

Senate Finance and Public Administration Legislation Committee

**ADDITIONAL ESTIMATES – 9 FEBRUARY 2010
ANSWER TO QUESTION ON NOTICE**

Human Services Portfolio

Topic: Co-location criteria

Question reference number: HS12 (a – b)

Senator: FIFIELD

Type of question: Hansard F&PA pages 92-93, 9 February 2010

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Questions:

(a)

Mr Popple—Over the past couple of years there have been a number of co-locations, mainly between Centrelink and the Child Support Program as the Child Support Agency moved some of its regional offices into Centrelink offices. I do not have the numbers with me on how many occurred in the last two years, but in total there were 27. There has also been some movement in co-locating Medicare and Centrelink and, most notably, recently, at Narooma on the South Coast which is a fully-operating co-located office. Others have been of varying degrees, but I have to get numbers as to what happened in the last two years.

Senator FIFIELD—Could you take those co-locations on notice—where they occurred and the agencies which have come together. I assume, Mr Pratt, from what you said before, those would also have been ministerial decisions as to where the co-locations—

Mr Pratt—Typically that would be the case—yes.

Senator FIFIELD—According to the criteria which is currently in place.

Mr Pratt—The criteria that applied at the time. The criteria that I discussed with you before were established in 2009.

(b)

Senator FIFIELD—What were the criteria before that? Could we have a copy of that as well, if there were any?

Mr Pratt—I would have to take that on notice. That is before my time.

Answers:

(a)

Over the last two years the Child Support Program (CSP) has co-located in five Centrelink sites as follows:

- Tamworth NSW;
- Warrnambool VIC;
- Mildura VIC;
- Orange NSW; and
- Kalgoorlie WA.

Over the last two years Centrelink and Medicare Australia have co-located into five sites as follows:

- Narooma, NSW;
- Emerald, QLD;
- Belmont, WA;
- Belmont, NSW; and
- Warrawong, NSW.

There have been no CRS Australia or Australian Hearing services co-located with Centrelink offices in the past two years.

(b)

The criteria for co-location prior to 2009 for the portfolio agencies was as follows:

- No criteria for co-location existed prior to 2009 for Medicare Australia or Centrelink.
- The criteria for co-location for Hearing Australia prior to 2009 were sites which could offer a sound tested room, transport convenience and disability access.
- The criteria for co-location for the CSP prior to 2009 was based on the proximity of location to a CSA site and customer driven activity and needs, including those customers who require increased support in meeting their child support obligations.
- The criteria for co-location for CRS Australia prior to 2009 was based on commercial assessments of the service delivery and cost implications of available options which included other Department of Human Services agency space and commercial space.

The criteria agreed for co-location of Centrelink and Medicare Australia services in 2009 are set out below:

Option, level one - Non-staffed

Customer experience: This option enables customers to undertake business with the primary agency and at the same time, lodge forms and perform simple self-service transactions with the other agencies.

This option provides a stand-alone self service facility, for example, a kiosk, and/or the collection and transmission of forms supported by the hosting agency. The agency may provide assistance by collecting forms on behalf of the other agency or assisting

with self service enquiries. A phone line linked directly to a call centre might also be available on-site.

Criteria for this service include:

- very low demand;
- long distance between agencies (current single agency presence); and
- high electronic Medicare claiming take-up and or Bulk Billing rates.

Option, level two - Staff assisted (staffed presence)

Customer experience: This option enables customers to undertake business with the primary agency and at the same time seek advice or information from staff from the other agency as well as lodge forms and perform transactions with assistance from the staff member. This provides staff assistance that may include a visiting service, self service facility supported by a staff member or access to agencies through a dedicated telephone service.

Criteria for this service include:

- high electronic Medicare claiming take-up and/or Bulk Billing rates; and
- floor space limitations.

Option, level three - Side by side shopfronts

Customer experience: Customers would have the convenience of travelling to a single location to undertake business with both agencies. In the right circumstances agencies could refer customers directly to a staff member of the other agency without the customer re-queuing. This would provide the convenience of a single location but with separate agency shopfronts, in other words located side by side, primarily because of high face-to-face traffic. Customer comfort in a high traffic environment is a key consideration. Within this option there are opportunities for cross referral of mutual customers.

Criteria for this option include:

- high customer traffic;
- high cash claims;
- lower customer aggression rates;
- lower customer satisfaction; and
- recognition of customer comfort issues.

Option, level four - Open plan office co-location

Customer experience: In an open plan office customers experience a portfolio shopfront with both agencies located in a single property. This provides a transition towards a fully integrated service where customers see agencies together in a comfortable way. This provides an open plan office with discreet agency segregation within the floor space with the opportunity for cross referral of mutual customers. Under this approach the look and feel for customers is of one portfolio presence but service offers are basically separate. This model includes both cash and non-cash service offers for Medicare Australia and examples of this include Narooma, NSW (cash) and Emerald, QLD (non-cash).

Criteria for this service include:

- lower cash volumes;

- higher customer satisfaction; and
- lower customer aggression rates.

Note: The presence of CSP in Centrelink offices may also be considered.

Option, level five - Fully integrated service offer with all the characteristics of level four

Customer experience: Customers experience a portfolio shopfront where they can undertake their transactions with a single customer service officer. Under this option the customer only has to provide information or details once to access services across both agencies. This offer provides the full range of agency services with staff from both agencies providing agreed cross agency services. This offer requires significant investment in staff and system authentication as well as workforce issues and legal delegations.

Criteria for this service offer include:

- meets all criteria stated in previous service offers; and
- barriers for the integration of services have been removed.

Note: The presence of CSP in Centrelink offices may also be considered.

The new criteria for Medicare Australia and Centrelink co-locations for 2010 are at **Attachment A**.

Attachment A

Criteria for scheduling the co-location of Medicare and Centrelink face to face services in the Human Services portfolio

- The over-riding criterion to be applied in every instance for co-location of services is that the community receives an improved service offer.

Style 1: Placing additional services in a site - extending services in the community

- This approach seeks to leverage the existing combined human services face to face network (Medicare Australia and Centrelink) to extend the provision of face to face services to more people across Australia.
- The primary task under this approach is to identify all sites across the network where services could be extended. It may, however, ultimately not be appropriate to extend services in a particular location. The criteria will be used to determine the appropriateness and priority of extending services.
- Criteria for the extension of services:
 - **customer amenity** – any change must result in a real improvement in service offer;
 - **availability of accommodation** – it is not proposed to acquire more accommodation;
 - **demand for services and population/size of the community** – there may not be demand for face to face services in some very small locations;
 - **distance between network sites** – very closely located sites (primarily Medicare Australia and Centrelink sites), would be better candidates for merger rather than extending service in both. It is not proposed to set a fixed minimum distance, rather each location will be examined on its merits;
 - **access through other channels** – self service, point of service claiming and bulk billing, access to mobile service units, telephone claiming. This will influence the level of service provided with the aim being to complement, rather than compromise existing channel delivery; and
 - **capacity in each site** – utilise existing capacity to deliver the services or redeploy/recruit at the location (this may involve additional staff but not in every location).

Style 2: Merging two sites to provide co-located services

- A property merger will see existing services from two agency sites (the same service offer that is currently provided by the two sites, including cash if applicable) provided from a single location.
- Property events provide the opportunity to bring together those properties where services may be duplicated because of proximity, or where the bringing together of the properties enhances the amenity for customers. It is critical that no property merger results in significant loss of convenience or loss of quality of service for the customer.

- Criteria for the merger of shopfronts:
 - **a property event** - a property event can be defined as a lease expiry, lease improvement (refurbishment), forced relocation or new property acquisition;
 - **level of demand** - sufficient for combined service but not excessive for merged site;
 - **proximity of sites** - short distance between agencies (or current single agency presence);
 - **flexibility of accommodation** – able to meet customer traffic levels, cash claim facilities; and
 - **customer experience** – takes into account customer satisfaction and comfort.