced, eligible job seekers and principal carer parents with activity test or participation requirements are able to use the Internet and phone reporting channels to undertake their regular reporting obligations.

Use of self service to report is not compulsory for job seekers and it is expected that some job seekers will continue to report using a paper form.

Self service reporting provides the capacity to have more people reporting more often.

Personal Contact Interviews

As part of the change to open up Internet and phone reporting channels, Centrelink is introducing PCIs for all job seekers which will be in addition to the job seeker's traditional reporting requirements.

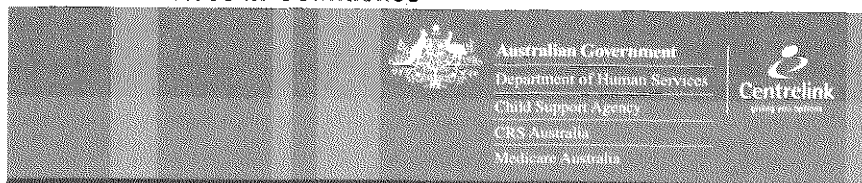
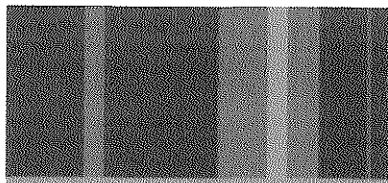
Job seekers who fail to attend a PCI appointment may have payment suspended until such time as they attend and complete the interview.

- All job seekers will have a PCI requirement.
- Job seekers will be given appointments for the PCI.
- Failure to attend may result in suspension of income support.
- Frequency of the PCI is determined by the job seeker's individual circumstances.
- PCI will focus on the job seeker's participation requirements.

FINANCIAL IMPLICATIONS

Centrelink has returned these savings to government which are to be realised over the next three financial years:

2010-11	2011-12	2012-13
\$m	\$m	\$m
-\$36.1	-\$36.6	-\$37.0



3.9 Management of Stream Service Reviews for Job Seekers

CONTACT

Moya Drayton
02 6155 2065

KEY POINTS

From 1 July 2009, Stream Services Reviews (SSRs) were introduced as part of the Employment Services Model. After approximately 12 months in receipt of a job seeker payment, and in the same service Stream with an Employment Services Provider, a SSR must be conducted by Centrelink for job seekers in Streams 1 to 3.

There are four Streams, with Stream 1 indicating job readiness, through to Stream 4 for customers with multiple serious barriers to gaining sustainable and suitable employment.

The Department of Education, Employment and Workplace Relations (DEEWR) provides Centrelink with a series of questions that each job seeker must answer. This is called the Job Seeker Classification Instrument (JSCI). Each answer is 'weighted' by DEEWR and the resulting score at the end of the question set determines which service Stream the job seeker is eligible for.

After approximately 12 months in the same Stream, the Employment Services Provider triggers a SSR for customers who are in Streams 1 to 3. Centrelink is required to contact the customer to complete the JSCI with them. The outcome of this is either that the customer stays in the same Stream but moves to the Work Experience Phase, or they are eligible for a higher Stream of service.

If Centrelink does not complete the SSR in a timely manner there is a financial impact on the Employment Services Provider because they are only able to claim service fees within set timeframes. They need the outcome of the SSR to determine the future support plan for the job seeker.

BACKGROUND

Completion of a SSR requires Centrelink to contact a job seeker and complete the Job Seeker Classification Instrument. This ensures the most up to date circumstances of the job seeker are recorded.

As a result of the review, the job seeker may be referred for further assessment through a Job Capacity Assessment, commence in the Work Experience Phase, or may be 'upstreamed' and commenced in a higher stream with their Employment Services Provider.

Job seekers are advised in writing of the requirement to either contact or attend Centrelink to have the SSR completed.

The benchmark for SSRs is 100 per cent to be completed within ten working days.

Centrelink visiting schedules for remote regions are often on a four or six weekly rotation. Many customers who live in these regions do not

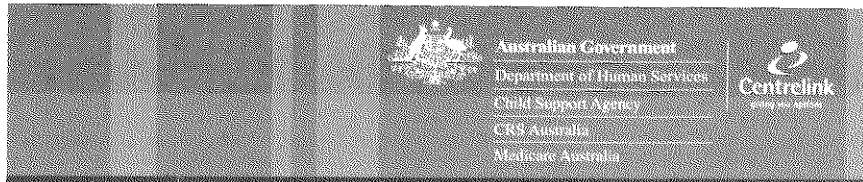
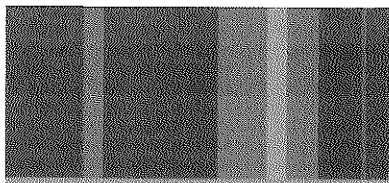
have ready access to a telephone and have irregular mail service. It is therefore preferable to complete the SSR for these customers face to face, as part of the visiting service program of work. Centrelink has commenced discussions with Employment Services Providers in these regions to work together to ensure the Stream Services Reviews are triggered the week before the Centrelink visit is to occur. This will allow the SSR to be included in the work schedule and ensure the customer is located and the SSR completed as part of the visiting service.

Similar problems are encountered with the use of interpreter services not always being available in a timeframe that allows the customer to be contacted within ten days to have the SSR completed.

DEEWR has been providing expected flow data to Centrelink since late March 2010 on a fortnightly basis. Centrelink is using this data to ensure that adequate resources are available in Customer Service Centres to undertake the number of SSRs required, and that they are completed in line with agreed timeframes.

FINANCIAL IMPLICATIONS

There are no financial implications.



3.10 Reduction in Rural Services Officers and Rural Social Workers

CONTACT

Roxanne Ramsey
s47E(d) & 47F

KEY POINTS

Rural Services Officers (RSOs) are a key pillar of Centrelink's rural service delivery network, assisting rural customers in accessing Government services and payments by working within their rural communities.

RSOs attend farms and assist farming families to apply for Government assistance. They also attend community events including Field Days, maximising opportunities for rural customers to discuss options for their future. RSOs are committed to working closely with their local communities, recognising that pooling limited resources maximises potential outcomes for rural customers. They have close working ties with Rural Financial Counsellors, local State Government representatives and other rural and agricultural groups.

Funding for Centrelink's RSOs is sourced from specific Budget Measures, some of which expired on 30 June 2010, resulting in a small reduction in RSO numbers. Centrelink will continue to monitor any impacts on rural communities. Feedback from rural communities has been extremely positive about the difference RSOs make to rural servicing.

BACKGROUND

The Rural Social Support network (including Rural Services Officers and Social Workers) is a key component of Centrelink's *Supporting Rural Australia* strategy.

The RSO role is highly regarded as a service that enables rural customers to access government services and programs and targets more vulnerable customers and communities to ensure as many eligible customers as possible receive the right support. This includes attending the Australian Government Mobile Office when in their communities.

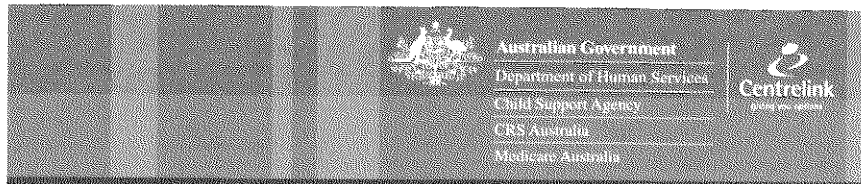
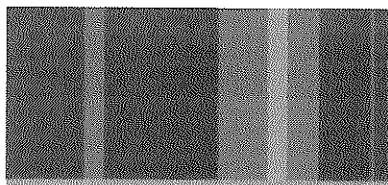
The reduced RSO funding was a consequence of two Department of Agriculture, Fisheries and Forestry measures not being extended beyond 30 June 2010 – a reduction from more than 60 RSOs to approximately 52.

To maximise the geographical coverage, a number of the RSO positions are now part time, with the officer having other responsibilities.

Centrelink will continue to review the distribution of RSOs having regard to the needs of rural communities and as funding allows.

FINANCIAL IMPLICATIONS

There are no direct financial implications.



3.11 Changes to Income Support for Students (Bradley Review)

CONTACT

Moya Drayton
02 6155 2065

KEY POINTS

The Student Income Support Reforms seek to remove the financial barriers to the participation in education and training by students from low socio-economic backgrounds, including those from rural backgrounds and Indigenous students.

In April 2010, Centrelink implemented the first phase of reforms:

- initial reduction of the age of independence to 24;
- payments of the Student Start-up Scholarship and Relocation Scholarship; and
- exemption of up to \$6,762 of equity and merit-based scholarships from the income tests.

In July 2010, Centrelink implemented the next phase of reforms and to date no major issues have been identified:

- introduction of a new Parental Income Test for Youth Allowance and other student payments, including a new family taper; and
- changes to the self-supporting criterion for independence.

Further phases of the reforms are scheduled to be introduced in 2011 and 2012. Centrelink has commenced the analysis and design work for the 2011 task.

BACKGROUND

The changes to student income support payments were announced in the 2009-10 Budget.

After the Budget announcement, there were adverse comments in the media about the removal of elements of the workforce independence criteria. This was of particular interest in rural areas, where young people may need to move away from home to study at a tertiary level.

The legislation passed on 17 March 2010. Since this time, the independence criteria issue has received little publicity and to date Centrelink has received no negative customer feedback on this policy issue.

The Parental Income Test changes introduced a new family taper whereby customers are assessed on a family, rather than on an individual, basis. Youth Allowance, ABSTUDY (Living Allowance) and Assistance for Isolated Children (Additional Boarding Allowance) customers with siblings on these payments now form part of a family pool.

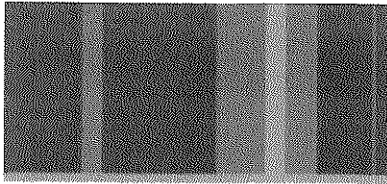
If one sibling in the family pool has a change in their circumstances,

this will affect all members of the family pool. This means that these customers are now more likely to have fluctuating payments, as any change in a sibling's circumstances may impact on their payment. Debts are also more likely to occur for these customer groups.

FINANCIAL IMPLICATIONS

Centrelink was funded for this measure through the 2009-10 Federal Budget. The final costing provided for the following funding to be made available to Centrelink:

2010-11	2011-12	2012-13	2013-14	2014-15
\$m	\$m	\$m	\$m	\$m
13.9	13.8	13.8	13.0	Data not available



3.12 Compliance Framework

CONTACT

Moya Drayton
02 6155 2065

KEY POINTS

A new job seeker participation compliance system was introduced from 1 July 2009.

The new system underpins the new Employment Services Model and is aimed at encouraging participation through a more flexible approach to non-compliance.

The model is incentives-based and includes a number of new safety net features.

Opinions were divided over the new compliance model and a number of legislative and policy amendments were agreed by the previous Government to secure the passage of Legislation – this included a legislated review of the model.

An independent review of the job seeker compliance model commenced in May 2010. The review panel, which is chaired by Professor Julian Disney, is required to provide a report to Parliament on the effectiveness of the model before 30 September 2010.

Recent media has focused attention on Centrelink's role in job seeker compliance.

Centrelink investigates all Participation Reports thoroughly before making a decision to apply or reject a failure, taking a firm but fair approach.

BACKGROUND

The reforms to the compliance system from 1 July 2009 give employment services providers flexibility and access to a range of options in determining the best form of re-engaging with a job seeker following non-compliance.

Centrelink becomes involved in compliance action only where a provider chooses to electronically lodge a Participation Report or a Contact Request.

Centrelink decision makers have increased discretion under this model which aims to:

- reinforce mutual obligation principles;
- maintain a strong safety net for vulnerable job seekers; and
- promote participation and minimise the impact of financial penalties by:
 - giving job seekers greater control over the extent and/or duration of financial penalties through early re-engagement; and

- using a pattern of failures to prompt a comprehensive assessment of the job seeker's circumstances to determine the most appropriate response.

The job seeker compliance review panel consulted widely and also invited written submissions on matters within the terms of reference for the review.

Centrelink met with the Panel on several occasions to provide and discuss data, case studies and reference material. Panel members visited Participation Solutions Teams to observe compliance investigations first hand.

Submissions received by the Panel have been published on the Department of Education, Employment and Workplace Relations website. Centrelink has forwarded a submission to the panel however it was not made publicly available on the website during the caretaker period.

ELECTION COMMITMENTS

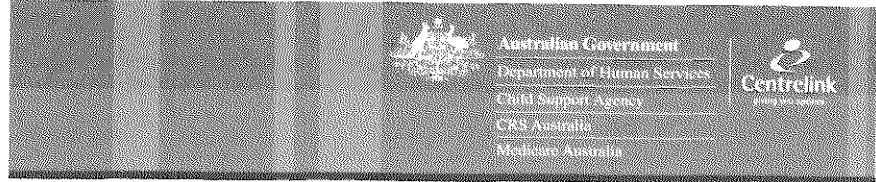
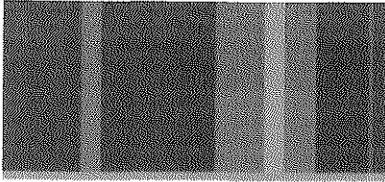
On 17 August 2010, the Government announced plans for the introduction of incentives-based relocation and job commitment measures for the long-term unemployed.

Under the proposed changes, unemployed people under the age of 30 who secure a job, may be eligible for payments of up to \$12,500 if they stay in that job for two years. These payments are conditional upon the job seeker retaining work. Enforcement measures will apply so that job seekers who do not stay in work for at least six months will not be eligible for income support for six months unless there are reasonable grounds. The current maximum duration of an unemployment preclusion period is eight weeks.

Separate briefs have been prepared on these commitments

FINANCIAL IMPLICATIONS

No costing details for the proposed changes are available at this stage.



3.13 Keeping Self-Service Assistance in Place post 1 July 2010

CONTACT

Graham Maloney
02 6155 0274

KEY POINTS

An initiative was announced in the 2009-10 Budget to move income reporting for job seekers to Self-Service options.

This initiative aimed to increase the range of service delivery options that can be made available to jobseekers and activity tested customers to undertake their reporting obligations for income support payments.

From 1 July 2010, under these arrangements, eligible job seekers with participation requirements are able to report income or earnings on a fortnightly basis via Self-Service options rather than via a paper based 'Application for Payment' form.

Changes to job seeker reporting arrangements from 1 July 2010, led to an increase in the number of customers using Centrelink's Self-Service applications, either via the Centrelink web site, over the phone through Interactive Voice Response (IVR) or in a Centrelink Customer Service Centre (CSC), using a Self-Service PC.

The increased demand placed a strain on Centrelink's ICT systems and some outages were experienced.

Centrelink had anticipated the possible effects of the 1 July 2010 changes and implemented three key strategies to meet the additional ICT demand:

- establishment of a central Network Support Centre to monitor Network Service Delivery and ICT performance, taking quick action to rectify any issues;
- establishment of a Self-Service Task Force to consider whether changes in strategic direction were required and to recommend relevant actions; and
- continuation of Customer Liaison Advisors in CSCs for an additional period to assist customers move to the new arrangements.

Work is currently under way to prepare Centrelink ICT systems for an ongoing anticipated increase in customer Self-Service usage rates over the medium and long term.

While this work is being undertaken, the rollout of additional Self-Service PCs in the Centrelink and Medicare Australia network is being carefully monitored to ensure services to customers are maintained.

BACKGROUND

Centrelink introduced Self-Service facilities into CSCs to provide

customers with more choice about how they do business with Centrelink. Customers can do their business with Centrelink at home or in a CSC without needing to interact with a Customer Service Advisor.

Customers can use this service to check the information on their personal record, note when their next payment is due and how much they will receive, request advance payments and in some cases report income.

There has been an increase in customers using Self-Service facilities which enables Centrelink Customer Service Advisors to deal with customers who have more complex or urgent enquiries.

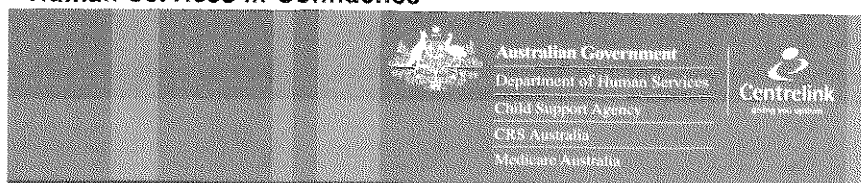
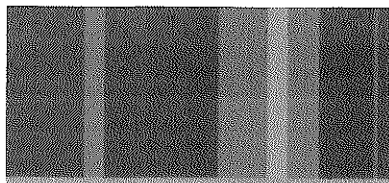
Due to the successful implementation of Self-Service PCs and Centrelink Express, Centrelink envisages there will be a need to increase the number of Self-Service facilities available to customers.

Centrelink has commenced work on developing a new Self-Service capability that will accommodate new functionality and increase reliability as IT infrastructure capability is developed.

Customer Liaison Advisors are available at CSCs to assist customers to register for and use Self-Service facilities either via the Centrelink web site, over the phone through IVR or in a Centrelink CSC, using a Self-Service PC.

FINANCIAL IMPLICATIONS

There are no financial implications.



3.14 Preparedness for Emergencies

CONTACT

Sheryl Lewin
02 6155 0152

KEY POINTS

The portfolio is well positioned to assist the Government's response to emergencies. Procedures are in place to make payments in disaster situations and to provide an emergency call centre surge capability in accordance with the agreement of COAG in April 2009, where States' local capacity is exceeded.

The portfolio is working with Commonwealth and State and Territory governments at the National and local levels to further improve Australia's natural disaster arrangements through more efficient and effective funding arrangements for natural disaster mitigation, relief and recovery and strengthened coordination and partnerships.

The portfolio continues to work with the Attorney-General's Department and the Department of Families, Housing, Community Services and Indigenous Affairs to undertake a comprehensive review of the Commonwealth's disaster recovery arrangements including programs, services and payments also including compensation-like payments, for Australian victims of overseas terrorism.

Onshore and offshore emergency events for the last five years are detailed at Attachment A.

The Victorian Bushfires Royal Commission report was handed down on 31 July 2010. Whilst there were no recommendations relating directly to the portfolio, there are matters raised in the body of the report that are of interest, such as the provision of case management services. A draft Australian Government response has been prepared and is expected to be considered early by the government.

BACKGROUND

In April 2009, COAG agreed to take immediate steps to enhance Australia's natural disaster arrangements including arrangements for a Commonwealth provided emergency call centre surge capability that may be called upon by States should their local capacity be overwhelmed following a disaster. The portfolio has now agreed Memoranda of Understanding with each State and Territory to govern the activation, operation and funding of the National Emergency Call Centre Surge Capability (NECCSC).

In December 2009, COAG agreed measures to improve Australia's natural disaster arrangements. COAG agreed to a new whole-of-nation 'resilience' based approach to natural disaster policy and programs. COAG commissioned the development of a National Resilience Strategy, to be developed by a National Emergency Management Committee. The Committee will report to COAG and

relevant ministerial councils.

Redacted under section 22 as exempt under sections 47E(d) & 47C.

FINANCIAL IMPLICATIONS

Funding for the NECCSC was initially established in the 2006-07 Budget. Funding of the NECCSC is currently inadequate due to changes to the Emergency Management environment and the need for the portfolio to support readiness for possible multiple responses to State and Territory surge requests. This is one of the key elements to be considered as part of the comprehensive review.

Funding for emergency responses is retrospective, and based on cost recovery. In the 2009-10 and 2010-11 financial years Centrelink received funds for 9 of 14 emergency events:

2009-10	2010-11
\$m	\$m
5.4	0.2

Onshore and Offshore Emergency Events2010

Victorian Storms
South West QLD Floods

2009

WA Bushfires
NSW Mid North Coast Floods
NSW Mid North Coast Floods (ex gratia assistance activated in November)
Samoan Tsunami
Sumatra Earthquake
Papua New Guinea Plane Crash
Jakarta Bombings
Storms and Flooding in South East QLD and Northern NSW
North West QLD Floods
Victorian Bushfires
North QLD Floods

2008

South East QLD Storms
Mumbai Crisis
Bali Commemorations
Mackay and Central QLD Flooding
Queensland Storms

2007

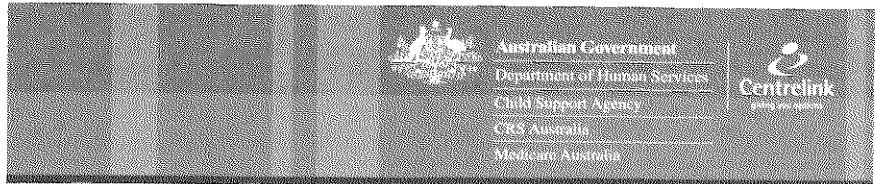
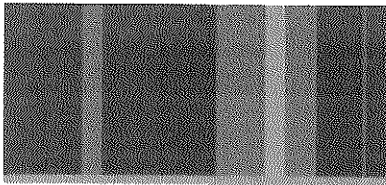
Equine Influenza
Hunter and Central Coast Storm
Gippsland Floods
Western Australia (Dwellingup & Porongurup) Bushfires
Cyclone Jacob
Cyclone George
Yogyakarta Plane Crash

2006

Egypt Bombings (Dahab)
Victoria & Tasmania Bushfires
NSW & VIC (Juncie, Central Coast, Anakie & Stawell) Bushfires
Cyclone Larry
Cyclone Monica
East Timor Evacuations
Middle East Crisis

2005

Bali 2002 Bombing Anniversary
Bali Bombing Trials
London Bombings Anniversary
Bali Bombings
London Bombings
South Australia (Port Lincoln) Bushfire
NSW & SA Floods (Gawler & Central West NSW)



3.15 Local Connections to Work Program

CONTACT

Graham Carters
02 6223 4166

KEY POINTS

Local Connections to Work is an initiative aimed at increasing economic participation and social inclusion. A range of Australian Government, State/Territory and non-government service providers deliver their services on-site in Centrelink in selected disadvantaged locations.

Customers unemployed for five years or more and disadvantaged youth attend joint interviews with Centrelink and their Job Services Australia/Disability Employment Services provider to identify barriers and ensure these are addressed. Other Centrelink customers may access services subject to availability.

Local Connections to Work started on 24 May 2010 with the intention of future expansion to additional sites in connection with improved customer service initiatives.

BACKGROUND

Local Connections to Work is based on the successful New Zealand Community Links model and currently operates in four Centrelink Customer Service Centres – Frankston, Vic; Campsie, NSW; Ipswich, QLD; and Elizabeth, SA.

More than 80 community partners are participating across the four sites. Services vary in each location but may include housing, mental health, youth and family services, and training.

From 24 May to 27 August 2010, Local Connections to Work conducted 1,389 wrap around service joint interviews. Customers also accessed 3,942 single services with onsite partners, particularly Medicare Australia.

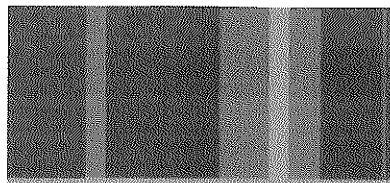
While it will take time to measure sustainable outcomes, initial feedback has been positive with reported improvements in customer disclosure, less 'churn', more coordination of customers across services and greater focus on action to overcome barriers and obtain paid work.

Local Connections to Work stems from work by the Taskforce on Strengthening Government Service Delivery for Job Seekers. The Job Seeker Taskforce, staffed by officials from DHS, Centrelink, Medicare Australia and the Department of Education, Employment and Workplace Relations, was established in November 2009.

Redacted under section 22 as exempt under section 47C

FINANCIAL IMPLICATIONS

Financial implications of any expansion of Local Connections to Work will be considered in separate detailed briefing.



3.16 Centrelink Call Centre Funding

CONTACT

Trevor Jones
02 6155 2463

KEY POINTS

Centrelink has received funding for *Centrelink Call Centre Supplementation* through the Budget process since 2004-05.

The last submission for *Centrelink Call Centre Supplementation* was included as part of the 2009 Human Services Portfolio Budget Submission. Funding for approximately \$60 million per annum over two years was approved. Funding terminates on 30 June 2011.

Budget funding has been approved on the basis of Centrelink Call meeting a service level target of 70 per cent of calls answered within 150 seconds.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

Redacted under section 22 as exempt under section 47C.

BACKGROUND

Centrelink Call Centre Supplementation is a terminating budget measure and funding ceases 30 June 2011.

In the 2009-10 Budget, Centrelink received approximately \$60 million of supplementary departmental funding per annum over two years. This equates to approximately 20 per cent of Centrelink Call's budget and approximately 600–700 staff.

In 2009-10 financial year, Centrelink Call demand was around 29.3 million calls. In 2008-09 financial year, Centrelink demand was around 32.5 million calls.

A reduction in call service level would present risks to Government in relation to:

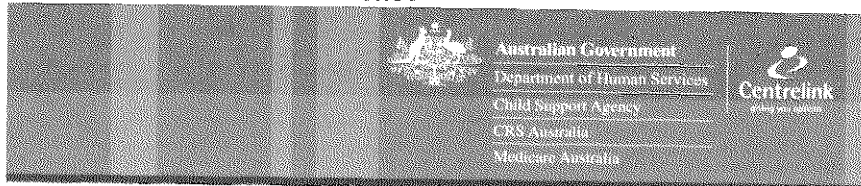
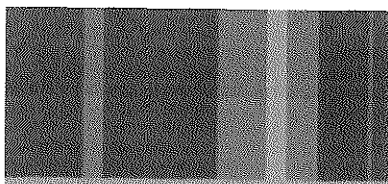
- reduced performance standards;
- impact on the Government's operational ability to respond to emergencies and disasters;
- impact on the Government's response to Indigenous policy implementation;

- service delivery to rural and remote communities;
- increased customer complaints;
- extended delays for customers in accessing Government services; and
- customer dissatisfaction with Government services.

FINANCIAL IMPLICATIONS

Centrelink Call Centre funding will reduce by approximately \$60 million per annum when Budget funding ends on 30 June 2011.

Redacted under section 22 as exempt under section 47C.



3.17 Compliance – Payment Integrity

CONTACT

Mark Withnell
02 6155 1482

KEY POINTS

Centrelink has responsibility to protect the integrity of government outlays in the payments it administers. Centrelink does this by undertaking programs to address customer or payment risks and by identifying service interventions that assist in preventing or minimising non-compliance and error.

Centrelink's compliance approach is to encourage individuals and the community to voluntarily comply, whilst also identifying and dealing appropriately with those who choose not to comply. Centrelink strategies focus on maintaining an appropriate balance between prevention and detection, with the preferred strategy to help and educate people to meet their responsibilities as Centrelink customers, particularly in relation to reporting changes in circumstances that may affect their Centrelink payments.

Centrelink provides education and support to assist individuals to comply and undertakes reviews and investigations to detect those who do not comply. Centrelink also recovers debts when an overpayment has occurred due to non-compliance and also may refer for prosecution consideration individuals where deliberate fraud appears to have taken place.

This financial year, as part of its compliance approach, Centrelink will publicly release an Annual Compliance program which outlines the compliance and fraud activities that will be undertaken to address key risks this year.

Some significant compliance and fraud issues which are likely to receive media interest are:

- the Australian National Audit Office audit on Centrelink fraud investigations; and
- the Supreme Court decision relating to interpretation of the Crimes Act.

BACKGROUND

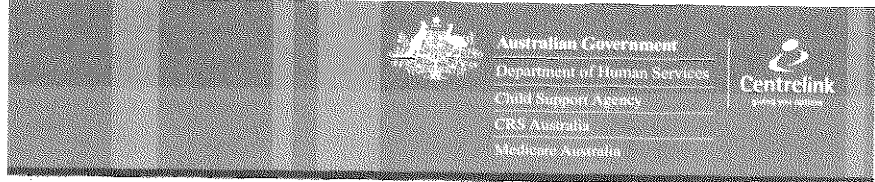
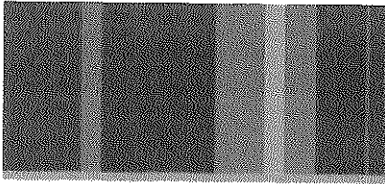
Each year Centrelink contributes to a portfolio compliance plan aimed at reducing welfare non-compliance and fraud across all DHS agencies.

Centrelink has also produced a 2010-11 Annual Compliance Program public document which outlines Centrelink's compliance approach and focus for this financial year. This document is ready for Ministerial launch.

FINANCIAL IMPLICATIONS

In the 2009-10 financial year:

- Centrelink completed 3,506,431 entitlement reviews with savings to future outlays totalling \$92.4 million a fortnight;
- Centrelink identified debts as a result of review activity totalling \$551.4 million;
- Centrelink referred a total of 4,608 cases to the Commonwealth Director of Public Prosecutions (CDPP) for consideration of prosecution action;
- the CDPP prosecuted 3,461 cases for welfare fraud with a conviction rate of 99.3% including 363 cases where the offence was proven but no conviction recorded. An acquittal was recorded in 25 cases;
- Centrelink raised \$1,747 million in debts, waived \$72 million (net) and recovered \$1,093 million in debts; and
- from public tip-offs, Centrelink conducted 43,726 reviews of customer entitlements. These reviews resulted in 7,594 reduced payments and identified \$2.4 million in fortnightly savings. There was a further \$40.2 million in debts raised.



4.1 Medicare Australia Overview

CONTACT

Lynelle Briggs
02 6124 6300

KEY POINTS

Medicare Australia provides access to a range of government health and other payments, as well as information services to the Australian public and health professionals. Medicare Australia has an excellent reputation for service delivery.

Medicare Australia's focus is on:

- doing business electronically wherever possible to improve efficiency and convenience;
- providing high quality, cost effective services; and
- contributing to customer service improvement initiatives.

Medicare Australia's stakeholders include the Australian public, health professionals, private health organisations, state and territory governments and other Australian Government departments and agencies.

Major programs delivered are Medicare, the Pharmaceutical Benefits Scheme, Aged Care payments, the Australian Childhood Immunisation Register, the Australian Organ Donor Register, and the National Bowel Cancer Screening Register (brief 4.2 refers).

In addition, Medicare Australia delivers a range of programs supporting general practice including the General Practice Immunisation Incentives Scheme, the Practice Incentives Program, the Rural Retention Program and the Mental Health Nurse Incentive Program. Medicare Australia also provides payment and information services for Family Assistance.

Medicare Australia has a network of 241 Medicare offices; over 850 self-serving access points; and a range of electronic claiming channels.

During the 2009-10 financial year, Medicare Australia processed across a range of programs, approximately 550 million transactions, representing in excess of \$40 billion in payments.

New areas of work for Medicare Australia from 1 July 2010 were:

- the Superannuation Clearing House, designed to reduce red tape and compliance costs that small businesses face in meeting their superannuation obligations; and
- under contract to the National E-Health Transition Authority, to implement and operate the Healthcare Identifiers Service.

An important part of Medicare Australia's role is protecting the integrity of the programs that it administers. As part of its compliance

program, Medicare Australia provides information, counselling and education on the appropriate use of the Medicare Benefits Schedule, the Pharmaceutical Benefits Scheme and other programs administered by Medicare Australia.

The range of services delivered by Medicare Australia is at Attachment A.

FINANCIAL IMPLICATIONS

Total 2010-11 appropriation for Medicare Australia is \$671.9 million, including departmental equity injection of \$15.6 million in capital funding under Appropriation Act 2.

4.1 MEDICARE AUSTRALIA SERVICES (as at July 2010)**FEDERAL GOVERNMENT****Australian Defence Force**

- ADF Family Healthcare Program

Australian Federal Police (AFP)

- Assistance with investigation for alleged criminal offences

Australian Taxation Office

- ATO pre-filling program for e-tax and Tax Agents with Medicare data

Centrelink

- ATO pre-filling program for e-tax and Tax Agents with Medicare data
- Data Matching to determine eligibility for concessions under the Pharmaceutical Benefits Scheme and Concessional Medicare Safety Nets
- Mobile Office Services
- Co-location of services in network offices

Commonwealth Director of Public Prosecutions

- Protocols for the prosecution of alleged criminal offences in relation to Medicare Australia programs.

Department of Climate Change and Energy Efficiency

- Home Insulation Program
- Green Rewards

Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)

- Family Assistance Office services
- Paid Parental Leave
- Aged Care payments (Residential Care)

Department of Health and Ageing

- Medicare
- Pharmaceutical Benefits Scheme
- Aged Care payments
- 30% Rebate on Private Health Insurance
- Australian Childhood Immunisation Register
- Australian Organ Donor Register
- Bowel Cancer Screening Register
- Compensation Recovery Program
- General Practice Immunisation Incentive Scheme
- General Practice Registrars' Rural Incentive Payments Program

- Hearing Services Program
- Higher Education Contribution Scheme Reimbursement Scheme
- Midwives Professional Indemnity Scheme
- Medical Indemnity
- Practice Incentives Program
- Rural Retention Program
- Special Assistance Scheme
- Teen Dental scheme
- Rural Procedural Grants Program and Rural Locum Education Assistance Program

Department of Immigration and Citizenship

- Immigration and Citizenship Testing

Department of Innovation, Industry, Science and Research

- LPG Vehicle Scheme registrations

Department of Veterans' Affairs

- Medical, hospital, pharmaceutical and allied health benefits

Director Professional Service Review (DPSR)

- Referrals for professional review process

Medicare Participation Review Committee

- Secretariat Services

National E-Health Transition Authority

- Healthcare Identifiers services

Treasury

- Small Business Superannuation Clearing House

STATE GOVERNMENT and other AGENCIES

All state and territory health departments

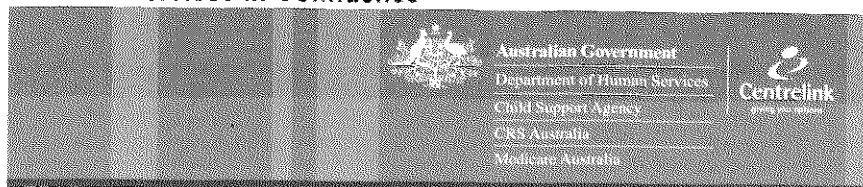
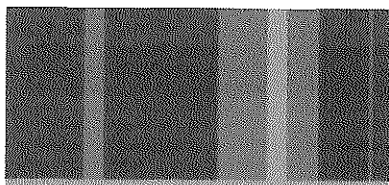
- Supply of highly specialised drugs

Department of Health, Western Australia

- Visiting Medical Practitioner Program

Private Organisations

- Medicare Australia has agreements in place with a range of private organisations to ensure the operation of:
 - electronic Medicare claiming
 - supply of highly specialised drugs



4.2 Medicare Australia Programs

CONTACT

Lynelle Briggs
02 6124 6300

KEY POINTS

Medicare Australia delivers a broad range of payments and information, in respect of health-related and other programs, on behalf of the Australian Government.

Medicare – Medicare Australia administers the Medicare program on behalf of the Department of Health and Ageing (DoHA). There are 22 million people enrolled in the Medicare program, Medicare Australia processed more than 308 million services in 2009-10 and paid in excess of \$15 billion in benefits. Electronic Medicare claiming is now widely available, with more than 90 per cent of claims originating from practices that have electronic claiming capability. At present, in excess of 91 per cent of bulk bill claims and 25 per cent of patient claims are lodged electronically.

Pharmaceutical Benefits Scheme – Medicare Australia is responsible for administering the Pharmaceutical Benefits Scheme (PBS) on behalf of DoHA. In 2009-10, Medicare Australia processed 198 million services and paid around \$8 billion in benefits. Medicare Australia also makes payments for Repatriation Pharmaceutical Benefit Scheme (RPBS) items on behalf of the Department of Veterans' Affairs (DVA). Over 98 per cent of claims from community pharmacies are submitted online. A key activity for Medicare Australia this year is implementing aspects of the Fifth Community Pharmacy Agreement between the DoHA and the Pharmacy Guild of Australia. Medicare Australia is responsible for implementing 12 initiatives under the agreement.

Aged Care – Medicare Australia manages aged care payments on behalf of DoHA to approved aged care providers. In 2009-10, Medicare Australia processed more than 55,000 claims totalling around \$8 billion.

A new Aged Care Workforce Incentive Program was announced in the 2010-11 Federal Budget, to provide incentives of up to \$5,000 to aged care workers who undertake further studies. DoHA advised Medicare Australia to suspend implementing new payment arrangements pending the outcome of the election at which time DoHA will seek further advice from government.

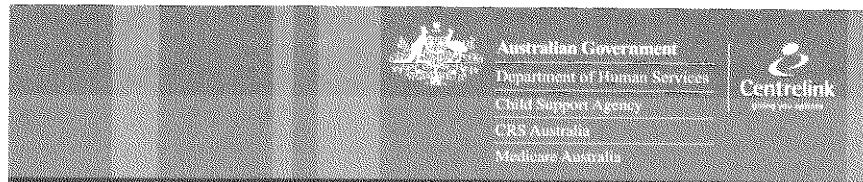
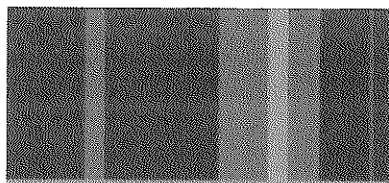
Other Programs – Medicare Australia also administers over 20 other health-related programs on behalf of DoHA including the Practice Incentive Program, the Australian Childhood Immunisation Register, the Bowel Cancer Screening Register and the Australian Organ Donor Register.

Medicare Australia also pays benefits on behalf of DVA to providers treating veterans and other eligible persons.

Comprehensive information on the payments delivered by Medicare Australia is being provided to your office.

FINANCIAL IMPLICATIONS

Medicare Australia receives the majority of its revenue via direct appropriation under an activity based funding model which is negotiated with the Department of Finance and Deregulation.



4.3 eBusiness – Electronic Claiming

CONTACT

Mark Young
02 6124 4641

KEY POINTS

Medicare Australia provides electronic claiming and payment systems and support to health and aged care providers, enabling them to do most of their business with Medicare Australia electronically:

- pharmacies lodge nearly 99 per cent of Pharmaceutical Benefits Scheme claims electronically;
- residential aged care facilities lodge 78 per cent of claims for aged care payments electronically; and
- medical practitioners lodge more than 90 per cent of bulk-bill Medicare claims and 28 per cent of patient claims electronically.

Medicare Australia has worked extensively with financial institutions, medical software vendors and healthcare providers to develop the systems and capability to enable patients to claim their Medicare benefit at the doctor's surgery.

Although initial take-up of electronic claiming was slow, there has been significant growth in the past 18 months, with 28 per cent of all patient claims (47.1 per cent of GP claims and 14.1 per cent of specialist claims) now made electronically. The rate is constantly increasing.

A new claiming process, known as home based claiming, is being developed for implementation in 2011 and will enable the public to claim their Medicare benefit directly over the internet.

BACKGROUND

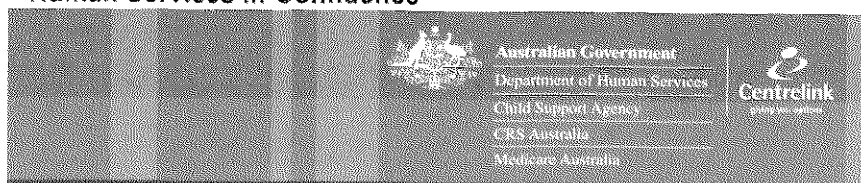
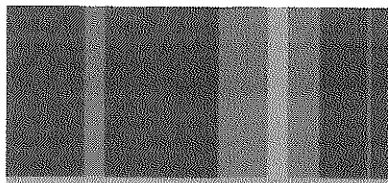
Medical practices have a choice as to which electronic channel to use for patient claiming—the internet-based Medicare Online claiming solution or Medicare Easyclaim, based on Electronic Funds Transfer at Point of Sale (EFTPOS) technology.

Medicare Online, introduced in 2002, enables providers to make claims over the internet, including bulk bill, patient claims and Department of Veterans' Affairs claims. Medicare Easyclaim was introduced by Medicare Australia in 2007 and is delivered, under contract, by financial institutions.

In 2009, the Medicare Easyclaim Practice Management System Integration Solution Subsidy provided a total of \$5.8 million to software vendors to develop integrated solutions for Medicare Easyclaim. There are now thirteen integrated Medicare Easyclaim solutions available on the market.

FINANCIAL IMPLICATIONS

There are no financial implications.



4.4 eBusiness – Healthcare Identifiers

CONTACT
Mark Young
02 6124 4641

KEY POINTS

The Healthcare Identifiers (HI) Service is designed to facilitate accurate and secure electronic recording and communication of patient health information between healthcare providers nationally.

Under the *Healthcare Identifiers Act 2010* (the Act), Medicare Australia is to be the service operator of the identifier service for the first two years. The Act received Royal Assent on 29 June 2010, enabling the service to commence on 1 July 2010 as planned.

Every individual with a current Medicare enrolment and those with a current Department of Veterans' Affairs record, have now been allocated an individual healthcare identifier number. The total number of identifiers allocated is approximately 23 million, including visitors to Australia who have been allocated a Medicare number under certain reciprocal healthcare arrangements.

In July 2010, the Australian Health Practitioner Regulation Agency (AHPRA) allocated healthcare provider individual identifiers to approximately half a million healthcare professionals. As Healthcare Providers are registered by AHPRA their details will be passed to Medicare Australia to enable the registration of healthcare providers in the service.

BACKGROUND

In November 2008, the Council of Australian Governments (COAG) agreed to allocate individual healthcare identifiers on a compulsory basis to all Australian residents (that is, without seeking individual consent) and to conduct public consultation on national health privacy legislative proposals, including protections for healthcare identifiers.

Medicare Australia, under contract to the National E-Health Transition Authority (NEHTA), has designed, built, and tested the identifier service as the first major step towards a national eHealth system.

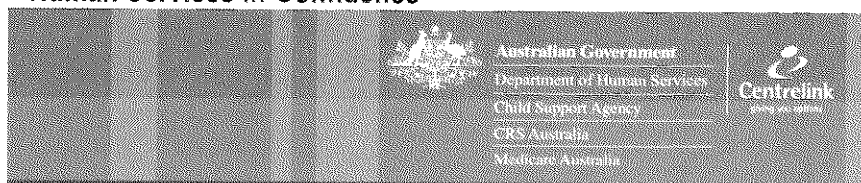
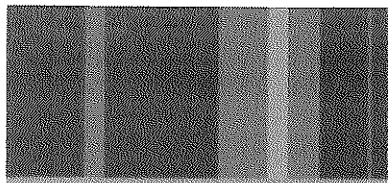
Medicare Australia and NEHTA have worked closely with AHPRA to develop the infrastructure to enable AHPRA to allocate registrants with healthcare provider individual identifiers from July 2010.

There is no health information stored against the individual healthcare identifier.

The Office of the Federal Privacy Commissioner has been consulted in relation to the design of the system, which includes safeguards for the protection of personal information. The Department of Health and Ageing had responsibility for development of the legislation.

FINANCIAL IMPLICATIONS

The Healthcare Identifiers Service is funded through COAG.



4.5 Budget Initiatives 2010-11

CONTACT

Carolyn McNally
02 6124 2029

KEY POINTS

The 2010-11 Federal Budget contained 18 new measures which encompass 32 discrete initiatives impacting on Medicare Australia. Total resourcing for these measures in the 2010-11 Budget is \$63.8 million and 423 new FTE over the forward estimates period, peaking at 160 FTE in 2010-11.

Major components of the Budget include:

- Fifth Community Pharmacy Agreement (\$38.1 million) – there are 14 discrete initiatives which Medicare Australia has responsibility for implementing over five years. These are designed to provide better pharmacy services for consumers, a stronger role for pharmacy, and to promote the sustainability and efficiency of the Pharmaceutical Benefits Scheme. The agreement delivers \$1 billion in savings to the Government. Eight minor initiatives were implemented on 1 July 2010.
- National Health and Hospital Network (\$23.2 million) – there are eight initiatives under this measure affecting Medicare Australia. The most significant measure is Improved Diabetes Management, due to commence on 1 July 2012. Two minor initiatives were implemented on 1 July 2010.
- A new Aged Care Workforce Incentive Program was announced in the 2010-11 Federal Budget, to provide incentives of up to \$5,000 to aged care workers who undertake further studies. The Department of Health and Ageing (DoHA) advised Medicare Australia to suspend implementing new payment arrangements pending the outcome of the election, at which time DoHA will seek further advice from Government.
- The Budget also contained funding allocated to DoHA to develop and implement an Individual Electronic Health Record. Medicare Australia will potentially be impacted by this measure as it likely that it will a role in supporting the administration of the initiative.
- Other Measures (\$2.5 million – expenditure of \$11.2 million and savings of \$8.7 million) – there are seven other measures across a variety of programs. The most significant measure is changes to chemotherapy funding, due to commence on 1 December 2011.
- Ten minor discrete initiatives took effect from 1 July 2010.

Redacted under section 22 as exempt under section 47C.

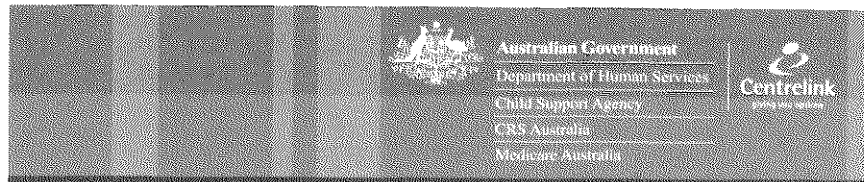
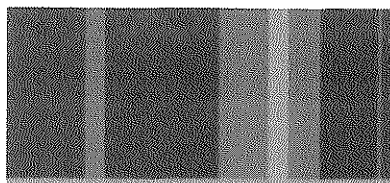
Redacted under section 22 as exempt under section 47C.

FINANCIAL IMPLICATIONS

Medicare Australia funding for 2010-11 Budget Initiatives to date is (\$63.8 million).

2010-11	2011-12	2012-13	2013-14	2014-15
\$m	\$m	\$m	\$m	\$m
0.7	24.4	18.8	9.9	10.0

Further savings were expected for aged care and eHealth.



4.6 Key Partnerships and Stakeholders

Contact
Colin Bridge
02 6124 7499

KEY POINTS

Department of Health and Ageing

The Department of Health and Ageing (DoHA) is Medicare Australia's primary interlocutor. DoHA and Medicare Australia work together to achieve corporate goals and ensure the achievement of government health objectives. Medicare Australia provides payments and information services to the health care sector and community under a Memorandum of Understanding (MOU) with DoHA, which was executed on 8 May 2009. The MOU deals with communication to ensure a high degree of transparency, regular consultations and sharing of information.

There are regular meetings between Medicare Australia and DoHA including: the Medicare Joint Steering Committee, the Aged Care Joint Steering Committee and PBS Liaison Meeting, as well as numerous program-related working groups.

Stakeholders

Medicare Australia has developed strong relationships with a wide range of stakeholders, from health and aged care providers and clients, to industry groups and other government agencies.

Medicare Australia's Stakeholder Consultative Group (SCG) and the Consumer Consultative Group (CCG) are the peak stakeholder consultation forums, with representatives from a range of organisations that have a connection with Medicare Australia.

Meetings are held three times a year. Members are determined by Medicare Australia. Organisations selected for membership are invited to nominate a representative to attend on their behalf.

We would welcome your attendance at SCG and CCG meetings.

An increased focus on engagement with the health sector and maintaining good stakeholder relations with them and DoHA is vital to maintaining the health sector's confidence.

Medicare Australia is engaging in new partnerships with small business and industry, to introduce the Small Business Superannuation Clearing House through working groups of Government representatives, superannuation fund associations, small businesses and industry.

Stakeholders Consultative Group

Membership includes DoHA, the Department of Veterans' Affairs, Centrelink, the Medical Software Industry Association and provider groups such as the Australian Medical Association (AMA) and the Royal Australian College of General Practitioners.

Stakeholders engage with Medicare Australia on its business priorities and programs at a strategic level.

AMA President, Dr Andrew Pesce has indicated in the media that he would like to see more emphasis on engaging with government.

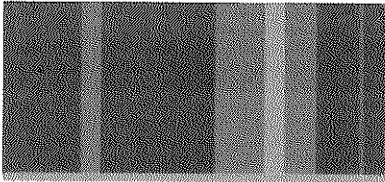
Consumer Consultative Group

Membership includes DoHA, Centrelink and consumer groups such as the Consumers' Health Forum, Carers Australia, the Australian Federation of Disability Organisations and Families Australia.

Members provide input on issues of concern or in relation to future directions, and how Medicare Australia can add further value in the delivery of services to the Australian public.

FINANCIAL IMPLICATIONS

There are no financial implications.



4.7 Compliance

CONTACT
Colin Bridge
02 6124 7499

KEY POINTS

Medicare Australia has a responsibility to protect the integrity of the programs it administers. This involves conducting compliance activities on the payments it makes to individuals, doctors and pharmacists.

Medicare Australia's approach is to encourage the community to voluntarily comply, and then to deal appropriately with non-compliance and fraud. To do this it provides education and support for the health providers sector, monitors claims, conducts audits and investigations, and refers individuals for prosecution and suspension from the schemes it administers.

Medicare Australia has adopted a risk-based approach to audit case selection. This means that the focus is on identifying and actioning those cases with the highest likely return in terms of recovery, coverage and deterrence.

Last financial year, Medicare Australia's compliance activities produced an estimated saving of over \$300 million in program expenditure. Savings are calculated as the combination of direct recoveries, changes to claiming behaviour and deterrence to the wider community. Medicare Australia also identified and sought repayment of more than \$10.3 million in incorrectly claimed payments.

As part of its compliance approach, Medicare Australia publicly releases its compliance program each year to identify the key areas of risk it will be focusing on for that year. The *National Compliance Program 2010-11* is ready to be launched.

There were three compliance related initiatives involving legislation change within the term of the previous government that were not finalised. These were managed by the Department of Health and Ageing but directly impact on Medicare Australia's compliance activities. The initiatives included the:

- Health Insurance Amendment (Compliance) Bill 2009;
- Professional Services Review (PSR) Amendment Bill 2010; and
- Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Schedule (PBS) Data Matching Budget measure.

Two significant compliance issues currently receiving media attention are the Chronic Disease Dental Scheme and Prohibited Practice.

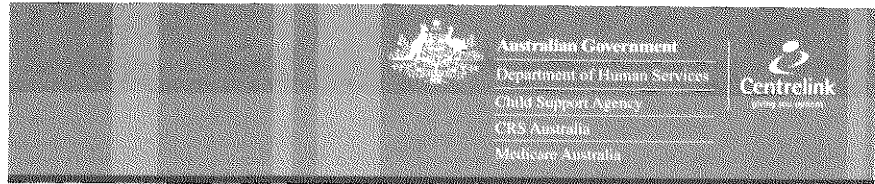
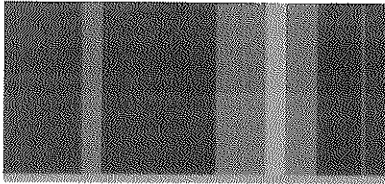
BACKGROUND

The opportunity to launch Medicare Australia's National Compliance

Program 2010-11, which has been finalised, is available at your discretion.

FINANCIAL IMPLICATIONS

The total compliance operating cost for Medicare Australia was \$40.9 million in 2009-10 and is expected to be \$44.9 million in 2010-11.



4.8 Chronic Disease Dental Scheme Audits

CONTACT
Colin Bridge
02 6124 7499

KEY POINTS

The Chronic Disease Dental Scheme was introduced in November 2007.

In November 2008, Medicare Australia commenced a compliance project looking at highest claiming dental practitioners to determine the level of compliance with the requirements of the scheme.

The compliance project identified significant non-compliance which related to dental practitioners not meeting the relevant legislative requirements when submitting claims.

In response to the compliance project's findings, Medicare Australia:

- established a taskforce to address levels of non-compliance identified in the scheme; and
- provided information, through a mail-out to all dental practitioners and a pod-cast (developed in consultation with the Australian Dental Association) for dental practitioners on concerns with compliance with legislative requirements.

Medicare Australia is also redeveloping and updating internal reference material so that staff can provide better advice to dental practitioners.

The taskforce will also examine other potential areas of non-compliance, in order to identify appropriate strategies for addressing these areas.

Medicare Australia is currently determining whether to extend audits to referring general practitioners to ensure that referrals to dental practitioners are being made in a compliant manner.

BACKGROUND

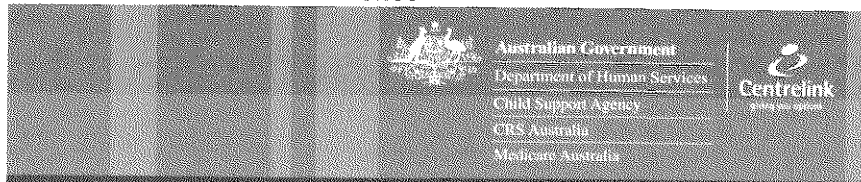
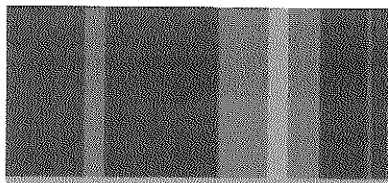
The Chronic Disease Dental Scheme allows chronically ill people who are being managed by their General Practitioner under an Enhanced Primary Care Plan access to Medicare rebates for dental services.

The scheme has received significant media attention, following the previous Government's announcement of their intention to close the scheme in 2008. The Senate first disallowed the cessation of the scheme in June 2008 and again in September 2008.

Over \$484 million was claimed under Medicare dental programs in the 2009 calendar year.

FINANCIAL IMPLICATIONS

There are no financial implications.



4.9 Superannuation Clearing House

CONTACT

Sheila Bird
02 6124 4641

KEY POINTS

Medicare Australia administers the Small Business Superannuation Clearing House (the Clearing House) for small businesses with fewer than 20 employees.

The Clearing House commenced receiving employer registrations on 24 May 2010, with availability of the full service, including payments, commencing on 1 July 2010.

As at 1 September 2010, the Clearing House had received 1,540 employer registrations and paid \$1,872,459 in payments to superannuation funds within the agreed processing timeframe of two business days.

No targets were set for the Clearing House, however, it is estimated that there are approximately 800,000 small businesses in Australia that could benefit from this initiative.

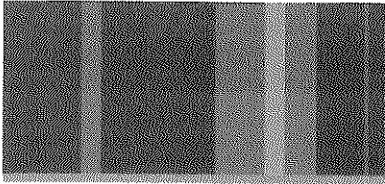
The Treasury is the policy agency for the Clearing House. The *Tax Laws Amendment (2010 Measures No 1) Act 2010* provides for payments to be made by employers to a Clearing House and an associated Regulation provides for Medicare Australia to operate as the Clearing House.

BACKGROUND

The Clearing House enables small business employers to make superannuation guarantee payments for all of their employees through a single transaction. Medicare Australia then distributes the specified amount of funding for the individual employees to their nominated superannuation fund, free of charge.

FINANCIAL IMPLICATIONS

Medicare Australia was chosen to provide this service because of its electronic payment expertise and its business orientation. Medicare Australia is on track to deliver the program within the allocated budget of \$16.1 million over the three years from 2009-10 to 2011-12.



4.10 Early Release of Superannuation on Compassionate Grounds

CONTACT
Sheila Bird
02 6124 4641

KEY POINTS

On 6 April 2009, the Australian Prudential Regulation Authority (APRA) wrote to the then Government advising that its responsibility for administering the early release of superannuation benefits on specified compassionate grounds did not fit well with its role as prudential regulator.

Medicare Australia was identified as an agency with efficient customer support infrastructure that could perform this function. APRA is seeking to transfer the function from 1 October 2010.

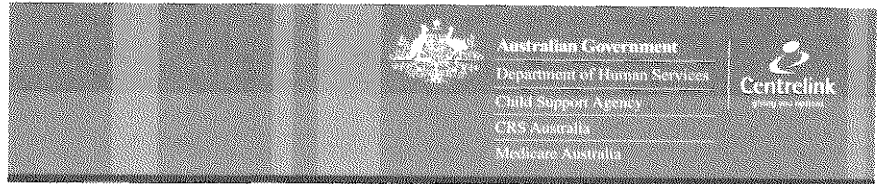
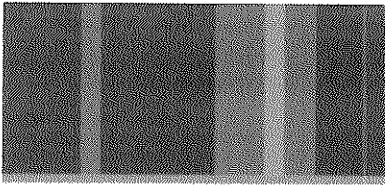
The Treasury has advised that formal approval from the Prime Minister is required to transfer the function. It is understood that the Treasury, as a policy agency, will be seeking this approval shortly.

It is proposed that the transfer occur in two stages. From 1 October 2010 staff would transfer under a machinery of government arrangement. Assets and decision making powers would be managed under a service agreement.

A complete transfer of the business is proposed for 1 July 2011, subject to relevant amendments being made to the superannuation legislation

FINANCIAL IMPLICATIONS

Should the transfer of this function from APRA to Medicare Australia proceed, it will occur based on current funding levels of approximately \$4.5 million per annum. This is factored into the calculation of the annual levy imposed on superannuation entities as part of the APRA funding process. APRA has indicated that additional funding will be required to effectively maintain the service in the future.



5.1 Child Support Program Overview

CONTACT

Jennifer Cooke
02 6272 8361

KEY POINTS

The Child Support Program (CSP) is part of the Department of Human Services. The CSP's role is to support separated parents to transfer payments for the benefit of their children. The Program's key priority is to improve the collection of child support.

The CSP administers the child support scheme which was introduced by government in 1988. The scheme involves the assessment of child support in accordance with the *Child Support (Assessment) Act 1989*, as well as the collection and enforcement of court orders, child support agreements and child support assessments in accordance with the *Child Support (Registration and Collection) Act 1988*.

The CSP has around 1.5 million customers and transfers child support payments for more than 1.2 million children.

In 2009-10 the CSP transferred \$2.98 billion in child support. Comprehensive information on the payments administered by the CSP is being provided to your office.

The CSP is located in 14 metropolitan sites and 27 Regional Service Centres (where three to five CSP staff are co-located in Centrelink offices in selected locations) and employs about 3,977 full time equivalent staff.

The CSP has a national service delivery model operating within national business lines. The main business lines are: new customers, mainstream customers, specialised assessment services, non-compliance and international.

The CSP's aim is to ensure the majority of customers' child support needs are met with a minimum level of involvement within the mainstream business line, with extra assistance provided to those customers with complex needs or a history of non-compliance with their child support obligations (within specialised assessment services or non-compliance).

Services to separated parents are primarily delivered over the phone with nearly three million calls received from separated parents during 2009-10. The CSP made over three million customer-related outbound calls during 2009-10.

Currently, more than 100,000 child support customers are registered with the CSP's online service – CSAonline.

The CSP operates a strong national stakeholder engagement model, with a national and state child support stakeholder groups meeting quarterly. The next meeting of the national group is scheduled for

6 October 2010.

The national group is a key advisory group jointly chaired by the CSP and the child support policy agency the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). Membership of these groups includes key advocacy (Mum's and Dad's) groups, family service providers, research organisations, legal service providers and peak community organisations.

Scheme Reforms

Major reforms of the Child Support Scheme occurred between July 2006 and July 2008. These reforms represented the first major reforms to the Scheme since its inception and affected every child support customer.

The reforms were prompted by changing social trends and a desire to place increased emphasis on shared parental responsibility. These reforms aimed to recognise the importance of both parents remaining actively involved in their children's lives after separation.

The reforms were implemented in a three stage process with the first stage reforms commencing in July 2006, the second stage in January 2007, and the final stage commencing from July 2008.

The reforms also saw the introduction of a new child support formula which is based on the equal consideration of both parents' incomes and the amount of time the child/children spend with their parents. This formula started on 1 July 2008.

FINANCIAL IMPLICATIONS

The CSP is funded through direct appropriation, with the amount of funding based on the number and complexity of child support cases.

The CSP funding agreement provides \$1.9 billion across four years, which covers service delivery operations and associated enabling costs. The agreement provides an extra component to maintain customer service standards and address the build-up of child support debt. The agreement builds on reforms undertaken in previous budgets and ensures the CSP has dedicated resources to continue its comprehensive compliance program.

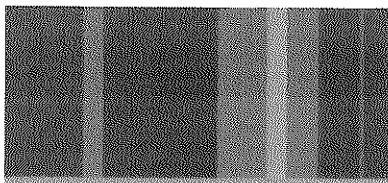
The four key performance areas under the additional funding arrangement are:

- address the build up in the level of unpaid child support from the June 2009 figure of \$1.088 billion;
- the Private Collect (parents paying child support privately between themselves) ratio to remain at 52.0 per cent (or better);
- the level of complaints per annum to remain at 2007-08 levels of approximately 10,368 complaints (or better); and
- eighty per cent of customer telephone calls to be answered in 30 seconds (or better).

In 2009-10 the CSP met three of the four targets. Total Child Support Debt has not been contained to the June 2009 figure, but

Human Services In-Confidence

there has been some improvement in child support collection which should over time impact the growth of the debt, especially in relation to domestic cases.



5.2 Child Support Program Customer Statistics

CONTACT

David Mole
03 6216 0888

KEY POINTS

Child Support Cases

As at 31 July 2010, the Child Support Program (CSP) total caseload was 841,081 and includes active cases, ended cases with arrears and cases currently being processed. For the 2009-10 year, the total caseload increased by 1.3 per cent from 829,018 to 839,925 cases, a net increase of 10,907 cases.

- Number of paying parents: 656,322.
- Number of receiving parents: 656,312.
- Number of parents who are both paying and receiving parents: 112,485.
- Number of eligible children: 1.2 million.

As at 30 June 2010, the Private Collect rate (parents who transfer child support voluntarily with no involvement by the CSP) was 53.8 per cent compared to 53.2 per cent at 30 June 2009.

The CSP answered nearly three million calls from separated parents and made over three million customer-related outbound calls for the 2009-10 year.

Collection

As at 30 June 2010, 72.68 per cent of active paying parents or 524,517 had no debt. This is an increase from 71.85 per cent or 513,427 active paying parents in June 2009.

As at 30 June 2010, the Total Child Support Debt was \$1169.84 million, which consisted of \$868.93 million of domestic debt and \$300.91 million of international debt.

Of the total debt, 35.3 per cent of debt was subject to payment arrangements where CSP facilitates the recovery and transfer of funds. This is an increase from 32.9 per cent in June 2009.

Service Standards

The CSP telephony standard is 80 per cent of telephone calls answered within 30 seconds; 82.1 per cent of customer calls were answered within 30 seconds for the 2009-10 year.

As at 30 June 2010, the CSP had received 9,553 complaints (down from 12,847 for 2008-09). The number of complaints received represents in volume terms about 0.3 per cent of all inbound calls received.

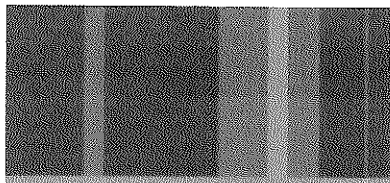
Under its funding agreement the CSP needs to keep the level of complaints per annum at 2007-08 levels of approximately 10,368

complaints (or better). The CSP met this target for the 2009-10 year.

As at 30 June 2010, the CSP recorded a customer satisfaction rate of 72 per cent. Twenty per cent of customers were dissatisfied and eight per cent of customers were neutral. This satisfaction rate meets the service standard which was 70 per cent for 2009-10 and less than 22.1 per cent for dissatisfaction.

FINANCIAL IMPLICATIONS

There are no financial implications.



5.3 Policy Development & Implementation

CONTACT

Jennifer Cooke
02 6272 8361

KEY POINTS

The Child Support Program (CSP) works closely with the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to ensure the development and implementation of workable child support policy.

On 1 July 2010, Alignment of Care legislation came into effect to provide for a single determination of care for both child support and family assistance purposes.

The intent of the legislation is to reduce red tape for families by:

- supporting customers to only have to tell their story once;
- allowing one care determination to be used for both child support and family assistance purposes;
- enhancing consistency in care decisions made for customers of CSP and Centrelink; and
- streamlining objection and appeal processes.

The CSP has worked closely with Centrelink to ensure the smooth implementation of the Alignment of Care measure and will continue to work with Centrelink and FaHCSIA to evaluate its effectiveness.

The CSP is preparing for the introduction of Paid Parental Leave on 1 January 2011 (brief 3.3 refers). The CSP is currently working with Centrelink to develop processes for the deduction of child support from parental leave payments made by the Family Assistance Office. The CSP will also be able to ask a paying parent's employer to make deductions for child support purposes.

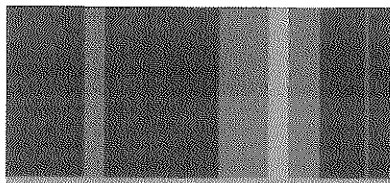
BACKGROUND

The *Child Support and Family Assistance Legislation Amendment (Budget and Other Measures) Act 2010* came into effect on 1 July 2010 and introduced Alignment of Care for child support and family assistance purposes.

The *Paid Parental Leave Act 2010* will come into effect on 1 January 2011 and may impact parents required to pay child support.

FINANCIAL IMPLICATIONS

It is expected that the new process for the Alignment of Care will result in improved customer interactions with the CSP. Deductions from parental leave payments have the potential to improve CSP's domestic collection rate.



5.4 Income Reconciliation Program

CONTACT

Geoff Mutton
03 5273 6696

KEY POINTS

In November 2008, funding was provided in the 2008-09 Federal Budget to enable the Child Support Program (CSP) to complete outstanding reconciliations of estimated parental income against actual income levels.

Outstanding reconciliations have arisen due to the additional work associated with amendments introduced in 1999 to the *Child Support (Assessment) Act 1989*. These changes had the effect of increasing manual intervention in the reconciliation process.

Further outstanding income reconciliations have also arisen due to CSP system and business process errors (also referred to as the delayed use of taxable incomes).

The CSP has established the Income Reconciliation Program (IRP) to oversee the reconciliation of all income reconciliations lodged prior to March 2008 by June 2010 and all estimate reconciliations by June 2011.

At 30 June 2010, 246,268 estimate reconciliations and 14,686 income reconciliation cases have been completed.

A new policy solution was passed by Parliament to simplify the process for estimating income and commenced on 1 July 2010.

A targeted, risk based approach was adopted to reconcile:

- ended cases in the existing backlog; and
- “transitional” estimates which are outside the scope of funding (lodged between 1 April 2008 and 30 June 2010) without any additional funding.

BACKGROUND

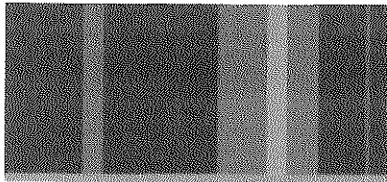
Legislative change in 1999 increased the complexity of the estimate reconciliation process. As a result, the number of outstanding reconciliations grew and a substantial backlog resulted. As at March 2008 there were 393,000 identified income estimates that required reconciliation.

In addition, there were approximately 11,300 cases where the actual incomes were available prior to 1 July 2008 but were not used to calculate child support.

FINANCIAL IMPLICATIONS

2008-09	2009-10	2010-11
\$m	\$m	\$m
12.0	41.9	28.9

Note: \$3 million was also provided to Centrelink and the Department of Finance and Deregulation as part of this initiative.



5.5 Service Delivery – Change of Assessment Re-engineering

CONTACT

Geoff Mutton
02 6218 9874

KEY POINTS

Since 1 July 1992, parents have been able to apply for a Change of Assessment (CoA) where they believe their child support assessment does not reflect their circumstances.

The current process takes between 75 and 90 days from receipt of an application to the issuing of a written decision.

A trial of a new CoA process has been underway since December 2009. It features early, more frequent contact with customers and a reduced timeframe. Results to date show:

- around 64 per cent of cases finalised within 35 days; a significant reduction in escalations (objections) from around 23 per cent with the current process to around 7 per cent with the trial process; and
- evaluation of the trial undertaken by an external provider shows a high proportion of customers and stakeholders are satisfied or highly satisfied with the new process.

Work has commenced on a simplified, shorter CoA form. This form has been tested with customers who say it is easier to navigate, more straightforward and an improvement on the existing form. The next version of the form will be trialled shortly.

The Department of Families, Housing, Communities Services and Indigenous Affairs and the Child Support Program are proposing to investigate further COA legislative reform.

Redacted under section 22 as exempt under section 47C.

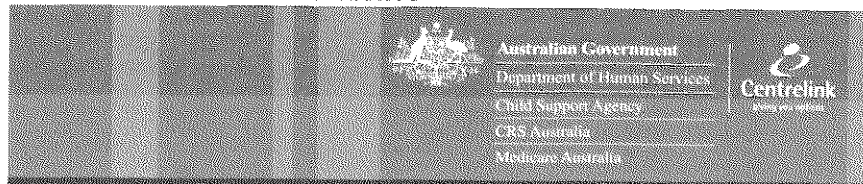
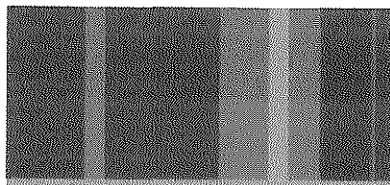
BACKGROUND

Prior to 1992, Child Support customers had to go to court to change their child support assessment.

Feedback from customers and stakeholders showed high levels of dissatisfaction with timeliness and outcomes of the current process which resulted in high levels of objections to decisions.

FINANCIAL IMPLICATIONS

It is anticipated that modifications to the CoA process will be achieved within the existing budget allocation.



5.6 Delivering Quality Outcomes Review

CONTACT

David Mole
03 6216 0888

KEY POINTS

Review recommendations that have been implemented include:

- a new organisational structure, service delivery model and governance arrangement;
- a reduction in layers of management and consolidation of business functions across locations;
- fixing more than 1000 computer system errors and associated customer issues;
- new phone rostering arrangements that balance phone, non-phone and team based work activities for staff;
- more tailored technical training for staff; and
- implementation of a new customer summary screen in Cuba.

The majority of the remaining recommendations are expected to be implemented by June 2011. A small number of recommendations relating to system updates and improvements will require work beyond 2010-11.

An integrated implementation timetable has been established to ensure all project deliverables are aligned.

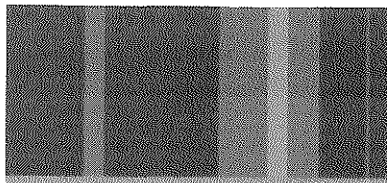
BACKGROUND

In late 2009, an independent review of the decision making and quality assurance processes of the Child Support Program (CSP) was undertaken. A copy of the report will be provided to your Chief of Staff.

Implementation of all 115 recommendations is well underway.

FINANCIAL IMPLICATIONS

The majority of the review's recommendations will be funded from existing resources from the CSP and DHS. Ongoing scoping of technology-related recommendations suggests that, although most of the deliverables should be achievable within existing resources, major system changes may require additional funding.



5.7 Collection Program Initiatives and Compliance

CONTACT

Bill Volkers
08 8413 0385

KEY POINTS

The Child Support Program's (CSP) core focus is on assisting parents to meet their child support obligations and maintain sustainable payment arrangements.

Between the inception of the Child Support Scheme in 1988 and 30 June 2010, the CSP has transferred \$13.30 billion of the \$14.47 billion obligations raised for parents where the CSP collects on their behalf (CSP Collect). This represents 91.92 per cent of CSP Collect obligations raised that have been collected and transferred for the benefit of children.

More child support payments are being transferred than ever before for the benefit of children. \$1.08 billion was collected in 2007-08, \$1.14 billion in 2008-09 and \$1.19 billion was collected in 2009-10.

As at 30 June 2010, parents owed around \$1.17 billion in child support. Total child support debt comprised \$868.9 million in domestic debt and \$300.9 million in international debt.

Growth in child support debt over recent years has predominantly related to the growth in outstanding payments for international customers (where either parent resides overseas).

Action Taken to Address Debt

A new four-year funding agreement for the CSP commenced on 1 July 2009 and expires 30 June 2013. The agreement provides an extra \$239.7 million to maintain customer service standards and address the build-up of child support debt. The agreement builds on reforms undertaken in previous budgets and ensures the CSP has dedicated resources to continue its comprehensive compliance program.

The CSP has identified and investigated a range of initiatives to improve the management of debt. Initiatives already implemented include:

- the establishment of early intervention teams that focus on proactively contacting parents who have recently defaulted on their payments;
- increased customer payment options by offering credit and debit card facilities via phone and the internet; and
- targeted collection approaches where customers have outstanding child support payments. This includes broadened case selection criteria for lodgement enforcement of income tax returns via the Australian Taxation Office and improving internal administrative enforcement processes.

Overview of Compliance Activities

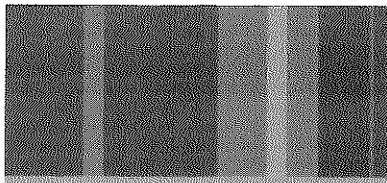
The CSP uses a range of activities to collect ongoing and overdue child support, including:

- the interception of tax refunds through the Australian Taxation Office. In 2009-10, this activity collected \$104.0 million in child support debt. This included the collection of more than \$16.3 million through lodgement enforcement activity;
- litigation for non-payment where administrative action has been unsuccessful. Litigation activity in 2009-10 resulted in 372 finalised cases and a net debt reduction of \$9.8 million;
- investigation of resources and assets where people may have minimised their income;
- collection through Centrelink and the Department of Veterans' Affairs payments. This resulted in the collection of \$29.5 million of child support in 2009-10;
- Departure Prohibition Orders are issued to prohibit parents with outstanding child support from leaving Australia where they have not made suitable arrangements. One hundred and eight three Departure Prohibition Orders were issued in 2009-10 resulting in the collection of \$3.4 million in child support debt; and
- optical surveillance in a small number of serious cases of child support non compliance and fraud to help provide information to support other compliance activity. Since July 2008, CSP has conducted optical surveillance on XX customers and is considering the use of surveillance for another XX customers.

The above redactions were made under section 22 as exempt under paragraph 47E(a) and (d).

FINANCIAL IMPLICATIONS

There are no financial implications.



6.1 CRS Australia Overview

CONTACT

Margaret Carmody
02 6211 6910

KEY POINTS

CRS Australia is a division of DHS and provides a range of expert assessment and vocational rehabilitation services for the Australian Government, other jurisdictions and private providers. CRS Australia has an independent network of more than 180 service delivery offices with a further 140 visiting sites.

A separate CRS Australia Collective Agreement covers the 2,000 staff with around 56 per cent being allied health qualified. Over 80 per cent of staff are female and 41 per cent are part time.

CRS Australia receives no direct budget appropriation, with funding earned through milestones/outcomes fees and fee for service arrangements.

CRS Australia operates under a competitive performance framework alongside the private and not for profit sector and complies with comprehensive accreditation requirements.

Eighty per cent of its work is delivering Disability Employment Services (DES) for the Department of Education, Employment and Workplace Relations to help job seekers with disabilities, injuries and health conditions secure and keep a job. CRS Australia assisted over 57,000 job seekers with disabilities in 2009-10 with nearly 12,000 placed in employment.

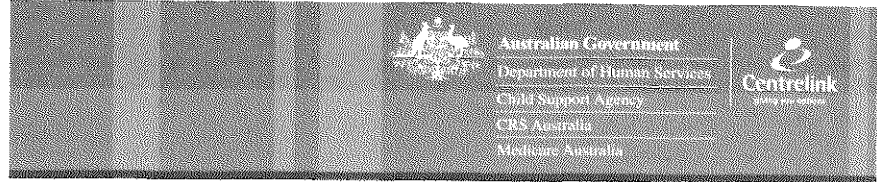
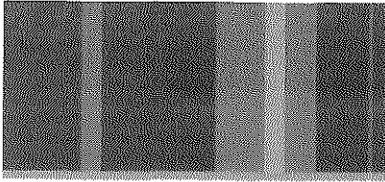
CRS Australia also performs specialist assessments using allied health qualified staff – with the Job Capacity Assessment (JCA) representing five per cent of its overall work. The 2010 Budget announced reforms to JCA that will see previously outsourced assessments being done solely by Centrelink and CRS Australia from 1 July 2011.

The remainder of CRS Australia's work involves return to work and injury prevention programs for Commonwealth and State jurisdictions and private business.

Comprehensive information on the services delivered by CRS Australia is being provided to your office.

FINANCIAL IMPLICATIONS

There are no financial implications.



6.2 Future Governance Arrangements for CRS Australia

CONTACT

Margaret Carmody
02 6211 6910

KEY POINTS

To clarify CRS Australia's future role in the Human Services portfolio a decision about the preferred governance arrangements for CRS Australia will be required in the short-term.

The planned integration of Medicare Australia, Centrelink and the Department of Human Services provides an opportunity to consider the governance arrangements for CRS Australia.

In addition, the 2010 Budget announced that Job Capacity Assessments will be delivered solely by Centrelink and CRS Australia from July 2011, providing opportunities to enhance flexibility and effectiveness across the assessment and rehabilitation workforces of CRS Australia and Centrelink.

BACKGROUND

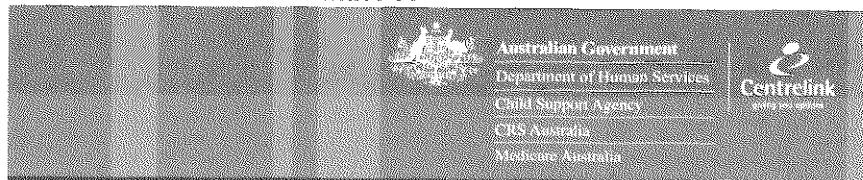
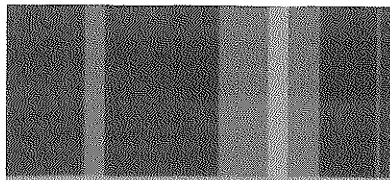
A number of governance options for CRS Australia have been considered to ensure the Department has the flexibility to meet the requirements for implementing the revised Job Capacity Assessments from July 2011.

CRS Australia is no longer a monopoly provider. CRS now provides services under a competitive performance framework on the same basis as private and not for profit service providers.

A brief outlining governance options for CRS Australia will be provided for your consideration in the near future.

FINANCIAL IMPLICATIONS

There are no financial implications.



6.3 Financial Implications of Low Job Seeker Referrals for CRS Australia

CONTACT

Margaret Carmody
02 6211 6910

KEY POINTS

Since the commencement of the new Disability Employment Services (DES) market on 1 March 2010, CRS Australia has experienced significantly lower job seeker referrals than anticipated given agreed business share arrangements.

Current referral volumes are delivering a business share of approximately 40 per cent, well below the guaranteed 55 per cent business share agreed by the previous Government.

The issue has been raised with the agency responsible for DES, the Department of Education, Employment and Workplace Relations (DEEWR). We are working constructively with DEEWR to try and resolve the issue.

CRS Australia has also put in place a range of strategies in an effort to constrain costs including transfer of staff from low to higher demand areas, tight control of any planned recruitment activity, including delaying recruitment, and tight management of discretionary spending.

However, the extent to which costs can be constrained is limited given the workforce needed to be positioned along with Centrelink to deliver 100 per cent of Job Capacity Assessments from 1 July 2011.

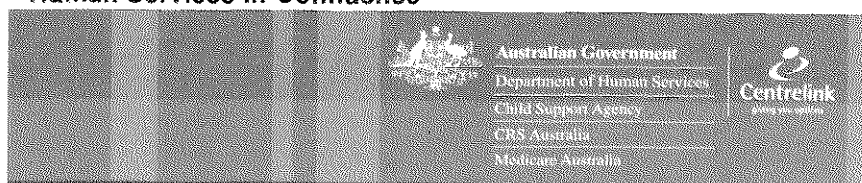
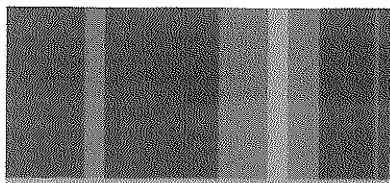
BACKGROUND

As part of the Review of Disability Employment Services, the previous Government undertook to provide CRS Australia with a business share of DES Disability Management Services that would provide a revenue flow similar to CRS Australia's revenue in 2008-09. This was done in order to not jeopardise the organisation's service delivery footprint and allied health staff capability.

A brief outlining the current status of referrals and resolution strategies will be provided in the near future.

FINANCIAL IMPLICATIONS

The current referral trend will result in a financial loss for CRS Australia of up to **Section 47C** depending on mitigating strategies to correct referral flows and contain costs.



7.1 Australian Hearing

CONTACT

Margaret Dewberry
02 9412 6719

KEY POINTS

Australian Hearing is a statutory authority established under the *Australian Hearing Services Act 1991*. It is also subject to the requirements of the *Commonwealth Authorities and Companies Act 1997*. Australian Hearing provides hearing services to clients who meet the eligibility criteria under the Australian Government Hearing Services Program, which is administered by the Office of Hearing Services, within the Department of Health and Ageing (DoHA).

Australian Hearing competes with approximately 200 private hearing services providers, submitting claims to DoHA for services to eligible clients under a Voucher program, with incoming revenue to the order of \$149.8 million for 2010-11. Australian Hearing is also the sole provider of services to clients designated under the Community Services Obligation (CSO) Program, including all clients under the age of 21 years. Funding for the CSO is via a fixed allocation under a Memorandum of Understanding with DoHA, with \$46.9 million allocated for 2010-11.

Australian Hearing currently provides services through a network of 110 permanent offices, over 300 visiting locations and 231 Indigenous outreach sites. A Community Hub planned in Batemans Bay includes provision for an Australian Hearing visiting site. Planning is well progressed for a new national office for Australian Hearing to be situated within Macquarie University. Comprehensive information on the services delivered by Australian Hearing is being provided to your office.

The current Enterprise Agreement for Australian Hearing lapsed in April 2010, with negotiations for a new Enterprise Agreement concluded. Salary increases negotiated have been included in the Australian Hearing Corporate Plan 2010-11 to 2012-13 Budget. A brief on the Australian Hearing Enterprise Agreement 2010-2013 will be provided, seeking your approval to the Agreement and to enable an all staff voting process to commence.

FINANCIAL IMPLICATIONS

Australian Hearing achieved total operating revenue of \$190.1 million for the year ended 30 June 2010. This was ahead of the target of \$185.9 million and \$1.8 million above the Corporate Plan target.

Operating Expenses of \$175.2 million were over budget by \$2.8 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA), as a percentage of revenue, were 11 per cent, which was in line with the budget.

Australian Hearing earned Profit Before Tax of \$13.2 million for the year ended 30 June 2010. This was \$1.8 million above the corporate plan.

For the 2009-10 financial year, Australian Hearing has paid an interim dividend of \$3,234,000 on 30 April 2010 to government through the Department of Human Services. A final dividend payment of \$2,374,000 will be paid by the end of October 2010.