# Department of Human Services 2014-15 Annual Report

This annual report was prepared in accordance with the Requirements for Annual Reports, issued by the Department of the Prime Minister and Cabinet on 25 June 2015. The main purpose of the report is to describe the department’s activities during 2014–15, reporting on the performance and financial information presented in the 2014–15 Department of Human Services Portfolio Budget Statements, and the 2014–15 Department of Human Services Portfolio Additional Estimates Statements. It aims to provide readers with a useful and informative picture of the department’s performance during 2014–15.

ISSN: 1832-8792 (Print)

ISSN: 1838-2452 (Online)

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# CONTENTS

SECRETARY’S OVERVIEW VIII

LETTER OF TRANSMITTAL XII

**PART 1—Departmental overview 1**

1.1 OUR DEPARTMENT 2

ROLE AND FUNCTIONS 2

OUTCOME AND PROGRAMME STRUCTURE 3

ORGANISATIONAL STRUCTURE 4

1.2 PORTFOLIO STRUCTURE 8

MINISTER 8

1.3 OUR PARTNERS 9

PARTNERSHIPS WITH AUSTRALIAN GOVERNMENT AGENCIES 9

PARTNERSHIPS WITH STATE AND TERRITORY GOVERNMENTS AND OTHER ORGANISATIONS 9

INTERNATIONAL PARTNERSHIPS 10

**PART 2—Report on performance 11**

2.1 PERFORMANCE AGAINST KEY PERFORMANCE INDICATORS 12

OUTCOME AND PROGRAMME STRUCTURE 12

2.2 SERVICES TO THE COMMUNITY—SOCIAL SECURITY AND WELFARE 16

FAMILIES 17

PEOPLE WITH DISABILITY AND CARERS 19

OLDER AUSTRALIANS 22

2.3 SERVICES TO THE COMMUNITY—HEALTH 29

MEDICARE 29

PHARMACEUTICAL BENEFITS SCHEME 49

eHEALTH 52

HEALTH PROFESSIONAL EDUCATION SERVICES 54

2.4 CHILD SUPPORT 55

CHILD SUPPORT 55

2.5 SERVICES FOR PEOPLE NEEDING OTHER SUPPORT 58

SUPERANNUATION PROGRAMMES 58

VULNERABLE PEOPLE 59

SOCIAL WORK SERVICES 61

RURAL SERVICES 64

INDIGENOUS PEOPLE 65

MONEY MANAGEMENT 69

ANCILLARY SERVICES AND SUPPORT 73

MULTICULTURAL SERVICES 75

EMERGENCY RESPONSES 79

CRS AUSTRALIA 86

**PART 3—Management and accountability 87**

3.1 CORPORATE GOVERNANCE 88

GOVERNANCE COMMITTEE FRAMEWORK 88

CROSS-GOVERNMENT FORUMS 90

DEREGULATION AND RED TAPE REDUCTION 91

QUALITY MANAGEMENT 91

3.2 ACCOUNTABILITY AND SCRUTINY 92

EXTERNAL 92

INTERNAL 94

SAFEGUARDING PRIVACY 96

COMPENSATING CUSTOMERS 97

RISK MANAGEMENT 98

3.3 COMPLIANCE AND BUSINESS INTEGRITY 99

SOCIAL SECURITY AND WELFARE PROGRAMME COMPLIANCE 99

REVIEWS OF SOCIAL WELFARE PAYMENT DECISIONS 101

DEBT MANAGEMENT 103

SERIOUS NON-COMPLIANCE 104

HEALTH PROGRAMME COMPLIANCE 105

PUBLIC TIP-OFFS 112

REFERRALS AND PROSECUTIONS 114

CHILD SUPPORT CUSTOMER COMPLIANCE 116

REVIEWS OF CHILD SUPPORT DECISIONS 118

3.4 MANAGEMENT OF HUMAN RESOURCES 120

OUR PEOPLE 120

ACCESSIBLE AND INCLUSIVE WORKPLACES 127

LEARNING AND DEVELOPMENT 132

WORK HEALTH AND SAFETY AND INJURY MANAGEMENT 134

RECOGNISING EXCELLENCE 137

WORKPLACE GIVING 139

CHARITY FUNDRAISING 139

3.5 ENGAGEMENT AND FEEDBACK 140

CUSTOMER SATISFACTION 140

CUSTOMER FEEDBACK 144

COMMUNITY ENGAGEMENT 146

RESEARCH 147

3.6 ASSETS MANAGEMENT 148

PROPERTY 148

ASSETS 148

SECURITY 149

SHARED SERVICES 149

3.7 PURCHASING 150

PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESS 150

3.8 CONSULTANCY CONTRACTS 151

3.9 ANAO ACCESS CLAUSE 152

3.10 EXEMPT CONTRACTS 152

3.11 GRANTS 152

3.12 ENVIRONMENTAL MANAGEMENT 152

**PART 4—Transforming services and technology 153**

4.1 SERVICE DELIVERY TRANSFORMATION 154

DIGITAL AND ONLINE SERVICES 154

FACE-TO-FACE SERVICES 163

SMART CENTRES 164

4.2 SERVICE DELIVERY IMPROVEMENTS 169

SERVICE DELIVERY OPERATING MODEL 169

A NEW CHILD SUPPORT SYSTEM 170

BUSINESS SYSTEMS 170

4.3 INFORMATION AND COMMUNICATIONS TECHNOLOGY 171

ICT SUPPORT FOR OTHER GOVERNMENT AGENCIES 172

**PART 5—Financial overview and financial statements 173**

PART 5.1 FINANCIAL OVERVIEW 174

STATEMENT OF FINANCIAL PERFORMANCE 174

STATEMENT OF FINANCIAL POSITION 176

PART 5.2 FINANCIAL STATEMENTS 178

**PART 6—Appendices 247**

APPENDIX A HUMAN SERVICES (MEDICARE) ACT 1973 REPORT 248

APPENDIX B SERVICES DELIVERED ON BEHALF OF OUR PARTNERS 249

AUSTRALIAN GOVERNMENT AGENCIES 249

STATE AND TERRITORY GOVERNMENTS AND OTHER ORGANISATIONS 255

APPENDIX C CARER RECOGNITION ACT 2010—REPORT 256

OBLIGATIONS OF ALL PUBLIC SERVICE AGENCIES 256

APPENDIX D DATA-MATCHING 258

DATA-MATCHING PROGRAM (ASSISTANCE AND TAX) ACT 1990 258

DATA-MATCHING PROGRAM OBJECTIVES 258

PROGRAMME CYCLES 258

PRIVACY SAFEGUARDS 259

PROGRAMME MONITORING 259

STATISTICS 259

COST BENEFITS 261

CHRONOLOGY 263

APPENDIX E EXTERNAL SCRUTINY 264

AUSTRALIAN NATIONAL AUDIT OFFICE 264

COMMONWEALTH OMBUDSMAN 267

APPENDIX F STAFFING STATISTICS AND REMUNERATION 268

STAFF PROFILE 268

NON-SENIOR EXECUTIVE SERVICE REMUNERATION 272

PERFORMANCE PAY 273

SENIOR EXECUTIVE SERVICE REMUNERATION 273

APPENDIX G WORK HEALTH AND SAFETY 274

WORK HEALTH AND SAFETY ACT 2011—REPORTING 274

APPENDIX H FREEDOM OF INFORMATION 275

APPENDIX I ADVERTISING AND MARKET RESEARCH 276

COMMUNICATION CAMPAIGNS 276

ADVERTISING COSTS—MEDIA ADVERTISING AGENCY 276

MARKET RESEARCH PAYMENTS 277

APPENDIX J ENVIRONMENTAL PERFORMANCE 278

HOW ADMINISTERED PROGRAMMES ACCORD WITH THE PRINCIPLES OF ESD—SECTION 516A(6)(a) 278

HOW THE APPROPRIATION OUTCOME CONTRIBUTED TO THE PRINCIPLES OF ESD—SECTION 516A(6)(b) 278

EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516A(6)(c) 279

MEASURES TAKEN TO MINIMISE THE EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516(6)(d) 281

MECHANISMS TO REVIEW AND INCREASE THE EFFECTIVENESS OF THOSE MEASURES—SECTION 516(6)(e) 283

APPENDIX K RESOURCE STATEMENTS AND EXPENSES FOR OUTCOME 1 284

APPENDIX L CORRECTION OF ERRORS IN THE DEPARTMENT’S 2013–14 REPORT 288

APPENDIX M COMPLIANCE INDEX 289

GLOSSARY 295

SHORTENED FORMS 298

INDEX 302

# SECRETARY’S OVERVIEW

The Department of Human Services touches the lives of almost every Australian through the delivery of health and welfare payments and services.

In 2014–15, we managed 123.9 million self-service transactions, took 56.8 million phone calls, and had 25.4 million visits to our shopfronts.

Our ability to keep providing quality services while continuously improving the way they are delivered is crucial to our future success. This has been a key focus since Service Delivery Reform (SDR) began in 2011 and will continue to be so through the next phase of the department’s ongoing transformation.

### Government Outcomes, Customer Outcomes

This year the department successfully delivered $165.8 billion in payments to customers and providers—around 40 per cent of government spending. We managed a strong compliance programme, and met 27 of our 32 key performance indicators.

We are aware of the need to improve performance in areas under pressure. While our call wait time target for social security and welfare phone services was met, we are determined to improve by further simplifying and automating our services.

During the year, the department prepared for and delivered measures from the 2014–15 Budget passed by Parliament. These included changes to the Disability Support Pension, support to drought-affected farmers and stronger compliance arrangements for job seekers. We also implemented family payment reform, increased the age of eligibility for Newstart and Sickness Allowances, and introduced Support Services and Mutual Obligation Arrangements in accordance with the decisions of Parliament.

With a proud record of over 70 years of service, CRS Australia ceased all operations in February 2015. This followed a government decision to reallocate the market share of the department’s disability employment services to non-government providers. Around 21 000 participants were transitioned to new providers, and over 1000 staff were redeployed within the department.

The department maintained its record of sound financial stewardship. In 2014–15 the department had an operating surplus of $65.8 million before unfunded depreciation and revaluations, compared with a surplus of $132.6 million in 2013–14.

We drew on our emergency management capabilities to help people and communities hit by natural disasters. Our Emergency Reserve members and mobile service centre teams worked alongside others in the aftermath of the South Australian bushfires, Tropical Cyclone Marcia in Queensland, Tropical Cyclone Lam in the Northern Territory, Tropical Cyclone Olwyn in Western Australia, and storms and flooding in New South Wales.

Our mobile service centres visited 607 towns, travelling more than 110 000 kilometres and helping over 13 000 people.

### Service transformation

This year saw the conclusion of the multi-year SDR programme. It was a $1.25 billion transformation programme, motivated by the need to transform the way Medicare, Centrelink and Child Support services were delivered. Through SDR, significant improvements and efficiencies have been achieved for customers, staff, the department and the Australian Government.

Our achievements include more one-stop shops with co-located services, a single website, extra self-service options, and Smart Centre processing—leading to better support for people based on their individual circumstances. Through SDR we have created a solid foundation on which we can build future service delivery.

During 2014–15 we continued to develop the myGov digital service. Eight government services participated in myGov, providing Australians with secure and easy access to a range of online transactions, a secure digital inbox, and the ability to automatically notify member services of updates to their address details. The number of people using myGov grew during the year, with over seven million active accounts at 30 June 2015.

We have also expanded our myGov shopfronts, bringing the number to four—in Adelaide, Perth, Brisbane and Sydney—with others opening in Albury and Melbourne soon.

### Our people and our collaborative culture

In times of change, we are equipping our people with the skills and confidence needed to do their jobs. Jobs in the department have changed and will continue to evolve, especially as our transformation progresses.

We are proud of our record on workplace diversity. We operate in all corners of Australia. Aboriginal and Torres Strait Islander peoples now account for four per cent of our staff and we are well on track to reach our five per cent Indigenous employment target by 2017. Our new Reconciliation Action Plan has received Reconciliation Australia’s rare ‘elevate’ classification.

We also employ over 1500 staff who identify as having disability, and more than 8000 staff who come from non-English speaking backgrounds. Around 71 per cent of our workforce is female.

The department is strengthening our culture, based on the theme of ‘We’. The ‘We’ campaign emphasises the department’s role as the face of Australian Government services, and sets the standard for staff behaviours which drive the resilience, positive energy and performance needed to deliver our services.

### Looking ahead

Building on our strong performance in service delivery and transformation, we will continue to modernise the way we provide services. As in recent years, rapid advances in technology and in government and community expectations will reshape the way we work and how customers interact with us. We must keep our focus on making people’s interactions with us simpler.

The Welfare Payment Infrastructure Transformation (WPIT) programme will replace our ageing welfare payment ICT system and is a key enabler for eGovernment. It gives us the opportunity to re-engineer our business and better connect customers to services. While we implement WPIT and transform our services, we must keep on meeting the expectations of government and our customers. Millions of people rely on us to do our jobs every day, and to do them well.

We must also continue to support people in our community who are the most vulnerable. This includes through the department’s Family and Domestic Violence Strategy—‘it’s time to say enough’. The strategy aims to ensure that customers and staff faced with family and domestic violence are identified and receive the support they need, such as payments, support services and referrals to other assistance.

We are the face of Australian Government services and we are working hard to meet future service delivery challenges. We will work with our customers and build our talented and committed workforce as we continue to pursue our vision of ‘excellence in the provision of government services to every Australian’.

I would like to take the opportunity to thank the staff of the department for their hard work and commitment during the year. I look forward to working with them again in the coming year.

Kathryn Campbell, CSC

Secretary

Department of Human Services

## LETTER OF TRANSMITTAL

# PART 1–Departmental Overview

# 1.1 OUR DEPARTMENT

## ROLE AND FUNCTIONS

The department provides policy advice on service delivery matters to government to ensure effective, innovative and efficient implementation of government service delivery. It is subject to the Public Governance, Performance and Accountability Act 2013 (PGPA Act). The department has one outcome and delivers a range of government and other payments and services to almost every Australian including:

* Centrelink payments and services for retirees, the unemployed, families, carers, parents, students, people with disabilities, Indigenous Australians, people from culturally and linguistically diverse backgrounds, people living overseas and provision of services at times of major change, including disaster recovery payments.
* Aged care payments to services funded under the Aged Care Act 1997 including residential care, home care and flexible care services.
* Medicare services and payments that support the health of Australians such as Medicare, the Pharmaceutical Benefits Scheme, eHealth, Private Health Insurance Rebate, the Australian Childhood Immunisation Register, the National Bowel Cancer Screening Register and the Australian Organ Donor Register.
* Child Support services for separated parents to provide the financial and emotional support necessary for their children’s wellbeing.

The department also delivers other services including the Tasmanian Freight Equalisation Scheme and Early Release of Superannuation, as well as whole of government services such as myGov.

A new Administrative Arrangements Order was made on 9 July 2015 reflecting changed responsibilities of the department following the creation of the Digital Transformation Office. The order specifies the responsibilities of the department, including the design, development, delivery, co-ordination and monitoring of government services, social security, child support, students, families, aged care and health programmes and superannuation release.

## OUTCOME AND PROGRAMME STRUCTURE

**Figure 1**: Outcome and programme structure 2014–15

| Outcome 1:Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery. |
| --- |
| Programme 1.1Services to the Community—Social Security and Welfare |
| Programme 1.2 Services to the Community—Health |
| Programme 1.3Child Support |

## ORGANISATIONAL STRUCTURE

**Figure 2**: Organisational structure at 30 June 2015

### Executive responsibilities at 30 June 2015

#### Secretary

Responsible for supporting the Minister for Human Services in the delivery of portfolio responsibilities and the development of strategic policy advice. The Secretary provides strategic oversight, leadership and management of the department, ensuring the collaborative implementation and delivery of government policy and programmes and fostering a whole-of-government approach to service delivery. The Secretary is also responsible for managing key stakeholder relationships and contributing to the stewardship of the Australian Public Service.

#### Programme Executive Director, Welfare Payments Infrastructure Transformation Programme

Responsible for leading the department’s welfare payments transformation agenda, including the design and development of a new welfare payments information and communications technology (ICT) system. The Programme Executive Director is also accountable for the department’s contribution to the government’s eGovernment agenda, including delivery of a range of digital initiatives, as well as supporting the development of projects internally and externally. The Programme Executive Director is also responsible for the department’s Portfolio Management Office.

#### Deputy Secretary, Service Delivery Operations

Responsible for the effective operation of the department’s face-to-face service centres and phone and processing smart centres delivering Centrelink, Medicare and Child Support services. The Deputy Secretary is also responsible for coordinating the department’s response to emergencies, and for developing and delivering the department’s Indigenous and multicultural servicing strategies. The Secretary has appointed the current Deputy Secretary as the Chief Executive Centrelink, under paragraph 7(2)(b) of the *Human Services (Centrelink) Act 1997*.

#### Deputy Secretary, Participation, Aged Care, Service Strategy and Integrity

Responsible for providing leadership and management of a range of income support and aged care programmes delivered by the department on behalf of the Department of Social Services, the Department of Employment and other agencies. The income support programmes include Newstart, Disability and Carer payments and Youth Allowance. The Deputy Secretary is also responsible for the administration of the department’s social welfare fraud and compliance programmes.

#### Deputy Secretary, Families, Older Australians and Service Information

Responsible for ensuring the delivery of effective and efficient welfare-related payment programmes, such as age pension, child care benefits, rural and multicultural, child support, and family payments. The Deputy Secretary is also accountable for development of policy advice and analysis to enhance the department’s current and future service delivery activities.

#### Deputy Secretary, Enabling Services

Responsible for leading the human resources, corporate, communication, legal and whole-of-government coordination functions of the department.

#### Deputy Secretary, Health, Compliance and Information

Responsible for providing leadership and management of health-related programmes, including health compliance administered on behalf of the Department of Health and other agencies. The Deputy Secretary is also responsible for managing the department’s health compliance programmes, welfare appeals and debt programmes, and strategic information management activities. The Secretary has appointed the current Deputy Secretary as the Chief Executive Medicare, under paragraph 4(2)(b) of the *Human Services (Medicare) Act 1973.*

#### Chief Information Officer

Responsible for development and delivery of the department’s ICT capability.

#### Chief Financial Officer

Responsible for providing leadership and management of the department’s financial functions, in accordance with the *Public Governance, Performance and Accountability Act 2013*.

#### General Manager, Audit

Provides independent, objective assurance to the Secretary by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the department’s financial and operational controls, risk management and governance processes.

# 1.2 PORTFOLIO STRUCTURE

**Figure 3**: Human Services portfolio structure at 30 June 2015

| **Minister for Social Services**The Hon. Scott Morrison MP |
| --- |
| **Minister for Human Services**Senator the Hon. Marise Payne |
| **Department of Human Services**Secretary: Ms Kathryn Campbell CSC |

## MINISTER

Senator the Hon. Marise Payne was the Minister for Human Services between 18 September 2013 and 21 September 2015. On 21 September 2015 the Hon. Stuart Robert MP was appointed Minister for Human Services.

At 30 June 2015 the Minister was responsible for administering the following legislation:

* *Australian Hearing Services Act 1991*, except to the extent that it is administered by the Minister for Health
* Human Services (Centrelink) Act 1997
* *Human Services (Medicare) Act 1973*. See Appendix A on page 248 for specific reporting required under the *Human Services (Medicare) Act 1973.*

# 1.3 OUR PARTNERS

## PARTNERSHIPS WITH AUSTRALIAN GOVERNMENT AGENCIES

The department is responsible for delivering payments and services on behalf of Australian Government agencies. The department’s partnerships with these agencies are characterised by early engagement, regular consultation, recognition of expertise, and information sharing. Appendix B on page 249 shows that in 2014–15 we delivered payments and services on behalf of 15 Australian Government agencies.

The department also supports the delivery of Australian Government outcomes through working with Australian Government agencies on a range of activities that include data exchange, shared corporate services, co-location, myGov and ICT infrastructure support.

## PARTNERSHIPS WITH STATE AND TERRITORY GOVERNMENTS AND OTHER ORGANISATIONS

The department continued to work collaboratively with state, territory and local governments, as well as other organisations, to deliver payments and services. Appendix B on page 255 provides a list of examples of these activities undertaken in 2014–15.

## INTERNATIONAL PARTNERSHIPS

In 2014–15 the department administered formal social security agreements with 29 countries. These agreements outline the shared responsibility for social security coverage and entitlements when people move between the agreement countries. At 30 June 2015, 69 751 customers were paid an Australian pension under international agreements compared to 68 830 in 2013–14.

During the year the department continued to work internationally to share experiences and information about service delivery and explore ways to improve our services.

In 2014–15 the department’s collaborative work included:

* presenting at the Windsor Conference from 13–15 April 2015 in Vancouver, Canada. The Windsor Conference brings together agency heads from social welfare and employment departments in Australia, Canada, Ireland, New Zealand, the United Kingdom and the United States to discuss major emerging issues in social and labour/employment policy
* participating in the Australia and New Zealand Chief Executive Officers Bilateral meeting from 12–13 August 2014 with the Department of Social Services, Department of Employment, and the New Zealand Ministry of Social Development
* membership and participation in the International Social Security Association—the principal international institution bringing together social security agencies and organisations. A departmental representative holds the position of the Association’s Vice Chair on its Technical Commission on Organisation, Management and Innovation.

In 2014–15 the department engaged with a number of international delegations, the majority of which were from Asian and European countries, to share experiences and information about service delivery and explore ways to improve our services.

# PART 2–Report on performance

# 2.1 PERFORMANCE AGAINST KEY PERFORMANCE INDICATORS

## OUTCOME AND PROGRAMME STRUCTURE

The department’s outcome and programme structure and key performance indicators are published in the department’s annual Portfolio Budget Statements. They are used to monitor and assess our performance—see Figure 1 Outcome and programme structure on page 3.

Table 1: Key performance indicator results

| **Key performance indicator** | **Target****2014–15** | **Result****2013–14** | **Result****2014–15** | **Met****2014–15** | **Part / page no.** |
| --- | --- | --- | --- | --- | --- |
| Programme 1.1 Services to the Community—Social Security and Welfare |
| **Minister is satisfied with the quality, relevance and timeliness of ministerial briefing correspondence and other departmental advice.** | Satisfied | Satisfied | Satisfied |  |  |
| **Achievement of customer satisfaction standards.** | ≥85% | 68% | 70.3%1 |  | Part 3.5Page 140–143 |
| Achievement of payment quality standards. |
| Centrelink: Delivery of correct payments. | ≥95% | 98% | 98.1% |  | Part 3.3Page 99 |
| Key initiatives delivered within timeframes and on budget and outcomes are achieved.2 |
| Service Delivery Reform. | Achieved | Achieved | Achieved |  | Secretary's overviewPage IXPart 4.2Page 169 |
| Income Management Budget measures. | Achieved | Achieved | Achieved |  | Part 2.5Page 70–72 |
| Fraud Prevention and Compliance Budget measures. | Achieved | Achieved | Achieved |  | Part 3.3Page 99–119 |
| Effective working arrangements with other government departments are in place which support the department’s contribution to policy development through service delivery policy advice. |
| Strategies in place to ensure reporting against MOU and Bilateral Management arrangements are effective. | Effective | Effective | Effective |  | Part 1.3Page 9 |
| Government stakeholder assessment of the portfolio’s agility, flexibility and responsiveness. | 4.0 | 3.6 | 3.73 |  |  |
| Support economic and social participation of Indigenous Australians through the timely delivery of appropriate departmental payments and services. |
| Centrelink: Delivery of correct payments for Indigenous Australians. | ≥ 95% | 99% | 98.9% |  | Part 2.5Page 65–67 |
| **CRS Australia to maximise workforce participation rates for government at or above the market average for jobs seekers that remain in employment for 13 weeks.** | ≥ 70% | 74% | 73%4 |  | Part 2.5Page 86 |
| **Increase in the proportion of self-managed transactions and electronic interactions.** | 1% increase on 2013–14 | Achieved | Achieved |  | Part 4.1Page 154 |
| Achievement of face-to-face, telephony and processing service level standards. |
| Face-to-face: Average wait time. | ≤ 15 minutes | NA | 12 minutes 18 seconds |  | Part 4.1Page 165 |
| Telephony: Average speed of answer. | ≤ 16 minutes | NA | 15 minutes 40 seconds |  | Part 4.1Page 165 |
| Processing: Percentage of claims processed within standard. | ≥ 82% | NA | 84.6% |  |  |
| **Internal reviews: Percentage of reviews finalised within standard.** | ≥ 70% | NA | 65.4%5 |  | Part 3.3Page 101–102 |
| Achievement of payment integrity standards. |
| Centrelink: Debt under recovery. | ≥ 60% | 62% | 63.5% |  | Part 3.3Page 103 |
| Programme 1.2 Services to the Community—Health |
| **Satisfaction with Medicare provider service delivery.** | ≥ 70% | > 80% | Pharmacists 99%Practitioners 91%Practice Managers 88% |  | Part 3.5Page 143 |
| **Achievement of customer satisfaction standards.** | ≥ 85% | 85% | 82.5%6 |  | Part 3.5Page 140–142 |
| Achievement of payment quality standards. |
| Medicare: Delivery of accurate medical and pharmaceutical benefits and services. | ≥ 98% | 98% | 98% |  | Part 2.3Page 29–34 |
| **Achievement of face-to-face, telephony and processing service level standards.** |
| Face-to-face: Average wait time. | ≤ 15 minutes | NA | 7 minutes 25 seconds |  | Part 4.1Page 165 |
| Telephony: Average speed of answer. |
| Pharmaceutical Benefits Scheme Authorities and eHealth Providers. | ≤ 30 seconds | NA | 25 seconds |  | Part 4.1Page 165 |
| Providers. | ≤ 2 minutes | NA | 1 minute 25 seconds |  | Part 4.1Page 165 |
| Customers. | ≤ 7 minutes | NA | 5 minutes 10 seconds |  | Part 4.1Page 165 |
| Processing: Percentage of claims processed within standard. | ≥ 82% | NA | 98.7% |  |  |
| Achievement of payment integrity standards. |
| Medicare: Completed audit and review cases. | 2500  | 3544 | 3680 |  | Part 3.3Page 108 |
| Programme 1.3 Child Support |
| **Achievement of customer satisfaction standards.** | ≥ 85% | 84% | 74%7 |  | Part 3.5Page 142 |
| **Total amount of child support transferred between parents.** | $3.2 billion | $3.5 billion | $3.5 billion |  | Part 2.4Page 55 |
| **Child support collection rate (Child Support collect only).** | ≥ 91.7% | 93% | 93.3% |  | Part 2.4Page 55–56 |
| **Percentage of private collect cases to total active cases (Child Support collect and private collect cases).** | ≥ 52% | 53% | 53% |  | Part 2.4Page 56 |
| **Percentage of domestic active paying parents without debt.** | ≥ 73.5% | 77% | 77.4% |  | Part 2.4Page 56–57 |
| Achievement of telephony and processing service level standards. |
| Telephony: Average speed of answer. | ≤ 3 minutes | NA | 2 minutes 33 seconds |  | Part 4.1Page 165 |
| Processing: Percentage of claims processed within standard. | ≥ 82% | NA | 92.6% |  |  |

1. The overall result is primarily attributed to ‘ease of accessing services’ and ‘length of time to receive services’. Satisfaction with the service provided by staff was high at 84 per cent.
2. The list of key initiatives is determined by government priorities each financial year.
3. While the target was not achieved, the result shows continued improvement in a year when the department implemented a significant number of key government initiatives.
4. CRS Australia ceased operations as at 27 February 2015—the result of 73 per cent applies to the last quarterly reporting period (1 October 2014 to 31 December 2014).
5. In 2014–15 the Appeals Branch focused on aged cases and priority areas to reduce the level of arrears. The KPI was met in the fourth quarter.
6. The decline in the overall result is primarily attributed to a decline in the satisfaction with the ease of accessing services. Satisfaction with the service provided by staff was high at 92 per cent.
7. The result is based on data from February to June 2015. This data is not fully comparable with data from the previous year.

# 2.2 SERVICES TO THE COMMUNITY—SOCIAL SECURITY AND WELFARE

The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to a range of payments and services. This includes payments to support retirees, the unemployed, families, carers, parents, students, people with disabilities and Indigenous Australians.

Table 2: Total number of social security and welfare claims, granted and rejected, by major payment type1

| Payment Type | 2012–132 | 2013–142 | 2014–15 |
| --- | --- | --- | --- |
| Family Tax Benefit | 643 000 | 622 000 | 591 000 |
| Parental Leave Pay | 218 000 | 241 000 | 270 000 |
| Baby Bonus3 | 197 000 | 141 000 | 15 000 |
| Child Care Benefit | 300 000 | 317 000 | 300 000 |
| Dad and Partner Pay | 39 400 | 90 000 | 89 000 |
| Parenting Payment | 146 000 | 146 000 | 171 000 |
| Newstart Allowance | 637 000 | 647 000 | 671 000 |
| Carer Payment and Carer Allowance | 232 000 | 267 000 | 242 000 |
| Disability Support Pension | 126 000 | 141 000 | 112 000 |
| Age Pension | 149 000 | 153 000 | 174 000 |
| Youth Allowance and Austudy | 468 000 | 475 000 | 496 000 |

1. Numbers in this table have been rounded.
2. 2012–13 and 2013–14 numbers have been updated to include abridged claims to reflect the total number of Newstart Allowance, Parenting Payment, Youth Allowance and Austudy claims handled. Abridged claims are a shortened version of a claim used when a person who had recently lost qualification for a payment reapplies.
3. Baby Bonus was replaced by other payments on 28 February 2014. Parents of children who were born before 1 March 2014 had up to 52 weeks to make a claim for Baby Bonus, resulting in some claims being processed in 2014–15.

## FAMILIES

For more information about the payments below, see Outcome 1 in the Department of Social Services annual report 2014–15 at dss.gov.au

Family Tax Benefit (FTB)—assists families with the day-to-day cost of raising children. FTB has two parts—FTB Part A and FTB Part B. Both payments are income tested and the amount paid is based on a family’s individual circumstances.

Child Care—Child Care Benefit assists with child care fees. Child Care Rebate assists with out-of-pocket expenses for child care, and Jobs, Education and Training Child Care Fee Assistance assists eligible parents to enter or re-enter the workforce.

Paid Parental Leave Scheme—comprises two income-tested and work-tested payments for eligible parents to take time off work to care for a new baby or recently adopted child. The two payments are Parental Leave Pay and Dad and Partner Pay.

Parenting Payment—is an income support payment for parents or guardians to help with the cost of raising children. Parenting Payment customers must be single and care for at least one child aged under eight years, or partnered and care for at least one child aged under six years.

Parenting Payment customers need to meet income and assets tests (including a partner’s income and assets if partnered), meet residency requirements, and meet participation requirements if needed.

Newborn Upfront Payment and Newborn Supplement—is an increased rate of FTB Part A paid after having a baby or adopting a child. Payments are $2056.45 for the first child and for each child in a multiple birth, and up to $1028.15 for subsequent children. Parental Leave Pay cannot be paid for the same child.

Stillborn Baby Payment—is available for eligible families who experience the loss of their baby as a result of stillbirth, if Parental Leave Pay is not payable. Stillborn Baby Payment is a lump sum payment of $2056.45 for a first stillborn child or each stillborn child in a multiple birth, and up to $1028.15 for a subsequent stillborn child.

Schoolkids Bonus—is paid in January and July each year. Families receive up to $422 per year for each primary school child and up to $842 per year for each secondary school child. From 1 January 2015 an income test has applied. Schoolkids Bonus is being phased out. The final instalment of the payment will be paid in July 2016.

### Helping Young Parents and Supporting Jobless Families

The Helping Young Parents programme helps young parents aged 19 years or younger to create a positive future for themselves and their children. It supports parents to undertake education or training leading to a Year 12 or equivalent qualification.

The Supporting Jobless Families trial focuses on preparing parents to return to work when their youngest child reaches school-age, and helps parents to ensure their children are ready to start school.

The Helping Young Parents programme and Supporting Jobless Families trial was delivered in 10 selected local government areas in New South Wales, Queensland, South Australia, Victoria, Western Australia and Tasmania.

### School Enrolment and Attendance Measure

The School Enrolment and Attendance Measure (SEAM) is designed to improve educational outcomes for children by linking school enrolment and attendance to income support payments.

The department works closely with the Northern Territory Department of Education and provides intensive social work support to parents to identify and overcome barriers preventing their children regularly attending school.

In 2014–15 SEAM operated in 23 Northern Territory communities compared to 16 communities in 2013–14.

## PEOPLE WITH DISABILITY AND CARERS

Disability Support Pension (DSP)—provides financial support for people who have a physical, intellectual or psychiatric condition that limits their ability to work, or who are permanently blind. In 2014–15, 41 832 new claims for DSP were granted compared to 57 840 in 2013–14.

A number of changes to DSP were introduced in 2014–15:

* From 1 July 2014, DSP recipients aged under 35 years with an assessed work capacity of eight hours or more per week are required to participate in compulsory activities that will help them find and keep a job.
* From 1 July 2014, the department commenced a review of DSP recipients aged under 35 years who were granted DSP between 1 January 2008 and 31 December 2011. People granted DSP before 3 September 2011 who remain eligible following the review may be required to participate in a Program of Support. A Program of Support is an Australian Government funded programme to help people prepare for, find or maintain work.
* From 1 January 2015 DSP recipients who travel overseas will continue to receive their payments for a maximum of four weeks overseas in any 12-month period.
* From 1 January 2015 people claiming DSP may need to have a Disability Medical Assessment conducted by a government contracted doctor, in addition to a Job Capacity Assessment.

Sickness Allowance—provides a short-term payment for people who are employed or self-employed, or in some cases are full-time students, who are temporarily unable to do their usual work or study due to a medical condition. In 2014–15, 18 713 new claims for Sickness Allowance were granted compared to 25 040 in 2013–14.

Mobility Allowance—helps people with disability, illness or injury who are unable to use public transport without substantial assistance to participate in approved activities by providing support with transport costs. People receiving a package of support from the National Disability Insurance Scheme (NDIS) may not be eligible for Mobility Allowance, depending on the contents of their package. In 2014–15, 6770 new claims for Mobility Allowance were granted compared to 8648 in 2013–14.

Rent Assistance—Rent Assistance is an additional payment to help customers receiving an income support payment to pay their rent, generally in the private rental market. Private rent can also include amounts paid for site fees, mooring fees, board and lodgings, some retirement village fees, and fees paid to occupy a non-Australian Government funded bed in an aged care facility such as a hostel or nursing home.

Carer Payment—is an income support payment for people who are unable to support themselves through substantial paid employment because they provide full-time care to a child or adult with a severe disability, medical condition, or who is frail aged. In 2014–15, 53 607 new claims for Carer Payment were granted compared to 59 998 in 2013–14.

Carer Allowance—is an income supplement for carers who provide additional daily care and attention for a child or adult with disability or medical condition, or who is frail aged. In 2014–15, 101 021 new claims for Carer Allowance were granted compared to 117 825 in 2013–14.

For information about the department’s compliance with the Carer Recognition Act 2010 see Appendix C on page 256.

### Participation for people with disabilities

From 1 July 2014 eligible DSP recipients aged under 35 years, with an assessed work capacity of eight or more hours a week, are required to have a participation plan which includes compulsory activities with a focus on employment. Before 1 July 2014 DSP recipients aged under 35 years were required to have a participation plan and attend regular interviews with the department. The changes in July 2014 strengthened the requirements by making activities compulsory and focusing on improving a customer’s ability to find and maintain work.

### National Disability Insurance Agency and the National Disability Insurance Scheme

The department has a strong and cooperative relationship with the National Disability Insurance Agency (NDIA). In 2014–15 the department continued to support the NDIA with the rollout of the NDIS, including through:

* data exchange
* co-location with the NDIA in four departmental sites and one NDIA site
* providing the NDIA with access to the department’s myGov platform which gives NDIS participants convenient access to online services
* staff secondments and transfers to the NDIA.

Further opportunities for close cooperation continue to be developed.

### National Disability Strategy

The National Disability Strategy 2010–2020 sets out a 10 year national plan for improving life for people with disability, their families and carers. The strategy sets out a commitment by all levels of government, industry and the community for a national approach to policy and programme development. It also represents a shared vision for an inclusive society that enables people with disability to fulfil their potential as equal citizens.

Priority areas for action include learning, skills and economic security, which support education and employment opportunities as the main pathways to long-term economic security and wellbeing.

The department delivers a range of payments and services to customers with disability. We launched a new protocol for engaging people with disability on 3 December 2014 in response to the National Disability Strategy. The protocol outlines our strategies to actively work with people with disability and their advocates to design, shape and deliver better services for the community. For more information see People with disability on the department’s website at humanservices.gov.au

## OLDER AUSTRALIANS

### Age Pension

To support older people, Age Pension payments are made to more than 2.4 million customers. The minimum age to qualify for Age Pension is currently 65 years.

From 1 July 2017 the qualifying age will increase to 65 years and 6 months. The qualifying age will then increase by 6 months every two years, reaching 67 years by 1 July 2023.

In 2014–15, 136 586 Age Pension new claims were granted. Of the total claims actioned, 12 800 were referred for further assessment due to the complexity of claimants’ financial arrangements.

Women make up 56 per cent and men 44 per cent of the Age Pension population. The department paid $41.6 billion in Age Pension payments in 2014–15 compared to $39.5 billion on 2013–14.

### Real estate valuations

To qualify for a pension, benefit or allowance the department takes into account the value of a person’s assets. From 1 July 2014 the department implemented an automated risk-based approach to real estate valuations where the individual circumstances of a customer and their real estate are analysed to determine the appropriate valuation action. Most valuations are for real estate assets owned by people claiming Age Pension.

When needed, the department arranges for a professional valuation of assets. The department is undertaking a tender process for valuation services. During the tender period the department engaged a variety of licensed valuation providers to complete real estate valuations on behalf of the department.

### Deeming of Account-Based Income Streams

The department implemented the new Deeming of Account-Based Income Streams measure on 1 January 2015. This initiative extended the deeming rules applying to financial investments to account‑based income streams from superannuation accounts, to ensure all financial assets are assessed under the same rules. In 2014–15 the department contacted 460 000 customers by letter, email or SMS to inform them of the change.

### Delivering aged care payments

The department delivers subsidies and supplements to approved aged care providers in collaboration with the Department of Social Services (DSS) and the Department of Veterans’ Affairs (DVA). The aim is to help aged care providers deliver cost-effective, quality care for frail, older people and support for their carers. The department’s role is to provide timely and accurate payments efficiently and effectively.

Table 3: Aged care overview

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Residential claims processed | 32 647 | 32 541 | 34 695 | +6.6 |
| Home Care Packages claims processed1 | 25 395 | 26 835 | 23 393 | –14.7 |
| Flexible care (transition care) claims processed | 1 176 | 939 | 1 095 | +16.6 |
| Total claims processed | 59 218 | 60 315 | 59 183 | –1.9 |
| Total amount paid2 | $10.5 billion | $11.3 billion | $12.1 billion | +7.0 |
| Residential aged care services (aged care homes) | 2 739 | 2 693 | 2 683 | -0.4 |
| Home Care Packages services1 (facilities providing community-based packages) | 2 132 | 2 181 | 2 132 | –2.3 |
| Flexible care services (transition care) | 92 | 88 | 83 | –6.0 |
| Active services transmitting (online claiming) | 3 329 | 3 403 | 2 947 | –13.4 |

1. Home Care Packages commenced on 1 August 2013. Statistics for the previous financial year include Community packages and Flexible care (extended care at home) data.
2. Including $1.3 billion paid on behalf of DVA.

#### Aged Care Education and Training Incentive Programme

The Aged Care Education and Training Incentive Programme provides incentive payments to eligible aged care workers employed by approved facilities, who undertake specified education and training programmes. Eligible aged care workers who successfully complete a course may receive two incentive payments—commencement and completion payments. Incentive payment amounts depend on the level of study. The programme helps aged care workers to improve their qualifications as a personal care worker, enrolled nurse or a registered nurse within the aged care sector.

Table 4: Aged Care Education and Training Incentive Programme

|  | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| Participants in vocational education and training | 11 035 | 9 922 | 9 253 |
| Participants in enrolled nurse training | 2 357 | 2 234 | 1 899 |
| Participants in registered nurse training | 1 147 | 1 413 | 1 366 |
| Total incentives processed | 16 409 | 13 722 | 12 518 |
| Total amount paid | $9.9 million | $11.3 million | $10.4 million |

#### Income and assets assessments for people entering aged care

The department continued to perform means testing assessments for older people entering aged care in 2014–15. New care fee arrangements were introduced to both home care packages and residential aged care on 1 July 2014. The new means test introduced for consumers entering residential aged care is based on a new combined assets and income-based assessment and calculation. The new means test introduced for consumers accessing a home care package is based on an income-based assessment only.

#### Supporting aged care reforms

In 2014–15 the department implemented the following Aged Care Reform measures:

* removal of low care/high care distinction in residential aged care
* new means test (income and assets) in residential aged care
* new income test for home care
* new annual and lifetime care contribution caps for means-tested care contributions, for both home care and residential aged care
* introduction of the Higher Accommodation Supplement for residential aged care facilities.

### Relationship with the Department of Veterans’ Affairs

Under a memorandum of understanding with DVA the department continued to deliver the Veterans’ Information Service at 23 regional customer service centres—10 in New South Wales, four in Victoria, seven in Queensland, one in South Australia and one in the Northern Territory.

Community support services were delivered in Coffs Harbour and Port Macquarie in New South Wales, and four sites in South Australia delivered veterans’ agent services. The department also maintained three Veterans’ Information Kiosks.

We continued to work in partnership with DVA on measures such as managed investments, welfare payments, compliance and fraud initiatives, online concessions and administration of the Defence Force Income Support Allowance.

### Job seekers and students

The department delivers a variety of payments and services for job seekers and students.

Newstart Allowance—provides financial help to people looking for work. Customers must be aged between 22 years and 65 years and looking for suitable paid work. Newstart Allowance customers need to meet income and assets tests and residency requirements, and be able to meet activity test participation requirements. In 2014–15 the department assessed 671 000 new Newstart Allowance claims. This compares to 647 000 in 2013–14.

Youth Allowance—is an income support payment for students, trainees and apprentices generally aged 16 to 24 years, or job seekers generally aged 16 to 21 years. Youth Allowance customers need to meet income and assets tests and residency requirements. In 2014–15 the department assessed 424 000 new Youth Allowance claims. This compares to 407 000 in 2013–14.

Austudy—provides financial help to full-time students and apprentices aged 25 years or older. In 2014–15 the department assessed 72 000 new claims. This compares to 68 000 in 2013–14.

Education Entry Payment—is available to people receiving specific income support payments to help with the costs of incidental educational expenses such as books and fees. Education Entry Payment is paid once a year to qualified recipients.

ABSTUDY—provides a means-tested allowance and other supplementary benefits to eligible Indigenous students. In 2014–15 the department assessed 37 155 new claims. This compares to 35 329 in 2013–14.

Pensioner Education Supplement—is available as extra assistance towards ongoing study costs to recipients of some Department of Human Services and DVA income support payments. The supplement is available to full-time students and in certain circumstances to students approved to undertake part‑time study of at least 25 per cent of a full study load. In 2014–15 the department assessed 63 302 new claims. This compares to 69 325 in 2013–14.

Special Benefit—helps people in severe financial hardship who are not able to support themselves and their dependants and are not eligible for another payment. In 2014–15 the department assessed 9560 claims. This compares to 8561 in 2013–14.

### Meeting participation requirements for job seekers

Job seekers receiving Newstart Allowance, Youth Allowance (job seeker), Parenting Payment Single or Special Benefit (paid under Newstart Allowance conditions) must satisfy activity test or participation requirements to remain eligible for payment.

Personal Contact Interviews complement self-managed reporting and are part of a job seeker’s contact arrangements. The interviews maintain personal contact between job seekers and the department and reflect a focus on compliance with participation requirements. In 2014–15, 2 400 797 Personal Contact Interviews were completed compared to 2 073 296 interviews in 2013–14.

With the introduction of the new Employment Services Model on 1 July 2015, Employment Services Providers assumed responsibility for setting and monitoring job search efforts, and Personal Contact Interviews ceased.

Table 5: Activity tested recipients by payment type

| Payment type | At 28 June 2013 | At 27 June 2014 | At 26 June 2015 |
| --- | --- | --- | --- |
| Newstart Allowance | 660 6732 | 705 8145 | 748 7196 |
| Youth Allowance | 113 8402 | 113 9985 | 112 6206 |
| Special Benefit1 | 6823 | 7055 | 7586 |
| Parenting Payment Single | 47 2764 | 49 935 | 51 6476 |
| **Total** | **822 471** | **870 452** | **913 744** |

1. The majority of Special Benefit recipients are not activity tested.
2. Source: Department of Education, Employment and Workplace Relations on 5 July 2013.
3. Source: Department of Families, Housing, Community Services and Indigenous Affairs on 5 August 2013.
4. From 1 January 2013 Parenting Payment Single customers moved to Newstart Allowance once their youngest child turned eight years of age.
5. Source: DSS on 8 July 2014.
6. Source: DSS on 6 July 2015.

### Job seeker compliance

The job seeker compliance model applies to job seekers receiving participation payments who have compulsory mutual obligation requirements.

The model aims to ensure job seekers attend appointments and participate in activities to help get them back into work. Job seekers who become disengaged from employment services or activities are re‑engaged as quickly as possible. When a job seeker does not have a reasonable excuse for not meeting their mutual obligation requirements, a financial penalty may apply.

Non-Attendance Reports were introduced as part of the job seeker compliance model on 1 July 2014. Employment services providers may use them as a re-engagement tool when a job seeker does not attend an appointment. From 1 January 2015 the job seeker’s payment is automatically restored, including any back payment as long as the job seeker attends a new appointment which is booked for them by their provider. From 1 July 2015, if a job seeker misses an appointment they will not get full back pay when their income support payment starts again.

In 2014–15 the department undertook 549 426 job seeker compliance investigations and actioned 1 185 398 Non-Attendance Reports. This compares to 1 536 112 job seeker compliance investigations and 188 525 contact requests in 2013–14.

### Employment Services Assessments

Employment Services Assessments (ESAts) identify the most appropriate type of employment services for people with medical conditions and other barriers to employment. ESAts are also used to identify other assistance that may help a job seeker prepare for, find and maintain work, taking into account any partial work capacity.

In 2014–15 the department completed 207 298 ESAts. Assessors made approximately 686 156 recommendations for assistance that employment services could deliver that would be of greatest benefit in building job seekers’ capacity for work. This compares to 206 835 ESAts conducted in 2013–14 where 992 000 recommendations were made. The decrease reflects improved targeting of recommendations by assessors.

### Job Capacity Assessments

Job Capacity Assessments (JCAs) help the department determine if a person meets the medical eligibility and job capacity requirements for DSP claims.

The department employs qualified health and allied health professionals in multi-disciplinary teams in locations across Australia to undertake ESAts and JCAs. These professionals include:

* psychologists
* physiotherapists
* medical advisers
* occupational therapists
* rehabilitation counsellors
* exercise physiologists
* registered nurses
* social workers.

Table 6 indicates the numbers of medical and non-medical ESAts and JCAs that the department completed each year.

Table 6: Type of assessments completed

|  | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| ESAt non-medical | 34 348  | 27 464  | 24 375 |
| ESAt medical | 181 455 | 179 371 | 182 923 |
| Job Capacity Assessment  | 118 674 | 115 517 | 95 028 |
| **Total** | **334 477** | **322 352** | **302 326** |

### Health Professional Advisory Unit

The Health Professional Advisory Unit is a multi-disciplinary unit comprising medical advisers, allied health professionals, directors and administrative staff across 24 locations. The unit strengthens DSP decision making by providing expert advice to departmental assessors and decision makers, and builds relationships between the department and customers’ doctors.

In 2014–15 the unit received 3473 referrals compared to 3754 referrals in 2013–14.

In addition to the provision of expert advice to the department, the unit was also closely involved in providing expert advice on matters before the Administrative Appeals Tribunal.

# 2.3 SERVICES TO THE COMMUNITY—HEALTH

## MEDICARE

Medicare is Australia’s universal health care system, which gives eligible people access to cost-effective medical and hospital care, optometry and, in special circumstances, other allied health services.

In 2014–15, 24.2 million people were enrolled in Medicare and $20.4 billion was paid in benefits. Almost 95 per cent of claims were made electronically. Around one-third of all health practices lodged all Medicare claims electronically—see Figure 4 and Figure 5 on page 33.

### Eligibility overview

To be eligible for Medicare a person must reside in Australia and be one of the following:

* an Australian citizen
* a permanent resident or a New Zealand citizen residing in Australia
* an applicant for permanent residency, meeting certain other criteria—restrictions and other requirements apply to people who have applied for a parent visa
* covered by a ministerial order
* a resident or citizen of a country with which Australia has a reciprocal health care agreement—only for medically necessary treatment while visiting Australia.

Table 7: Medicare enrolments

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| People enrolled at 30 June | 23.4 million | 23.8 million | 24.2 million | +1.5 |
| Active cards at 30 June | 13.3 million | 13.5 million | 13.7 million  | +1.6 |
| New enrolments | 618 533 | 603 070 | 581 922 | –3.5 |

#### Medicare Entitlement Statements

People who are not eligible for Medicare may apply to be exempt from paying the Medicare levy, which is administered by the Australian Taxation Office (ATO). If the application is approved, the department issues a Medicare Entitlement Statement (previously referred to as the Medicare Levy Exemption Certificate), which the person must lodge at the ATO with their tax return.

Table 8: Medicare Entitlement Statements

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Accepted applications | 95 190 | 134 813 | 141 625 | +5.1 |
| Rejected applications | 4 148 | 6 044 | 3 699 | –38.8 |
| Total applications | 99 338 | 140 857 | 145 324 | +3.2 |

### Medicare Safety Net

The Medicare Safety Net helps eligible people with the cost of out-of-hospital medical services. There are two Medicare safety nets—the Original Medicare Safety Net and the Extended Medicare Safety Net.

The Original Medicare Safety Net applies to all Medicare cardholders and has a threshold of $440.80 (singles and families) for 2015. This is based on the gap amount, which is the difference between the Medicare Benefits Schedule (MBS) fee that the government has set for the service and the Medicare benefit.

The Extended Medicare Safety Net has two threshold levels—$638.40 for Commonwealth concession card holders and FTB Part A recipients, and a general threshold of $2000 for all Medicare cardholders (singles and registered families). This threshold is based on out-of-pocket costs, which is the difference between the doctor’s charge and the Medicare benefit.

It is possible for singles and families to reach the threshold for either or both the Original Medicare Safety Net and the Extended Medicare Safety Net in a calendar year. The thresholds apply to a calendar year and are indexed.

### Medicare claiming

Health professionals can choose to bulk bill their patients. This means that the health professional claims the Medicare benefit directly from the department with the patient’s permission as full payment for the service, and does not charge the patient a fee.

If a health professional charges the patient a fee, the patient can claim by:

* paying the account, and then, if the health professional or practice offers electronic claiming, practice staff can lodge the claim electronically with the department and the benefit will be paid into the patient’s bank account, usually on the next working day or sometimes sooner
* paying the account and then claiming the benefit from the department either in person at a service centre, using the Express Plus Medicare mobile app, online, myGov or by phone or mail
* claiming the unpaid account from the department and receiving a cheque made out in the health professional’s name to give to the health professional along with any outstanding balance.

Claims for in-hospital services received by patients can be made through simplified billing arrangements. This means claims are lodged by hospitals, billing agents, health professionals and day surgeries with the department and private health insurers, either through the Electronic Claim Lodgement Information Processing Service Environment (ECLIPSE), Simple Mail Transfer Protocol (SMTP) systems, or manually.

Table 9: Medicare services and benefits by claim type

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Bulk billing | 263.0 million | 276.8 million | 290.6 million | +5.0 |
| Patient claiming | 55.1 million | 53.9 million | 53.3 million | –1.1 |
| Simplified billing | 25.8 million | 27.5 million | 29.6 million | +7.6 |
| Total services processed | 344.0 million | 358.3 million | 373.4 million | +4.2 |
| Bulk billing | $12.4 billion | $13.0 billion | $14.0 billion | +7.7 |
| Patient claiming | $4.2 billion | $4.2 billion | $4.2 billion | 0 |
| Simplified billing | $2.0 billion | $2.1 billion | $2.3 billion | +9.5 |
| Total benefits paid | $18.6 billion | $19.3 billion | $20.5 billion | +5.7 |
| Average benefit per service | $54.15 | $53.82 | $54.90 | +2.0 |
| Average period1 (date of lodgement to processing) | 2.6 days | 1.9 days | 1.7 days  | –10.5  |

1. Due to the number of electronic claiming channels available, the gap between date of lodgement and the date of processing has reduced.

Table 10: Medicare services by payment type

|  | 2012–13 million | % | 2013–14 million | % | 2014–15 million | % |
| --- | --- | --- | --- | --- | --- | --- |
| Cash to claimant1 | 1.7 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cheque to claimant | 3.4 | 1.0 | 3.3 | 0.9 | 3.0 | 0.8 |
| Electronic funds transfer (EFT) to claimant | 34.4 | 10.0 | 36.6 | 10.2 | 35.6 | 9.5 |
| EFTPOS payment to claimant | 9.3 | 2.7 | 8.6 | 2.4 | 9.8 | 2.6 |
| Cheque to health professional2 | 1.6 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| EFT to health professional | 261.4 | 76.0 | 276.8 | 77.3 | 290.6 | 77.8 |
| Pay doctor via claimant cheque | 6.4 | 1.9 | 5.4 | 1.5 | 4.8 | 1.3 |
| Payment to private health fund or billing agent | 25.8 | 7.5 | 27.5 | 7.7 | 29.6 | 7.9 |
| Total services3 | 344.0 | 100 | 358.3 | 100 | 373.4 | 100 |

1. Cash payments were phased out from 1 July 2012.
2. Payments by cheque to health professionals for bulk billing services ceased on 1 November 2012.
3. Numbers may differ due to rounding.

### Medicare electronic claiming

The six options for lodging Medicare claims electronically are:

* Medicare Online—a secure internet connection for lodging claims from a health practice using practice management software
* Medicare Easyclaim—a secure EFTPOS terminal (stand-alone or integrated with practice management software) for lodging claims from a health practice
* ECLIPSE—a secure connection for claiming services provided in hospitals used by providers, public and private hospitals, billing agents and private health insurers
* Claiming Medicare Benefits Online—through myGov or through the Express Plus Medicare mobile app for 23 of the most common MBS items. The app also allows patients to lodge claims electronically for other items if an image of the receipt is uploaded with the claim
* SMTP—uses an electronic format similar to email for claiming bulk billing and simplified billing services
* Health Professional Online Services (HPOS)—provides secure access for health professionals to bulk bill Medicare directly for any medical and some allied health services received by the patient—see also Online services for health professionals on page 160.

Most health practitioners lodge bulk bill claims electronically, benefiting from streamlined processing and improved cash flow. At 30 June 2015, 98 per cent of bulk bill claims were lodged electronically compared to 97.5 per cent at 30 June 2014.

Figure 4: Medicare services by claim type—electronic and manual

Figure 5: Practices transmitting electronically 2012–13 to 2014–15

Table 11: Volumes of services transmitted electronically

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Medicare Online |
| Bulk billing  | 234.5 million | 253.5 million | 265.4 million | +4.7 |
| Patient claiming  | 21.7 million | 27.5 million | 30 million | +9.1 |
| Medicare Easyclaim |
| Bulk billing  | 17.3 million | 16.3 million | 19.1 million | +17.2 |
| Patient claiming  | 7.7 million | 8.3 million | 10 million | +20.5 |
| ECLIPSE |
| Simplified billing  | 16.9 million | 19.2 million | 21.9 million | +14.1 |
| SMTP |
| Bulk billing | 154 500 | 141 500 | 74 500 | –47.3 |
| Simplified billing | 8.8 million | 8.2 million | 7.5 million | –8.5 |
| Claiming Medicare Benefits Online |
| Patient claiming | 211 200 | 251 500 | 352 400 | +40.5 |
| Total services  | 307.2 million | 333.5 million | 354.4 million | +6.3 |
| Percentage of overall claims lodged electronically | 89.3 | 93.1 | 94.9 | +1.8 |

### Veterans’ Affairs processing

In collaboration with DVA the department assesses claims and makes payments to medical, hospital and allied health professionals who treat eligible veterans, spouses and dependants. The department also produces DVA gold cards (for Personal Treatment Entitlement or Totally and Permanently Incapacitated and all conditions within Australia), white cards (for specific conditions) and orange cards (for pharmaceuticals) for eligible veterans.

The department and DVA continue to promote electronic claiming as the primary way of doing business with government. For health professionals, electronic claiming means faster payment times, paperless lodgement of claims, faster reconciliation and more efficient confirmation of patient details. It also means lower administrative costs for DVA.

DVA electronic claiming increased to 79.3 per cent in 2014–15 compared to 74.3 per cent in 2013–14. Electronic claiming for allied health services increased to 46.4 per cent in 2014–15 compared to 28.4 per cent in 2013–14, largely due to the introduction of DVA Webclaim for allied health professionals in September 2014.

Electronic claiming for medical services increased to 90.7 per cent in 2014–15 compared to 89.8 per cent in 2013–14. This is expected to increase further with the introduction of DVA Webclaim for medical professionals in July 2015.

Hospital electronic claiming increased to 70.8 per cent from 64.1 per cent in 2013–14. Manual claiming for DVA decreased from 25.7 per cent in 2013–14 to 19.7 per cent in 2014–15.

Table 12: Department of Veterans’ Affairs processing

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Cards produced1 | 19 334 | 248 3752 | 20 146 | –91.9 |
| Services processed | 20.6 million | 19.9 million | 19.0 million | –4.5 |
| Total benefits paid | $2.1 billion | $2.2 billion | $2.1 billion  | –4.5 |

1. Personal Treatment Entitlement cards, Repatriation Pharmaceutical Benefits Scheme cards, Specific Treatment Entitlement cards, and Totally and Permanently Incapacitated gold cards.
2. This number is considerably higher than other years due to a re-issue of new cards to all DVA cardholders.

### Australian Childhood Immunisation Register

The Australian Childhood Immunisation Register records information about vaccinations given to children aged under seven years.

Authorised immunisation providers and the child’s parent or guardian can access vaccination records. These records also assist with determining eligibility for various family assistance payments. Parents and guardians can also obtain immunisation history statements for their children. They can be used as proof of immunisation for enrolment in school or child care.

Table 13: Australian Childhood Immunisation Register1

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Valid immunisation episodes recorded at 30 June | 5.0 million | 4. 7 million | 4.8 million | +0.8 |
| Children aged under seven years registered at 30 June  | 2.2 million | 2.2 million  | 2.2 million | +0.6 |
| Total amount paid to immunisation providers2 | $9.2 million | $9.3 million  | $9.7 million | +4.3 |
| Percentage of children registered with appropriate immunisation coverage at 30 June |
| Children aged 12–15 months | 90.4 | 90.9  | 92.1 | +1.2 |
| Children aged 24–27 months | 92.1 | 92.6  | 89.0 | –3.6 |
| Children aged 60–63 months | 91.8 | 91.9  | 92.3 | +0.4 |

1. Figures in the table may be rounded to the nearest decimal point.
2. Payments are made when a health professional notifies the department that they have completed an age-based immunisation schedule for a child. Each schedule includes a list of vaccinations needed against a number of diseases. Therefore the payment amount to health professionals does not reflect the number of valid immunisation episodes in a year.

### Australian Organ Donor Register

The Australian Organ Donor Register is the national register for people to record their decision about becoming an organ and/or tissue donor for transplantation after death.

The register enables authorised medical personnel to verify a person’s decision about donating their organs and/or tissue for transplantation. People can register their donation decision online on the Australian Organ Donor Register’s website, which also provides general information about organ and tissue donation for transplantation.

Table 14: Australian Organ Donor Register

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Consent registrations (including registrations of people aged between 16–17 years)1 at 30 June | 1 679 340 | 1 762 648 | 1 833 085 | +3.9 |
| Intent registrations2 at 30 June | 4 264 242 | 4 258 713 | 4 276 626 | +0.4 |
| Total registrations | 5 943 582 |  6 021 361 | 6 109 711 | +1.5 |
| Serviced calls to enquiry line | 22 330 | 18 652 | 17 998 | –3.5 |

1. A legally valid consent registration occurs when someone provides a signed registration form to the Australian Organ Donor Register.
2. Intent registrations occur when people electronically register their decision to donate.

### Supporting Leave for Living Organ Donors

The Supporting Leave for Living Organ Donors Scheme was a two-year pilot which provided a payment equivalent to the national minimum wage, for up to six weeks, to employers of people wanting to donate a kidney or partial liver. The scheme’s aim was to help reduce the financial stress associated with living organ donation and to raise employer awareness of organ donation. The Australian Government announced on 12 May 2015 that the scheme would continue for a further two years, from 1 July 2015 to 30 June 2017.

Table 15: Supporting Leave for Living Organ Donors Scheme

|  | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- |
| Number of claims processed | 65 | 112 | +72.3 |
| **Total amount paid** | **$188 478** | **$ 356 292**  | **+89**  |

### External Breast Prostheses Reimbursement Program

Under the External Breast Prostheses Reimbursement Program, women who have had a mastectomy as a result of breast cancer are reimbursed up to $400 for each new and replacement external breast prosthesis. Women can make a claim for new or replacement prostheses every two years.

Table 16: External Breast Prostheses Reimbursement Program

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Number of claims processed | 14 591 | 16 078 | 15 200 | –5.4 |
| **Total amount paid** | **$5.9 million** | $6.4 million  | $6.1 million  | –4.7 |

### National Bowel Cancer Screening Program

The National Bowel Cancer Screening Program aims to reduce the rate of bowel cancer and associated mortality.

As part of the 2014–15 Budget, the government announced the bringing forward of biennial screening for bowel cancer. All Australians aged 50 to 74 years will be invited to participate. The phased introduction commenced on 1 January 2015 and will be fully implemented in 2020. The department’s role is to:

* identify and invite eligible people to participate
* make payments to medical professionals for providing information to the register about consultations and medical procedures for programme participants who have received positive test results
* operate the information phone line for the general public and health professionals.

In 2014–15 the department invited eligible people who turned 50, 55, 60, 65, 70 and 74 years in 2015 to undertake screening.

Table 17: National Bowel Cancer Screening Program

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Invitations distributed | 969 749 | 1 426 814 | 1 331 711 | –6.6 |
| Information line calls received | 105 443 | 100 591 | 159 967 | +59.02 |

### Continence Aids Payment Scheme

The Continence Aids Payment Scheme gives eligible people with severe and permanent incontinence yearly or twice-yearly payments to help them buy continence aids products.

Table 18: Continence Aids Payment Scheme

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Number of applications processed | 31 837 | 31 776 | 30 212 | –4.9 |
| **Total amount paid** | **$62.0 million** | **$66.8 million** | **$74.1 million**  | **+10.9** |

### Child Dental Benefits Schedule

The Child Dental Benefits Schedule provides financial support for basic dental services for eligible children. Services include examinations, x-rays, cleaning, fissure sealing, fillings, root canals and extractions.

To be eligible a child must be aged between 2 and 17 years, be eligible for Medicare, and they, or their family, guardian or carer receives a relevant Australian Government payment, such as FTB Part A, at any time in the calendar year.

In 2014 and 2015 benefits for basic dental services are capped at $1000 per child over two consecutive calendar years.

In 2014–15, the first full year after the schedule’s introduction, the department processed 4.9 million services and paid $311.2 million in benefits.

### Private Health Insurance Rebate

The rebate on private health insurance reimburses or discounts the cost of private health insurance cover. It is available to all people who are eligible for Medicare and have a complying health insurance policy.

The rebate is income-tested. The level of rebate that people are entitled to claim depends on their age and income. From 1 July 2015 income thresholds were paused for three years to 1 July 2018.

In 2014–15 the rebate could be claimed in one of two ways:

* an upfront reduction in the cost of premiums—the Premiums Reduction Scheme (administered by the department)
* a tax offset in annual income tax returns (administered by the ATO).

Table 19: Private Health Insurance Rebate

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Memberships registered | 6.5 million | 6.6 million | 6.9 million  | +4.5 |
| Total paid to private health funds | $5.2 billion | $5.6 billion | $5.8 billion  | +3.6 |

### Hearing Services Program

The Australian Government provides hearing services to people who are determined to be eligible by the Office of Hearing Services within the Department of Health. The department processes claims and pays claims via the eClaim facility to accredited hearing service contractors for the Hearing Services Program. The department administers the programme on behalf of the Department of Health.

Table 20: Hearing Services Program services and payments

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Services processed1 | 1 236 515 | 1 265 890 | 1 320 763 | +4.3 |
| **Total amount paid2** | **$312.7 million** | **$337.0 million** | **$378.0 million** | **+12.2** |

1. Services provided to individuals.
2. Payments made to hearing service contractors.

### Medicare Compensation Recovery

Medicare Compensation Recovery aims to prevent double claiming when a person receives a lump sum compensation payment of more than $5000. If the person had received any Medicare benefits, or nursing home or residential care government subsidies because of their injury, they may have to pay the costs of these back to the Australian Government before they get their compensation payment.

Table 21: Medicare Compensation Recovery

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Cases finalised | 40 463 | 52 678 | 50 268 | –4.6 |
| **Total amount of benefits recovered** | **$64.5 million** | **$51.4 million** | **$48.5 million** | –**6.0** |

### Practice Incentives Programme

The Practice Incentives Programme (PIP) consists of 10 incentives—see Table 22 below. The incentives are paid to medical practices and individual providers to encourage improvements to general practice—see Table 23 on page 42 for data on practice participation in the programme.

Table 22: Practice Incentives Programme payments

| Aged care access | Service Incentive Payments (SIPs) to GPs encourage increased and continuing services in Australian Government funded residential aged care facilities. |
| --- | --- |
| Asthma | Sign-on payments to practices encourage GPs to better manage the clinical care of people with moderate to severe asthma. SIPs are available to GPs for each asthma cycle of care completed for a patient with moderate to severe asthma. |
| Cervical screening | Sign-on and outcomes payments to practices encourage GPs to screen women who have not had a cervical smear in the past four years, increasing overall screening rates. SIPs are available to GPs for each cervical smear taken on a woman aged between 20 and 69 years who has not had a cervical smear in the past four years. |
| Diabetes | Sign-on and outcomes payments to practices encourage GPs to provide earlier diagnosis and effective management of people with established diabetes mellitus. SIPs are available to GPs for completing an annual diabetes cycle of care. |
| eHealth | Incentive payments encourage practices to adopt new eHealth technology as it becomes available, to improve administration processes and the quality of care provided to patients. |
| Indigenous health | Payments to practices encourage GPs to provide better health care for Aboriginal and Torres Strait Islander patients, including best practice management of chronic disease. |
| Procedural GP payment | Incentive payments to practices encourage rural GPs to provide procedural services. |
| Quality prescribing | Payments to practices encourage GPs to keep up to date with information on the quality use of medicines by taking part in activities recognised or provided by the National Prescribing Service. |
| Rural loading  | A rural loading is applied to the PIP payments of practices where the main location is outside a major metropolitan area. |
| Teaching | Incentive payments to practices encourage GPs to provide teaching sessions to undergraduate medical students, to ensure the practitioners of tomorrow are appropriately trained and have actual experience of general practice. |

Table 23: Practice participation in the Practice Incentives Programme

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Total number of practices participating  | 5 189 | 5 250 | 5 392 | +2.7 |
| Practices registered per incentive1 |
| Asthma | 3 136 | 3 346 | 3 575 | +6.8 |
| Cervical screening | 3 220 | 3 418 | 3 637 | +6.4 |
| Diabetes | 3 209 | 3 410 | 3 632 | +6.5 |
| eHealth | 4 012 | 4 618 | 4 876 | +5.6 |
| Indigenous health | 3 417 | 3 763 | 4 041 | +7.4 |
| Practices receiving outcomes payments2 |
| Procedural GP3 | 360 | 375 | 373 | –0.5 |
| Cervical screening | 1 017 | 516 | 484 | –6.2 |
| Diabetes | 2 437 | 1 001 | 1 091 | +9.0 |
| Indigenous health | 4 356 | 5 086 | 5 691 | +11.9 |
| Other information |
| Indigenous health incentive patient registration payments | 54 944 | 62 266 | 64 780 | +4.0 |
| Teaching session payments  | 196 494 | 230 662 | 211 196 | -8.4 |
| Service incentive payments4 (asthma, cervical, diabetes, aged care access incentive) | 57 824 | 62 978 | 67 555 | +7.3 |
| Total amount paid at 30 June | $279.6 million | $218.6 million | $228.1 million | +4.3 |

1. Practices are automatically registered for the teaching, rural loading and quality prescribing incentives when approved for the programme.
2. Outcome payments are made to practices that have reached the target level required to receive the incentive under the programme. For the cervical screening and diabetes incentives, this is the number of practices that received an outcomes payment in the May quarter. For the Indigenous health incentive, this is the total number of outcomes payments.
3. This is the number of practices that received a procedural GP payment.
4. This is the total number of service incentive payments which includes the asthma incentive, cervical screening incentive, diabetes incentive and the general practitioner aged care access incentive.

### Practice Nurse Incentive Program

The Practice Nurse Incentive Program provides incentive payments to practices that support an expanded role for nurses working in general practice.

General practices across Australia, including those in urban areas, as well as Aboriginal Medical Services and Aboriginal Community Controlled Health Services, may be eligible for an incentive to help with the costs of employing a practice nurse. To be eligible, the practice must be accredited under the current Royal Australian College of General Practitioners Standards for general practices.

Table 24: Practice Nurse Incentive Program

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Practices approved | 3994 | 4252 | 4338 | +2.0 |
| Payments made | $313.2 million | $295.8 million | $314.3 million1 | +6.3 |

1. The figure shown represents the total amount of the incentive paid, including the DVA loading.

### Mental Health Nurse Incentive Programme

The Mental Health Nurse Incentive Programme funds community-based general practices, private psychiatric practices and other appropriate organisations so they can employ mental health nurses to help provide coordinated clinical care for people with severe and persistent mental disorders.

Table 25: Mental Health Nurse Incentive Programme

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Organisations registered | 418 | 381 | 341 | –10.5 |
| Payments made | $35.3 million | $31.7 million | $32.7 million | +3.2 |

### Rural health programmes

Four rural health programmes administered by the department offer incentives and support for medical practitioners providing services in rural areas.

#### General Practice Rural Incentives Program

The General Practice Rural Incentives Program comprises the GP component and the Rural Relocation Incentive Grant. The programme encourages medical practitioners to practice in rural and remote communities and promotes careers in rural medicine.

Table 26: General Practice Rural Incentives Program

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Medical practitioners paid | 11 587 | 11 529 | 12 630 | +9.5 |
| Payments made | 12 771 | 12 688 | 14 600 | +15.4 |
| **Total amount paid** | **$113.2 million** | **$137.6 million** | **$157.8 million** | **+14.7** |

#### HECS Reimbursement Scheme

The HECS (Higher Education Contribution Scheme) Reimbursement Scheme encourages medical graduates to pursue a career in rural medicine and increases the number of doctors in rural and regional areas.

Eligible graduates, who have completed their final year of study and obtained their medical degree in the last six years, have a proportion of their HECS debt reimbursed for each year of training undertaken, or service provided, in rural and remote Australia.

Payments are scaled to provide the greatest rewards for medical practitioners working in the most remote areas. The Australian Standard Geographical Classification—Remoteness Area system is used to define eligible areas.

Table 27: HECS Reimbursement Scheme

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Number of medical graduates paid | 1011 | 1050 | 1126 | +7.2 |
| Number of payments made | 1738  | 1695 | 1909 | +12.6 |
| **Total amount paid** | **$14.3 million**  | **$14.9 million** | **$23.8 million1** | **+59.7** |

1. $7.9 million of the $23.8 million is the accrual amount for 2014–15. This figure Includes pro-rata payments for the cessation of the HECS Reimbursement Scheme on 30 June 2015.

#### Rural Procedural Grants Program

The Rural Procedural Grants Program assists GPs who provide procedural or emergency medicine services in rural and remote areas to attend training courses in maintaining and improving skills, up to $20 000 per GP a year.

The Australian College of Rural and Remote Medicine and the Royal Australian College of General Practitioners determine eligibility.

In 2014–15, 1992 GPs were paid a total of $18.9 million compared to 2013–14 when 1999 GPs were paid a total of $16.9 million.

#### Rural Locum Education Assistance Program

The Rural Locum Education Assistance Program provides financial assistance to urban GPs who undertake emergency medicine training. They must commit to a four-week general practice locum placement in a rural locality within two years of finishing their training.

The Australian College of Rural and Remote Medicine and the Royal Australian College of General Practitioners determine eligibility.

In 2014–15, 20 GPs were paid a total of $90 000 compared to 2013–14 when 31 GPs were paid a total of $144 000.

### Medical indemnity

The Australian Government’s medical indemnity framework consists of a number of schemes to strengthen the longer-term viability and success of the medical insurance industry. To achieve this, the government provides financial support to reduce the impact of large claims and makes medical indemnity insurance more affordable for medical practitioners. The department administers the schemes under the Medical Indemnity Act 2002 and associated legislation.

#### Exceptional Claims Indemnity Scheme

Under the Exceptional Claims Indemnity Scheme medical practitioners are protected against personal liability for eligible claims that exceed the level of their insurance cover. In 2014–15 no claims were submitted against this scheme.

#### High Cost Claims Indemnity Scheme

Under the High Cost Claims Indemnity Scheme the government funds 50 per cent of the cost of medical indemnity insurance payouts that are greater than the threshold amount, up to the limit of a medical practitioner’s insurance cover.

Table 28: High Cost Claims Indemnity Scheme

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Claims received | 211 | 231 | 445 | +92.6 |
| **Total benefits paid** | **$33.4 million** | **$30.1 million** | **$47.2 million** | **+56.8** |

#### Premium Support Scheme

Under the Premium Support Scheme eligible medical practitioners receive a subsidised reduction in their insurance premiums. Insurers are then reimbursed the subsidised amount. The scheme subsidises 60 per cent of the cost of the premium beyond the 7.5 per cent threshold.

Table 29: Premium Support Scheme

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Eligible practitioners | 1993 | 1671 | 1400 | –16.2 |
| Amount paid | $9.3 million | $9.3 million | $7.8 million | –16.1 |
| Administration fees1 | $2.4 million | $1.4 million | $1.3 million | –7.1 |

1. The decrease in administration fees is primarily due to a reduced monthly invoice amount from the insurance provider. The monthly amount is calculated by the Department of Health at the beginning of the financial year.

#### Run-off Cover Scheme for doctors

Under the Run-off Cover Scheme the government covers the cost of claims for eligible medical practitioners who have left the private medical workforce. The government uses funds paid into the scheme by medical indemnity insurers to cover incidents that occur in connection with a medical practitioner’s practice. Indemnity cover for eligible medical practitioners reflects the last claims arrangement they had with their insurer.

Table 30: Run-off Cover Scheme

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Claims received | 72 | 60 | 81 | +35.0 |
| **Total benefit paid** | **$2.9 million** | **$2.0 million** | **$5.6 million** | **+180.0** |

#### Run-off Cover Scheme support payment

Under the Run-off Cover Scheme the government guarantees funding for claims against eligible medical practitioners who have left the private medical workforce and have been provided with free run-off cover. The support payment is imposed as a tax on each medical indemnity insurer for each contribution year. This is used to fund eligible claims made under the scheme.

Medical indemnity insurers are reimbursed for implementation and compliance costs. In 2014–15, $1.8 million in administration fees was paid compared to $1.1 million in 2013–14. No implementation fees were paid.

#### Incurred-But-Not-Reported Indemnity Claims Scheme

Under the Incurred-But-Not-Reported Indemnity Claims Scheme the government covers the costs of claims from medical defence organisations that do not have adequate reserves to cover their liabilities. United Medical Protection—now known as Avant Insurance Limited—is the only medical defence organisation actively participating in the scheme.

Ongoing costs associated with the scheme are partly funded through a contribution payment called the United Medical Protection Support Payment which is imposed on people who were members of United Medical Protection on 30 June 2000. To be eligible, incidents that led to claims must have occurred before 30 June 2002.

Table 31: Incurred-but-not-reported indemnity claim scheme

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Claims received | 34 | 65 | 65 | 0.0 |
| **Total benefit paid** | **$3.7 million** | **$7.8 million** | **$2.3 million** | –**70.5** |

#### Midwife Professional Indemnity Scheme

The Midwife Professional Indemnity Scheme gives financial help to eligible insurers who provide indemnity to eligible midwives. The scheme includes a government contribution to assist with claims made against eligible midwives. It benefits private independent midwives by providing indemnity insurance policies. In 2014–15 no claims were made under this scheme.

#### Midwife indemnity administration fees

Run-off Cover Scheme administration fees are paid to midwife professional indemnity insurers to compensate for the work they undertake to administer the scheme.

In 2014–15, $175 000 in administration fees was paid compared with $125 000 in 2013–14 and $173 916 in 2012–13.

### Visiting medical practitioners

Under a service agreement with the Western Australian Government the department administers a payment and information system for hospital staff. The payment is for claims processing from visiting health professionals who treat public hospital patients under individual contracts with participating public hospitals in Western Australia.

Table 32: Visiting medical practitioners

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Number of services | 283 621 | 292 216 | 264 834 | –9.4 |
| **Total value** | **$71.3 million** | **$78.9 million** | **$78.4 million** | –**0.6** |

### Medical, dental and pharmaceutical advisers

The department employs 42 health professionals such as doctors, pharmacists, a dentist and an optometrist, to provide specialist advice.

These health professionals undertake various activities including:

* reviewing health practitioners under the Practitioner Review Program
* assisting with compliance audits, projects and investigations
* assisting with assessment of complex claims and highly specialised drugs applications
* developing educational products and providing education to health professionals.

### National Health Funding Administrator Payments System

The National Health Funding Administrator Payments System facilitates payments from the Australian Government to states and territories for public hospital services through the National Health Funding Pool, as required under the National Health Reform Agreement.

The department provides programme, corporate and support services to the National Health Funding Body and the Administrator of the National Health Funding Pool to carry out their functions. All eight jurisdictions are successfully using the payments system. In 2014–15 payments of $35.2 billion were made compared to $33.4 billion in 2013–14.

## PHARMACEUTICAL BENEFITS SCHEME

The Pharmaceutical Benefits Scheme (PBS) subsidises the cost of many prescription medicines, making them more affordable for Australian residents and eligible overseas visitors.

Under the Repatriation Pharmaceutical Benefits Scheme (RPBS) eligible veterans, war widows and widowers can access some additional medicines and dressings at concession rates and, if clinically justified, items not listed in either the PBS or RPBS schedules.

In administering both schemes the department processes pharmacist claims, approves authority prescriptions, approves pharmacists and certain doctors to supply PBS medicines, and approves private hospitals and participating public hospitals to supply PBS medicines to eligible patients. It also administers associated programmes that support access to medicines and their quality use, such as pharmacist incentive payments.

Table 33: PBS and RPBS expenditure

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–142  |
| --- | --- | --- | --- | --- |
| PBS benefits paid | $9.1 billion | $9.3 billion | $9.2 billion | –1.1 |
| RPBS benefits paid1 | $0.4 billion | $0.4 billion | $0.4 billion | 0.0 |
| Total benefits paid | $9.5 billion | $9.6 billion | $9.5 billion | –1.0 |
| PBS services processed1 | 198.7 million | 211.8 million | 213.9 million | +1.0 |
| RPBS services processed | 12.4 million | 12.3 million | 11.6 million | –5.6 |
| Total services processed | 211.1 million | 224.1 million | 225.6 million | +0.6 |

1. Payments/services processed on behalf of Department of Veterans’ Affairs.
2. Percentages in this table may have been rounded to the nearest decimal point.

### PBS eligibility

The price paid for PBS medicines depends on a person’s level of eligibility. The two levels of eligibility are the general rate and the concession rate—see also PBS Safety Net on page 50.

The patient contribution at the general rate rose to $37.70 from 1 January 2015. All Australian residents and eligible overseas visitors can access PBS medicines at the general rate.

Patients and their families with a valid concession card from the department or from the Department of Veterans’ Affairs are eligible for the concession rate of $6.10. These amounts were adjusted on 1 January 2015 in line with the consumer price index. Patients pay extra for more expensive brands of medicines.

### PBS Safety Net

The PBS Safety Net helps people who require a lot of prescription medicines in a calendar year with their cost.

The PBS Safety Net thresholds were adjusted from 1 January 2015, in line with the consumer price index. The 2015 general threshold is $1453.90 and the concession threshold is $366 for concession card holders. Once people reach the relevant threshold, a pharmacist can issue them with a PBS Safety Net card. Their contribution for PBS medicines for the rest of the year will then be:

* $6.10 for general patients
* free for concession card holders.

Patients pay extra for more expensive brands of medicines.

### Indigenous people’s access to the PBS

The department administers special PBS arrangements in remote Indigenous communities through Aboriginal Health Services and some state and territory funded health services. Patients of approved remote area Aboriginal Health Services can access free PBS medicines without a prescription. Patients can also receive medicine in the usual way by taking a prescription to a community pharmacy.

At 30 June 2015 there were 173 approved Aboriginal Health Services around the country. This is consistent with the number of approved Aboriginal Health Services in 2013–14.

The Closing the Gap PBS Co-Payment helps Aboriginal and Torres Strait Islander people living with chronic disease, or at risk of it, with the cost of PBS medicines. Since 1 July 2010 eligible patients have received PBS medicines free of charge or for the concession patient contribution rate.

### Travelling with PBS medicines

The Travelling with PBS medicines enquiry line provides information and advice to people about their responsibilities and rights when travelling overseas with PBS medicines. In 2014–15 the enquiry line received almost 2500 calls compared to 3300 calls 2013–14. During the year there were 35 000 visits to the relevant page on the department’s website compared to 30 000 in 2013–14.

### PBS processing

Online claiming for PBS allows pharmacies to lodge prescription claims with the department each time a PBS or RPBS medicine is dispensed.

Table 34 shows data relevant to the administration of the PBS.

Table 34: PBS administration

| Deliverables and key performance indicators | 2012–13% | 2013–14% | 2014–15% |
| --- | --- | --- | --- |
| Claims processed accurately1 | 98.6 | 98.2 | 98.2 |
| PBS claims submitted online | 99.6 | 99.9 | 99.9 |
| Applicants approved to supply PBS medicines advised within five days of the decision being made | 100 | 100 | 100 |

1. Target ≥98 per cent.

### Authority-required prescriptions

Authority-required medicines for the treatment of specific conditions are listed in the Schedule of Pharmaceutical Benefits and may require approval from the department before they are prescribed to patients. An authority prescription provides the option of seeking more or repeat prescriptions of PBS or RPBS medicines. In 2014–15 the department received 6.9 million authority requests, and 6.9 million in 2013–14.

### Approving suppliers of PBS medicines

Under section 90 of the National Health Act 1953 and with agreement from the Australian Community Pharmacy Authority (ACPA), the department can grant approvals to community pharmacies, certain doctors and hospital authorities to supply PBS medicines.

The number of section 90 applications referred to ACPA decreased from 401 in 2013–14 to 349 in 2014–15:

* 100 per cent of applications were referred to ACPA within nine working days of registration
* 100 per cent of applications recommended by ACPA were advised within five working days of the decision to approve.

Table 35: Approved PBS suppliers at 30 June

|   | At 30 June 2013 | At 30 June 2014 | At 30 June 2015 | % change since 30 June 2014 |
| --- | --- | --- | --- | --- |
| Approved pharmacists | 5351 | 5457 | 5511 | +1.0% |
| Approved medical practitioners | 33 | 23 | 21 | –8.7% |
| Approved hospital authorities—private hospitals | 95 | 104 | 116 | +11.5% |
| Approved hospital authorities—public hospitals participating in pharmaceutical reforms | 159 | 159 | 161 | +1.3% |
| Approved hospital authorities—highly specialised drugs only | 77 | 78 | 77 | –1.3% |

### Pharmaceutical reforms in public hospitals

Under the National Healthcare Agreement, the Australian Government and state and territory governments have reformed the supply of pharmaceutical benefits to eligible patients in public hospitals. Eligible patients include:

* admitted patients on discharge
* outpatients
* day patients accessing chemotherapy drugs.

At 30 June 2015 the department had approved 161 public hospitals under these arrangements—5 in the Northern Territory, 49 in Queensland, 15 in South Australia, 4 in Tasmania, 69 in Victoria, 19 in Western Australia and none in either New South Wales or the Australian Capital Territory.

## eHEALTH

The eHealth programme is a national approach to delivering electronic health system standards and infrastructure. It is transforming the way information is accessed and used to plan, manage and deliver health services in Australia. The department is delivering core components of the eHealth programme including:

* the Healthcare Identifiers Service
* the National Authentication Service for Health.

The department is also delivering components of the Personally Controlled Electronic Health Record system on behalf of the eHealth System Operator, the Department of Health.

### Healthcare Identifiers Service

The Healthcare Identifiers Service (HI Service) is a national system for uniquely identifying health care providers, organisations and individuals.

Use of Health Identifiers gives individuals and providers confidence that the right information is associated with the right individual at the point of care. A Healthcare Identifier is not a health record and is not required to receive health care or to claim health care benefits such as Medicare.

As the HI service operator (as defined in the Healthcare Identifiers Act 2010), the department assigns, collects, stores and maintains HIs.

In 2014–15 the department has:

* assigned 585 330 HIs to individuals
* collected or assigned 33 387 HIs to individual health care providers
* assigned 531 HIs to health care organisations (such as hospitals or general practices).

The HI Service annual report contains full details of HI Service operations and is tabled in the Parliament each year.

### National Authentication Service for Health

The National Authentication Service for Health (NASH) delivers authentication services for health care providers and supporting organisations.

NASH Public Key Infrastructure (PKI) certificates are used to access the eHealth record system. The NASH PKI certificates can also be used to send and receive information securely between health care organisations.

In 2014–15 the department issued:

* 5559 certificates to health care provider organisations
* 687 certificates to health care provider individuals
* 12 certificates to supporting organisations.

## HEALTH PROFESSIONAL EDUCATION SERVICES

The department provides high quality, accessible information and education resources and services to help health professionals access programmes. In 2014–15 these included:

* developing and delivering seven MBS presentations and workshops for health professional peak bodies, which had 261 attendees
* engaging internal and external stakeholders to develop information and education resources for health professionals
* running 56 intern training workshops with 1398 attendees under the national training programme for pharmacy interns
* facilitating four presentations to 59 health professionals through the National Broadband Network across 35 sites.

The department also developed targeted resources to assist health professionals in understanding Medicare and the PBS. These new resources include:

* Medicare ultrasound services guide
* information about prescribing, dispensing and claiming highly specialised drugs guide
* five guides supporting online claiming
* Medicare reason codes and reducing claim rejections guide
* five guides and an eLearning programme supporting Indigenous health
* introduction to Compliance within Medicare eLearning Programme.

During the year more than 17 600 educational products were downloaded from the department’s website and there were more than 196 000 visits to its education pages.

# 2.4 CHILD SUPPORT

## CHILD SUPPORT

The department assists separating and separated families to ensure their children are supported through the Child Support Scheme. This includes working with other government departments and community agencies to make sure that separated parents have access to the range of support services available.

Child support assessment, registration, collection and disbursement services are provided to parents and non-parent carers such as grandparents, legal guardians or other family members. We also provide separated parents with a range of referral services and products to help them with their child support needs. The person entitled to receive support payments can elect to transfer child support privately (Private Collect) or ask the department to transfer the payments (Child Support Collect).

The percentage of domestic active paying parents with no outstanding child support debt increased to 77.4 per cent in 2014–15 compared to 75.7 per cent in 2013–14.

Although most parents pay their child support on time, with more than half of parents using Private Collect arrangements, early intervention and enforcement measures are still needed for parents who fail to pay their child support. The department uses various means to collect ongoing and overdue child support—see Child support customer compliance on page 116.

### Child Support transfers

In 2014–15 the department worked with separated parents to transfer $3.5 billion to support approximately 1.2 million children. This is the same as in 2013–14.

Table 36: Amount of child support transferred between parents

| Total child support transferred | 2012–13$ billion | 2013–14$ billion | 2014–15$ billion |
| --- | --- | --- | --- |
| Child Support Collect | 1.4 | 1.5 | 1.5 |
| Private Collect1 | 2.0 | 2.0 | 2.0 |
| Total | 3.4 | 3.5 | 3.5 |

1. The amount of Private Collect transferred assumes 100 per cent of Private Collect is collected and transferred.

### Private Collect

The department encourages separated parents to manage their child support responsibilities independently through Private Collect arrangements.

In 2014–15, 53 per cent of cases used Private Collect arrangements. This compares to 53.3 per cent in 2013–14 and 53.7 per cent in 2012–13.

### Child Support Collect

Parents can ask the department to collect and transfer their child support.

In 2014–15, $1.5 billion was collected, the same as in 2013–14—see Table 36 on page 55.

Table 37 outlines the percentage of child support debt under a payment arrangement.

Table 37: Percentage of child support debt under an arrangement

|   | 2012–13% | 2013–14% | 2014–15% |
| --- | --- | --- | --- |
| Child support debt under an arrangement | 41.8 | 40.5 | 39.1 |

### Active paying parents with debt under arrangement and without debt

Active paying parents are those with a role in at least one active child support case, not including cases that ended with arrears. Of all active paying parents 75.8 per cent had no debt at the end of June 2015 compared to 75.7 per cent at the end of June 2014.

The remaining active paying parents had an outstanding child support debt. Of these 51.9 per cent had a payment arrangement in place in 2014–15 compared to 51.1 per cent in 2013–14.

Table 38 on page 57 shows the percentage of active paying parents who do not have a child support debt, as a proportion of all active paying parents. It also shows the percentage of active paying parents with a child support debt and a payment arrangement in place, expressed as a proportion of all active paying parents with a child support debt. The department focuses on reducing debt through its compliance and enforcement programmes.

Table 38: Active paying parents with debt under arrangement and without debt

|   | 2012–13% | 2013–14% | 2014–15% |
| --- | --- | --- | --- |
| Active paying parents without debt | 75.3 | 75.7 | 75.8 |
| Active paying parents with a child support debt which is under a payment arrangement | 51.7 | 51.1 | 51.9 |

### Change of assessment and objections to child support decisions

In 2014–15 the number of parents applying for a change of assessment fell by 0.4 per cent from 18 169 change of assessment applications in 2013–14 to 18 092 in 2014–15.

The number of objections to change of assessment decisions increased 10.3 per cent from 2770 in 2013–14 to 3056 in 2014–15. Parents who object to child support decisions, including change of assessment, can expect to have a final decision within 60 days for domestic customers and 120 days for international customers.

# 2.5 SERVICES FOR PEOPLE NEEDING OTHER SUPPORT

## SUPERANNUATION PROGRAMMES

### Small Business Superannuation Clearing House

The Australian Taxation Office’s (ATO) Small Business Superannuation Clearing House is a free government service to assist small businesses with 19 or fewer employees to meet their superannuation guarantee obligations, and to reduce red tape. Under superannuation guarantee requirements, small businesses must make superannuation payments at least four times a year.

The department manages the Clearing House on behalf of the ATO. The Clearing House simplifies the process into a single, electronic payment for all employees and sends the contributions to the nominated superannuation funds—avoiding the need for small businesses to deal with multiple funds.

### Early Release of Superannuation Benefits

The Early Release of Superannuation Benefits programme allows eligible people to draw on their superannuation benefits under specified compassionate grounds in a time of need. Releases are limited to assistance in meeting costs for an applicant or their dependant for various reasons, such as medical expenses, home and vehicle modifications for people with severe disability, funeral expenses, palliative care and financial hardship.

The department’s role is to confirm that a person has received a qualifying income support payment for the required period, and to assess applications and approve early release of benefits.

Final decisions to release superannuation benefits rest solely with the superannuation funds.

Table 39: Early Release of Superannuation Benefits

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Applications received | 18 024 | 19 286 | 19 367 | +0.4 |
| Applications approved in full or in part | 11 510 | 12 243 | 14 261 | +16.5 |
| Amount approved for release | $145 517 285 | $150 991 150 | $183 772 297 | +21.7 |
| Average amount released per approval | $12 643 | 12 333 | $12 886 | +4.5 |

## VULNERABLE PEOPLE

Apart from providing direct assistance with payments and services, the department continued to work with community organisations to ensure that vulnerable customers receive appropriate and timely referrals to other support and assistance.

### Family and domestic violence

The department’s Family and Domestic Violence Strategy aims to ensure that customers most in need, due to family and domestic violence concerns, are identified and receive the support they need, such as payments, support services and referrals to other assistance—see also Support for people experiencing domestic and family violence on page 62.

The implementation of the strategy also supports staff who may be affected by domestic violence through awareness programmes and access to support services.

### Community Engagement Officers

Community Engagement Officers provide targeted assistance to vulnerable customers, including people experiencing homelessness. These officers work to ensure that vulnerable customers maintain access to payments and associated services, as well as increasing their ability to self-manage their business with the department and other organisations.

Community Engagement Officers offer information, assistance and outreach to community organisations that support people with complex needs. This is to ensure they have an accurate understanding of the department’s services and customer entitlements and obligations. Organisations can include rehabilitation centres, psychiatric hospitals, post-prison release accommodation, hostels, boarding houses, refuges, drop-in centres and organised meeting places.

In 2014–15 the department had 96 Community Engagement Officers, compared to 102 in 2013–14.

### Homelessness Indicator

The department continues to collect and monitor information about people’s housing stability through the Homelessness Indicator. The indicator enables the department to consider tailored services for people experiencing, or at risk of, homelessness—see also Support for people experiencing homelessness and hardship on page 62.

In 2014–15, 98 918 customers had a Homelessness Indicator on their customer record compared to 83 747 customers in 2013–14.

### Youth Protocol

The Youth Protocol aims to protect young people from homelessness, abuse and violence. It clarifies the roles and responsibilities of the Australian Government and state and territory child protection agencies in providing support for at-risk young people aged between 12 and 17 years who are seeking income support. The department is currently reviewing arrangements to improve servicing for young people at risk.

### Services for prisoners

Prison services are provided nationally to prisons and youth justice centres. Programme protocol agreements with state and territory correctional authorities support strategies that help reintegrate prisoners into the community, including:

* preventing social welfare payment debts
* ensuring Child Support amounts from adults in prison are accurate
* completing Employment Services Assessments and Job Capacity Assessments
* providing Medicare services
* providing income support on release
* assisting Indigenous customers with study expenses.

A National Child Support phone service for incarcerated customers was successfully implemented this year. Programme protocol agreement reviews were completed and signed with the Australian Capital Territory, Northern Territory, Queensland, South Australia and Western Australia. The department is working on agreements with Victoria, New South Wales and Tasmania.

### Research into services for ‘disconnected’ people

The department continued work with RMIT University to investigate ways to improve service delivery for people with complex needs who are disconnected from their community’s economic and social life. In partnership with the Bridgewater community in Tasmania, a three year longitudinal study—due to finish in December 2015—continues to test new, innovative and practical service delivery approaches.

## SOCIAL WORK SERVICES

Social workers are at the intensive end of the department’s service delivery model, with priority given to customers who are at risk of suicide or mental distress without adequate support and people experiencing domestic and family violence, mental illness, homelessness and hardship.

At 30 June 2015 the department had 741 qualified social workers located in service centres, smart centres, remote servicing teams and community outreach roles. Social workers responded to 278 308 referrals for support in 2014–15 compared to 305 699 in 2013–14.

### Priority areas

#### Suicide and mental distress

Social workers provide timely support and intervention to customers at risk of suicide or suffering mental distress. This includes ensuring the person is safe and making referrals for further assistance, and providing support to service officers engaging with customers who are at risk. In 2014–15 social workers responded to 4251 referrals for customers at risk of suicide compared to 4345 referrals in 2013–14, and 39 511 referrals for customers experiencing mental health issues compared to 45 129 in 2013–14.

#### Young people without adequate support

Social workers provide targeted professional intervention and support for vulnerable and unsupported young people aged under 25 years. This work assists young people to become more independent and engage in work, training or study by ensuring they are connected with appropriate services in their community that will help address basic needs, such as accommodation. In 2014–15 social workers worked intensively with 4943 young people compared to 5385 in 2013–14.

#### Support for people experiencing domestic and family violence

Social workers provide private and confidential interviews for counselling and support for people experiencing domestic and family violence. They help customers consider their options and determine their eligibility for any payments and services where domestic and family violence is a factor.

In 2014–15 social workers received 48 468 referrals for people experiencing domestic and family violence compared to 47 306 referrals in 2013–14.

#### Support for people experiencing homelessness and hardship

Social workers assist individuals and families with multiple complex needs through early intervention and crisis support, case planning, counselling, and referrals to government and community agencies.

In 2014–15 social workers received 62 044 referrals for customers experiencing homelessness or accommodation issues, compared to 72 651 referrals in 2013–14. The department continued to have 13 dedicated social workers in 2014–15, working closely with Community Engagement Officers to support people who are homeless or at risk of homelessness. These social workers assisted 4362 customers in 2014–15 compared to 2844 customers in 2013–14.

### Specialist social work programmes

#### Supporting repatriated customers

Through referrals from the Department of Foreign Affairs and Trade the department continued to assist vulnerable customers who have voluntarily returned to Australia, who do not have family, kin or support networks and require assistance to reintegrate into the community.

#### Carer specialist assessments

In 2014–15 there were 906 referrals to carer specialist assessment social workers compared to 919 in 2013–14.

Social workers also assessed 223 claims from carers aged under 18 years
(352 in 2013–14) and 1642 claims from carers aged over 80 years (1416 in 2013–14). These customer groups are recognised as having multiple complex needs and often need professional social work intervention.

#### Social work service and compliance

Social workers, in consultation with senior service officers, undertake Comprehensive Compliance Assessments, which support the job seeker compliance model. The information gathered by social workers in assessments guides decision-making about serious failures and barriers to participation. See also Job seeker compliance on page 27.

#### Social work services during emergency recovery

In 2014–15 social workers helped people affected by the bushfires in South Australia in January 2015, Tropical Cyclone Marcia in Queensland and Tropical Cyclone Lam in the Northern Territory in February 2015, Tropical Cyclone Olwyn in Western Australia in March 2015 and the storms and flooding on the New South Wales east coast in April 2015. They provided support in recovery centres, service centres in the community and via phone services.

In July 2014 social workers were part of a whole-of-government response to assist families of Australians who died in the Malaysian Airlines Flight MH17 plane crash. Social workers also continued to support individuals and families claiming the Australian Victim of Terrorism Overseas Payment.

See also Emergency responses on page 79.

#### HOME Advice Program

Social workers continued to support the Household Organisational Management Expenses (HOME) Advice Program during its extended funding period to 28 February 2015. Up to this time, social workers conducted 1281 interventions with families at risk of homelessness to ensure their access to departmental services and payments, compared to 3808 interventions in 2013–14.

## RURAL SERVICES

### Drought coordinators

As part of the social and community support component of the government’s drought assistance package, the department has five drought coordinators in drought-declared regions of Queensland and northern New South Wales.

Drought coordinators ensure drought-declared communities receive the full benefit of the support services available. The coordinators link services and make it easier for farming families and their communities to access a range of support.

### Farm Household Allowance

The department delivered the Farm Household Allowance, which replaced the Interim Farm Household Allowance on 1 July 2014. In 2014–15 over 5200 farmers and their families experiencing financial hardship were granted the Farm Household Allowance to support them to improve their long-term financial situation.

Farm Household Allowance customers are required to complete a Farm Financial Assessment and enter into a Financial Improvement Agreement to improve their capacity for financial self-reliance.

## INDIGENOUS PEOPLE

### Indigenous Servicing Strategy

The Indigenous Servicing Strategy 2012–2015 (ISS) provides clear strategic direction to all employees who deliver services to Aboriginal and Torres Strait Islander peoples. The ISS maintains and develops Indigenous servicing expertise within the department and has three strategic goals:

* Our People
* Understanding
* Customer Service Delivery.

With the ISS expiring in December 2015, a comprehensive review of the strategy was completed. Based on the review’s findings the department is renewing the strategy, with a launch planned for late 2015.

The new ISS will continue to support the department’s Aboriginal and Torres Strait Islander Employees Plan 2012–15 and the Reconciliation Action Plan 2015–2017.

### Indigenous servicing specialists

Indigenous Programme Support Managers (IPSMs) help the department and Australian Government agencies to work with Aboriginal and Torres Strait Islander peoples and communities to deliver integrated services and programmes. IPSMs provide strategic advice to internal and external stakeholders to identify customer and community servicing needs, as well as expertise about cultural beliefs and practices that may affect Aboriginal and Torres Strait Islander staff or service delivery. IPSMs are members of departmental strategic and leadership forums that develop Indigenous servicing strategies. At 30 June 2015 there were 12 IPSMs.

Indigenous Service Officers (ISOs) help address strategic and operational issues relating to service delivery to Aboriginal and Torres Strait Islander peoples and communities. By delivering key messages about the department’s services, ISOs aim to increase the level of understanding, awareness and access to services and programmes. ISOs also offer intensive support to assist vulnerable Aboriginal and Torres Strait Islander peoples and communities to engage with the department to access assistance. At 30 June 2015 there were 81 ISOs.

Indigenous Customer Service Officers (ICSOs) provide culturally appropriate customer service to Aboriginal and Torres Strait Islander customers in service centres. ICSOs help and support non-Indigenous staff on culturally sensitive issues. ICSOs also refer Aboriginal and Torres Strait Islander customers to service providers and community support, offer out-servicing, and give customers advice about their rights and obligations. At 30 June 2015 there were seven ICSOs located in northern Queensland and western Victoria.

### Remote servicing model

The department’s remote servicing model responds to the unique challenges facing customers in remote regions. The model includes service centres, remote service centres, agents, access points, online options, and remote servicing teams, supported by an integrated remote smart centre that provides phone services and claims processing. This helps to achieve consistent services and organisational and resource efficiencies.

We have partnerships with many organisations, including other Australian Government departments and state, territory and local governments, to deliver services in remote areas.

We engage directly with customers, particularly people living in remote Indigenous communities, to shape services that are culturally appropriate, effective and empowering.

### Remote servicing teams

Remote servicing teams have two to four staff who provide departmental services to remote Indigenous communities through regular visits. The department hires and trains local Indigenous staff to work in remote servicing teams. As well as improving community employment levels, staff from remote communities are more likely to speak Indigenous languages and understand local customs, traditions and relationships. Indigenous staff are also role models for young Indigenous people in remote communities.

### Remote Jobs and Communities Programme

The Remote Jobs and Communities Programme (RJCP) is administered by the Department of the Prime Minister and Cabinet. The programme provides participation and employment services for people living in remote areas using an integrated and flexible model. The department’s role is to:

* manage referrals to the programme
* administer payment of an Approved Programme of Work Supplement
* take compliance action when job seekers fail to meet activity test or participation obligations.

### Interpreting services

The department gives Indigenous customers with limited or no English free access to Indigenous interpreters through the Aboriginal Interpreter Service (AIS) in the Northern Territory and the Kimberley Interpreter Service (KIS) in Western Australia. The department is the largest government user of both services.

Indigenous interpreters are located in high-demand service centres and also frequently assist departmental staff working in remote and extremely remote Indigenous communities. In 2014–15 the AIS provided 9538 hours of interpreting services, and the KIS provided 465 hours of interpreting services.

This year the department implemented new Indigenous Language Officer roles to deliver essential interpreter services in targeted locations with a known language need but with limited or no access to formal interpreter services.

### National Indigenous Coalition

The National Indigenous Coalition (NIC) is the department’s peak strategic advisory forum providing an Indigenous voice on effective delivery of payments, services and products for Aboriginal and Torres Strait Islander peoples.

The department consults with the NIC to ensure effective development of strategies that support and secure outcomes for Aboriginal and Torres Strait Islander customers, communities and employees.

### Community Development Employment Projects

The Community Development Employment Projects (CDEP) programme helped Indigenous job seekers gain the skills, training and capabilities needed to find employment. The department administered the payment of supplements to eligible participants.

As part of the changes to the Remote Jobs and Communities Programme the ceasing of ‘grandfathered’ CDEP programme arrangements were brought forward from 30 June 2017 to 30 June 2015. This meant that the CDEP programme ceased by 30 June 2015 and the department assisted affected job seekers to test their eligibility for another income support payment during the last quarter of 2014–15.

### Providing spatial services for government and the community

The Australian Government Indigenous Locations dataset (AGIL) was developed as the government’s authoritative source of data for Indigenous locations. The department manages AGIL, which contains locational data for over 3800 community names in approximately 1600 discrete Indigenous locations. Government departments, private industry and community groups across Australia use AGIL regularly. The AGIL dataset is available to the general public via **data.gov.au** where it can be viewed or downloaded at no cost. In 2014–15 the AGIL dataset was viewed 935 times and downloaded 204 times at data.gov.au

AGIL is also included in a National Map maintained by National ICT Australia.

## MONEY MANAGEMENT

### Financial Information Service

The Financial Information Service (FIS) is an education and information service for the public. FIS officers help people to make informed decisions about investment and financial issues for their current and future financial needs.

FIS is an independent and confidential service and all people can benefit from its free information and education programmes.

FIS is available by phone, appointment and through a programme of seminars, some of which FIS officers delivered this year through internet broadcasts.

In 2014–15 FIS officers:

* answered more than 35 400 phone calls, compared to 79 204 in 2013–14
* conducted more than 56 700 interviews, compared to 54 967 in 2013–14
* delivered 4672 hours of outreach services, compared to 3168 in 2013–14
* Held 2606 seminars for more than 79 300 participants compared to 2366 seminars for more than 72 800 participants in 2013–14
* conducted mini-FIS seminars on the department’s website as video-on-demand broadcasts.

### Centrepay

Centrepay is a voluntary deduction and payment service offered by the department. Centrepay helps people receiving social welfare payments pay their bills on time and budget for their ongoing expenses. It allows deductions to be made to an approved business directly from a customer’s payment. Centrepay is free for customers, while businesses are charged a nominal fee. At 30 June 2015:

* 661 640 people were using Centrepay compared to 632 228 in June 2014
* 13 235 businesses received a Centrepay deduction compared to 13 321 in June 2014.

In 2014–15, 25.9 million deductions were made to the value of $2.4 billion compared to 24.4 million deductions to the value of $2.1 billion in 2013–14.

During the year the department continued to improve Centrepay, strengthening its role in assisting customers to meet their financial commitments. The department’s actions were guided by the issues and recommendations in the report of the Independent Review of Centrepay. In June 2015 the department published a summary of its responses to the review’s recommendations on its website.

The department completed preparations for implementation of a revised Centrepay framework, incorporating a new Centrepay Policy and Terms and new procedural guides for businesses and customers. These documents were published on the department’s website in June 2015. In line with an announcement by the Minister for Human Services on 22 May 2015 the new Centrepay framework excludes funeral insurance and consumer leases which are not regulated under the National Consumer Credit Protection Act 2009. Both cases are subject to a 12 month grandfathered period for deductions which were authorised before 1 July 2015.

The new framework commenced for new businesses on 1 July 2015. For existing businesses, there is a transition process with the new framework commencing on 1 September 2015.

### Rent Deduction Scheme

Through the Rent Deduction Scheme, eligible customers can have their public housing payments sent directly to their state or territory housing authority. The scheme is an easy, free way for customers to meet their government housing obligations.

At 30 June 2015, 331 217 customers were using the scheme. In 2014–15, 9.04 million rent deductions were made, an increase of 2.58 per cent on the previous year.

### Income Management

The department delivers Income Management which operates at a number of locations across Australia. Income Management helps people receiving income support to manage their money to meet essential household needs and expenses for themselves and their families.

Under Income Management a percentage of a person’s income support, and 100 per cent of lump-sum payments, are allocated to pay for priority items such as food, housing, clothing, utilities, education and medical care. The remaining percentage of a customer’s payment is paid to them in the usual way to be used at their discretion. While Income Management does not change the amount of payment a person receives, it affects the way that a person receives the payment.

Money that is income managed cannot be spent on alcohol, tobacco, pornography or gambling.

Income Management measures apply in a number of locations across Australia.

| Income Management locations | Income Management measures |
| --- | --- |
| **Voluntary** | **Child Protection** | **Vulnerable Welfare Payment Recipient** | **Supporting People at Risk** | **Disengaged Youth** | **Long Term Welfare Payment Recipient** |
| Western Australia |  |  |  |  |  |  |
| Perth | ✓ | ✓ |  |  |  |  |
| Peel region | ✓ | ✓ | ✓ |  |  |  |
| Kimberley | ✓ | ✓ |  |  |  |  |
| Ngaanyatjarra Lands | ✓ | ✓ | ✓ |  |  |  |
| Laverton | ✓ | ✓ | ✓ |  |  |  |
| Northern Territory | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| New South Wales |  |  |  |  |  |  |
| Bankstown | ✓ | ✓ | ✓ |  |  |  |
| Queensland |  |  |  |  |  |  |
| Rockhampton | ✓ | ✓ | ✓ |  |  |  |
| Logan | ✓ | ✓ | ✓ |  |  |  |
| Livingstone | ✓ | ✓ | ✓ |  |  |  |
| Cape York1 | ✓ |  |  |  |  |  |
| Victoria |  |  |  |  |  |  |
| Greater Shepparton | ✓ | ✓ | ✓ |  |  |  |
| South Australia |  |  |  |  |  |  |
| Playford | ✓ | ✓ | ✓ |  |  |  |
| Ceduna region2 | ✓ | ✓ | ✓ |  |  |  |
| Anangu Pitjantjatjara Yankunytjatjara lands | ✓ | ✓ | ✓ |  |  |  |

1. Cape York-specific Income Management applies in four Cape York communities as part of a broader programme of welfare reform for the area.
2. Income Management was introduced in the Ceduna region in 2014.

#### Accessing managed income

The department works with people on Income Management to identify how their welfare payments can be used to pay for items they and their family need. People can use their income managed money to pay their expenses by:

* using the BasicsCard—a reusable, personal identification number protected card that can be used via EFTPOS at approved stores and businesses
* asking the department to organise direct payments (BPAY, credit card, direct credit) to stores and businesses.

At 30 June 2015, 14 258 stores and businesses accepted the BasicsCard compared to 13 683 at 30 June 2014.

The department investigates public complaints and conducts random sample reviews to ensure stores and businesses are complying with the terms and conditions.

In 2014–15:

* 97 per cent of income managed customers used a BasicsCard compared to 91 per cent in 2013–14
* $216.9 million was spent using the BasicsCard compared to $203.6 million in 2013–14.

#### Data on Income Management

Table 40: Income Management customers

| Measure | Customers at 30 June 20131 | Customers at 30 June 20141 | Customers at 30 June 20151 |
| --- | --- | --- | --- |
| Cape York Income Management | 202 | 201 | 128 |
| Child Protection Income Management | 392 | 435 | 337 |
| Disengaged Youth | 4 670 | 4 489 | 4 450 |
| Long Term Welfare Payment Recipient | 10 226 | 11 420 | 12 387 |
| Supporting People at Risk | 13 | 142 | 213 |
| Voluntary Income Management | 6 041 | 6 047 | 5 828 |
| Vulnerable Welfare Payment Recipient | 196 | 2 943 | 3 053 |

1. These numbers are point-in-time at the dates specified and do not represent customer movements between measures and on-and-off Income Management.

The total amount of income support payments income managed in 2014–15 was $283.3 million compared to $266.7 million in 2013–14.

## ANCILLARY SERVICES AND SUPPORT

### Tasmanian transport schemes

The department administers the following Tasmanian transport support schemes:

* Tasmanian Freight Equalisation Scheme—assists in alleviating the sea freight cost disadvantage incurred by shippers of eligible goods moved by sea between mainland Australia and Tasmania. The government announced that from 1 January 2016 the scheme will be extended to goods not currently covered.
* Bass Strait Passenger Vehicle Equalisation Scheme—provides a rebate to ferry operators for passengers travelling between the mainland and Tasmania.

In 2014–15, 8958 claims for assistance were received by the department with $149.8 million in payments processed through the programmes. This compares to 9698 claims and $139.5 million in 2013–14.

### Portability of payments

Portability is the continuation of Australian social security payments during a customer’s absence from Australia. The department assists customers to understand how their entitlements may be affected and assesses eligibility for payments while they are outside Australia.

From 1 January 2015 students and apprentices are no longer eligible for payments while holidaying overseas. Also since 1 January 2015 Disability Support Pension recipients who travel overseas can only continue to receive their payments for a maximum of four weeks in any 12 month period.

A datalink between the department and the Department of Immigration and Border Protection (DIBP) identifies social security customers who depart from or return to Australia. Information generated by the datalink is used to automatically review payments for people who have departed Australia.

In 2014–15 customers receiving income support payments, family assistance, allowances and concessions travelled outside Australia 1.79 million times compared to 1.69 million overseas trips in 2013–14.

### Concession cards

There are six types of concession and health care cards delivered by the department, which are:

* Pensioner Concession Card
* Health Care Card
* Low Income Health Care Card
* Commonwealth Seniors Health Card
* Ex-Carer Allowance (Child) Health Care Card
* Foster Child Health Care Card.

Each card has its own eligibility requirements and concessions. Having a concession or health care card gives cardholders access to Australian Government health concessions and helps with the cost of living by reducing the cost of certain goods and services.

Most people receiving an income support payment will automatically receive a concession or health care card. People receiving the maximum rate of FTB Part A will automatically receive a health care card covering their family. Partners and children may also be covered by a person’s card if it relates to an income support payment. For people who have a Low Income Health Care Card, their children may also be covered by the card.

In addition to Medicare services, concession or health care cards can give people, their partners and children other concessions from state, territory and local government authorities and private businesses.

### Commonwealth Seniors Health Card

During 2014–15 changes were made to the Commonwealth Seniors Health Card (CSHC) income test and portability provisions. From 20 September 2014 the CSHC income threshold limits were indexed to reflect movements in the Consumer Price Index. These thresholds will increase with indexation. From 1 January 2015 the deeming of account-based income streams was included in the CSHC income test. CSHC holders were exempt from this measure if they were a cardholder at 31 December 2014. Also, from 1 January 2015 CSHC holders who travel overseas can remain outside Australia for up to 19 weeks—instead of the previous six weeks—before their card is cancelled.

### Advance Payments

An Advance Payment is a lump sum payment of the customer’s future entitlement. The advance payment amount can vary depending on the payment type received. Non-pension customers—including Parenting Payment Single recipients—can receive a minimum of $250 and a maximum of $500, once per 12 month period. Pension customers can receive multiple advance payments depending on the amount available at each application. FTB customers can receive a regular advance that is paid each 26 weeks as long as the customer remains eligible.

Repayments of advance payments are generally made over 13 fortnights by a set rate of withholdings from the customer’s regular payment. If a customer’s regular payment stops, they are still required to repay the outstanding amount of the advance payment.

### Bereavement payments

Bereavement payments help customers adjust to changed financial circumstances following the death of their partner, child or care receiver. The type and amount of bereavement payments depend on individual circumstances and when the department is notified of the person’s death. Bereavement payments are usually paid as a lump sum. However, some payments, such as FTB Bereavement Payment, can be paid fortnightly.

Bereavement Allowance is a short-term income support payment that provides a level of support to recently widowed people.

## MULTICULTURAL SERVICES

### Agency Multicultural Plan

The department’s Agency Multicultural Plan 2013–2015 outlines how the department intends to provide services to culturally and linguistically diverse (CALD) communities. We are tracking well against the actions outlined in the plan. New achievements include the development and implementation of the department’s Culturally and Linguistically Diverse (Multicultural) Employee Plan 2014–2016, conducting targeted consultations with CALD communities in partnership with the Federation of Ethnic Communities’ Councils of Australia and the inclusion of CALD considerations in our feedback and complaints model.

### Support for refugees and humanitarian entrants

The department offers a range of services to support refugees entering the community. The department works closely with DIBP, DSS settlement service providers and community groups to ensure refugees have appropriate services on arrival in Australia. A network of specialist Refugee and Asylum Seeker teams and subject matter experts in locations with high settlement populations support the department’s tailored services for these entrants.

### Citizenship testing

Following a successful trial in 2012 the department has been working with DIBP to make weekly citizenship tests available at 33 service centres in regional areas from Kalgoorlie in Western Australia to Mackay in Queensland. Before the pilot DIBP staff had to visit regional centres to conduct the tests, usually only monthly or every two months. Of about 125 000 citizenship tests taken across Australia in 2014–15, 14 000 were taken in regional centres involving around 300 tests each week.

### Language services

The department provides free translation and interpreting services in over 200 languages to help customers conduct their business. More than 2800 contracted interpreters deliver these services. We also supply regular, rostered onsite interpreters who work out of 56 service centres where demand for assistance in certain languages is high.

Bilingual staff may also be paid a Community Language Allowance if they use their language skills in the course of their work. In 2014–15, 699 staff received the Community Language Allowance compared to 725 in 2013–14.

### Multicultural Service Officers

In 2014–15 a network of 70 Multicultural Service Officers (MSOs) continued to operate throughout Australia. Each officer covers a defined geographical area, giving all service centres access to multicultural expertise. MSOs have close relationships with multicultural communities and play an important role in supporting service delivery to customers from CALD backgrounds. Examples of MSO activities include:

* conducting outreach sessions at language schools in Victoria to encourage students to stay engaged in their studies and improve attendance
* supporting refugees and migrants to access myGov and the department’s online services at TAFEs in Queensland
* promoting myGov, the department’s online services and Express Plus mobile apps to migrant groups and staff in community organisations in Newcastle.

### Assurance of Support

An Assurance of Support is a legal agreement between an Australian resident or organisation (assurer) and the Australian Government. Under the agreement an assurer agrees to support a migrant on a specific type of visa for their first two or 10 years in Australia (depending on the visa type) so they do not have to rely on payments from the government. The department decides who can be an assurer by assessing their financial capacity to provide support for a migrant.

### Status Resolution Support Services

From 1 April 2014 the department commenced the administration of the Status Resolution Support Services payment. This payment provides financial assistance to people living in the community while their immigration status is being resolved. The DIBP determines eligibility for this payment.

### Innovative multicultural services

#### Multilingual app

The department provides Express Plus Lite mobile app services in four languages for iOS and android devices. Customers can use the app to report their earnings at a time that suits them, which is more convenient and reduces the need for interpreter services. The languages are Arabic, Chinese, Vietnamese and Persian (Farsi) (introduced in 2014–15).

#### Working with partners

MSOs continued to help deliver innovative services through a range of partnership initiatives. Some examples include:

* Blacktown, New South Wales—hosted Multicultural Seniors Week with Blacktown Council and Sydwest, and provided information about the Age Pension and going overseas.
* Morwell, Victoria—organised and attended an emerging communities forum with a variety of speakers from across the region, including a presentation on the barriers to employment faced by CALD job seekers and the initiatives with which the New Arrival Education and Employment network is involved.
* Hume, Victoria—participated in the multicultural community safety forum focusing on children’s safety, young people, family violence and women’s safety, crime prevention and safe urban design. This included working with local CALD services and providers including Australian and Victorian government departments, the police and local legal centres.
* North Lake, Western Australia—worked with high schools at intensive English classes and provided referrals for students to social workers and the Fremantle Multicultural Centre.
* Stones Corner, Queensland—attended local area coordination meetings with key multicultural service delivery agencies and government departments. This included sharing information on the Special Humanitarian Programme and health issues.
* Glenorchy, Tasmania—attended the initial Connect steering committee meeting to support the Get Connected programme. This programme provides additional and ongoing support for former refugees and humanitarian entrants to increase positive vocational education training and employment outcomes, by working with the sector and industry bodies.

## EMERGENCY RESPONSES

### Payments and services

The department’s core responsibility in response to emergencies is to ensure the continuity of payments and services. The delivery of services in emergencies can include:

* assisting individuals to test their eligibility for an income support payment or service
* replacing lost Medicare cards
* assessing and paying Medicare benefits
* providing support to Medicare providers
* ensuring child support payments can be made
* providing social work services
* delivering the Australian Government Disaster Recovery Payment (AGDRP), Disaster Recovery Allowance (DRA) and equivalent ex-gratia payments
* delivering the Australian Victim of Terrorism Overseas Payment (AVTOP).

During an emergency immediate support is given to pharmacists to help them maintain supplies of medicines and dispense PBS medicines to people whose prescriptions are lost or destroyed. Support is also provided to health practitioners working in emergency-affected areas.

To support the government’s emergency response, the department also participates in state, territory and local recovery committees. Our services may be delivered from established relief or recovery centres, with agreement from the state or territory government.

When an event is severe, the government may request the Attorney-General’s Department to provide additional Australian Government assistance.

In response to an emergency, the department can deploy:

* field staff to recovery centres
* staff to take emergency calls and process claims for emergency payments
* social workers to overseas locations or to airports in Australia to assist affected Australians returning from offshore disasters, and to emergency-affected areas to support other staff—45 social workers were deployed in 2014–15 to assist in international and domestic disasters.
* mobile computing support
* mobile service centres to provide services in affected areas.

### Emergency Reserve

The department maintains a register of Emergency Reserve staff willing to assist in recovery efforts. This helps the department respond quickly following emergencies. Over 5430 staff (or 15.5 per cent of the department’s staff) are registered for the Emergency Reserve, compared to approximately 6300 staff or 18 per cent of the department’s staff in 2013–14.

Emergency Reserve staff are a resource that can be called on at short notice. These staff have a range of skills which are used in various roles including:

* at field locations assisting people affected by emergencies
* providing support to affected service centres
* behind the scenes in processing centres
* answering calls to the Australian Government Emergency Information Line
* backfilling staff deployed to provide emergency support.

Emergency Reserve staff supported recovery efforts in the Northern Territory and Queensland in February 2015, and in northern New South Wales in April 2015.

### Current disaster events

#### AUSTRALIAN GOVERNMENT DISASTER RECOVERY PAYMENTS

The department’s response to the bushfires in South Australia, tropical cyclones Marcia and Lam, and the New South Wales east coast storms and flooding included payment of AGDRP claims. The AGDRP was provided to people adversely affected in the following areas:

* South Australian bushfires—Mount Lofty Ranges region
* Tropical Cyclone Marcia—Fitzroy and Wide Bay–Burnett districts of Queensland
* Tropical Cyclone Lam—Arnhem region of the Northern Territory
* New South Wales east coast storms and flooding—Hunter Valley, Newcastle and Lake Macquarie, Central Coast and Mid-North Coast regions.

Table 41: AGDRP payments at 30 June 2015

|  | South Australian bushfires1 | Tropical Cyclone Marcia2 | Tropical Cyclone Lam3 | New South Wales east coast storms and flooding4 |
| --- | --- | --- | --- | --- |
| Calls taken by the Australian Government Emergency Information Line | 11 299 | 21 958 | 3 444 | 93 589 |
| Claims finalised | 490 | 12 302 | 2 502 | 84 687 |
| Claims paid to affected people | 370 | 7 774 | 2 095 | 75 899 |
| Amount paid into people’s bank accounts | $418 800 | $9 601 600 | $2 750 000 | $92 938 360 |

1. AGDRP activated on 6 January 2015.
2. AGDRP activated on 21 February 2015.
3. AGDRP activated on 26 February 2015.
4. AGDRP activated on 23 April 2015.

#### DISASTER RECOVERY ALLOWANCE

The DRA was activated to assist individuals including employees, primary producers and sole traders in specified areas who experienced a loss of income as a direct result of the following emergencies:

* South Australian bushfires—Mount Lofty Ranges region
* Tropical Cyclone Marcia—Fitzroy and Wide Bay–Burnett districts of Queensland
* Tropical Cyclone Olwyn—Pilbara–Gascoyne region of Western Australia
* New South Wales east coast storms and flooding—Hunter Valley, Newcastle and Lake Macquarie, Central Coast and Mid-North Coast regions.

Table 42: DRA payments at 30 June 2015

|  | South Australia bushfires1 | Tropical Cyclone Marcia2 | Tropical Cyclone Olwyn3 | New South Wales east coast storms and flooding4 |
| --- | --- | --- | --- | --- |
| Claims finalised | 42 | 736 | 135 | 870 |
| Claims paid to affected people | <20 | 592 | 102 | 551 |
| Amount paid into people’s bank account | $49 432 | $813 113 | $253 794 | $562 499 |

1. DRA activated on 6 January 2015.
2. DRA activated on 25 February 2015.
3. DRA activated on 17 March 2015.
4. DRA activated on 23 April 2015.

#### PAYMENTS TO NEW ZEALAND NON-PROTECTED SPECIAL CATEGORY VISA HOLDERS

Ex-gratia payments to New Zealand non-protected special category visa holders were activated for individuals affected by the bushfires in South Australia, Tropical Cyclone Marcia in Queensland, Tropical Cyclone Lam in the Northern Territory, and the New South Wales east coast storms and flooding. These payments are equivalent to the AGDRP.

At 30 June 2015:

* 103 claims had been received
* 75 claims had been paid to affected people
* $117 324 had been paid into people’s bank accounts.

Ex-gratia Income Support Allowance for New Zealand non-protected special category visa holders was activated to assist those who suffered a loss of income as a direct result of the bushfires in South Australia, Tropical Cyclone Marcia in Queensland, Tropical Cyclone Olwyn in Western Australia, and the New South Wales east coast storms and flooding. This payment is the equivalent of the DRA. No figures are reported for these payments as small numbers of distinctive claims may lead to individual claimants being identified.

#### EMERGENCY CLAIM CHANNEL

There are various options to claim disaster recovery payments, including over the phone, online, by completing a paper claim form and in person.

Table 43: Percentage of disaster recovery claims granted by claiming method

| Claiming method | 2014–15 % |
| --- | --- |
| Phone | 61 |
| Online | 33 |
| Paper and in person | 6 |

#### Working in emergency recovery

In 2014–15 following the bushfires in South Australia, tropical cyclones in Queensland, the Northern Territory and Western Australia, and the New South Wales east coast storms and flooding, 23 staff were sent to the affected areas to assist in delivering emergency payments.

During these events the department had up to four points of presence at any one time. Points of presence are mobile computing equipment sites that have laptop computers, printers and internet. These sites provide staff with instant access to departmental systems, allow on-the-spot assessment of claims and other departmental assistance.

The department tailored business-as-usual activities for the bushfire, cyclone and storm-affected areas to streamline access to payments and services for people needing assistance.

#### Australian Victim of Terrorism Overseas Payment

The AVTOP provides one-off assistance of up to $75 000 to Australians who were harmed (primary victims) and close family members of a person who died (secondary victims) as a direct result of a declared overseas terrorist act.

The payment was announced in October 2013 for the following terrorist acts:

* 2001 US September 11 attacks
* 2002 Bali bombings
* 2004 Jakarta bombing
* 2005 London bombings
* 2005 Bali bombings
* 2006 Egypt bombings
* 2008 Mumbai attacks
* 2009 Jakarta bombings
* 2013 Nairobi armed assault.

In 2014–15, 369 calls were answered by the Australian Victim of Terrorism Overseas Hotline.

Table 44: AVTOP payments in 2014–15

|  | Payments to primary victims | Payments to secondary victims |
| --- | --- | --- |
| Claims finalised | 100 | 13 |
| Claims paid to affected people | 83 | 5 |
| Amount paid into people’s bank accounts | $5 689 717 | $337 500 |

#### Emergency call centre surge assistance

The department provides support through the National Emergency Call Centre Surge Capability (NECCSC) which allows Australian, state and territory government agencies to overflow calls to their emergency (non-000) lines to the department.

The NECCSC was activated in January 2015 by the South Australian Government for the South Australia Bushfire Information Line and the South Australia Bushfire Recovery Line, with more than 1276 calls answered.

Surge assistance was also provided to the National Security Hotline. The hotline is the single point of contact for the public to report possible signs of terrorism. The department assisted in taking calls in peak periods from September 2014 to February 2015 with 8169 calls answered.

### Disaster events that closed in 2014–15

Claims for the AGDRP can be lodged up to six months from the date the payment is activated. Claims were paid in 2014–15 for events that occurred during the 2013–14 disaster season—that is, the period for claiming some payments did not ‘close’ in 2013–14. These events included:

* Tropical Cyclone Ita—April 2014
* Western Australian bushfires—January 2014.

In 2014–15 the department paid:

* less than 20 AGDRP payments, worth less than $20 000
* less than 20 DRA payments, worth more than $52 000

No ex-gratia payments to New Zealand non-protected special category visa holders were paid in 2014–15 for the events listed above.

### Special assistance schemes

The Australian Government helps people to meet health and community care costs arising from specified natural disasters and terrorist attacks. The department administers the following special assistance schemes:

* Balimed (2002)
* Tsunami Healthcare Assistance (2004)
* London Assist (2005)
* Bali (2005)
* Dahab Egypt Bombing Health Care Costs Assistance (2006).

## CRS AUSTRALIA

Following a government decision to reallocate the market share of the department’s Disability Employment Services–Disability Management Service to non-government providers, CRS Australia ceased all operations on 27 February 2015.

The Department of Social Services conducted the tender process for reallocation. This was finalised in November 2014. CRS Australia transitioned approximately 21 000 participants to their new providers from December 2014, with all transitions completed by 2 March 2015.

At 1 July 2014 CRS Australia was providing services from 224 service delivery locations, these locations were progressively closed in line with the transition of participants to new providers from December 2014. The final CRS Australia service delivery locations closed on 27 February 2015.

All CRS Australia staff have either been redeployed into other roles within the department or the Social Services portfolio, have retired or resigned, or have transferred to other Australian Public Service agencies.

### Injury prevention and management services

In addition to delivering Disability Employment Services, CRS Australia provided a range of early intervention, injury prevention and workplace rehabilitation services to private sector organisations across Australia. All injury prevention and management services contracts ceased by 31 December 2014.

# PART 3–Management and accountability

# 3.1 CORPORATE GOVERNANCE

Strong governance is key to the department delivering outcomes in controlled, transparent and accountable ways, and serving its customers efficiently and effectively.

The governance framework outlines the principles, practices and tools we need to ensure our approach to governance is consistent and coordinated. Major elements include:

* coordinated business planning which reflects the department’s Strategic Plan
* performance monitoring, including key performance indicator reporting—see Table 1 on page 12
* an integrated risk management framework—see Risk management on page 98.

During 2014–15 the department:

* implemented the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and supporting policies
* developed the 2015–19 Strategic Plan. The plan outlines the department’s strategic direction, and includes the vision, mission, themes and priorities that shape our business planning
* updated the Portfolio Budget Statements to align with the 2015–19 Strategic Plan
* reviewed and updated our key performance indicators for consistency with the Enhanced Commonwealth Performance Framework
* improved risk management through regular reviews, management of enterprise risk interdependencies, and governance of risk through the department’s Risk, Business Continuity and Security Committee.

## GOVERNANCE COMMITTEE FRAMEWORK

The department’s governance committee structure at 30 June 2015 includes the Executive Committee and seven supporting governance committees that provide advice and assurance to the Executive Committee. The performance of governance committees against their purpose, key activities and deliverables is reviewed annually by members.

Executive Committee—provides advice to the Secretary who has overall accountability to support the Minister in delivering the department’s responsibilities and contributing to broader government priorities. The committee advises on the department’s strategic directions, and on significant management and investment decisions. It also monitors financial performance, risk and compliance standards. The Secretary chairs the committee which meets weekly.

Audit Committee—reviews and gives independent advice and assurance about the appropriateness of the department’s financial and performance reporting, and systems of risk oversight, risk management, and internal control. This committee has three independent members, including Mr Mark Ridley as Chair, and meets at least quarterly.

Customer Committee—provides advice and assurance to the Secretary and Executive Committee that customer service achieves high quality government outcomes that are consistent with best practice. This committee meets monthly.

Finance and Investment Committee—provides advice and assurance to the Executive Committee that all significant investment decisions are transparent and accountable. The Secretary chairs this committee which meets at least quarterly.

ICT Committee—provides advice and assurance to the Secretary and Executive Committee that ICT management, operations and expenditure deliver the desired outcomes within the budget and timelines agreed by government.

People and Leadership Committee—provides advice and assurance to the Secretary and Executive Committee on all departmental people strategies including people leadership management, people development and workforce strategies to maintain and create the capability to deliver government priorities and outcomes. This committee has one independent member and meets every eight weeks.

Risk, Business Continuity and Security Committee—provides advice and assurance to the Secretary and Executive Committee that there is appropriate oversight of the department’s risk, business continuity and security arrangements. This committee has an independent Chair, Ms Philippa Godwin PSM, and meets monthly.

Transformation Committee—provides portfolio level advice and assurance to the Secretary and Executive Committee, focusing on the key programmes and projects across the department. This committee meets monthly.

Figure 6: Governance committee structure at 30 June 2015

## CROSS-GOVERNMENT FORUMS

The department participates in several external forums that bring together policy formulation, programme design and implementation to more effectively deliver outcomes for government. It also takes part in interdepartmental working groups formed occasionally for specific purposes. These include:

Health and Human Services Secretaries and Chief Executive Medicare Forum—enables the Department of Human Services and the Department of Health to engage on issues such as service delivery reform, eHealth, policy development, and effective administration and implementation of programmes. In 2014–15 its members were the Secretary, the Deputy Secretary Health, Compliance and Information (as Chief Executive Medicare) and the Secretary of the Department of Health.

Department of Social Services Bilateral Management Committee—sets the strategic direction of jointly managed work and fosters collaborative relationships between the department and the Department of Social Services (DSS). It also attempts to resolve all escalated issues raised within the performance assurance reporting process.

Reliance Framework Board—plays an advisory role in the design and delivery of the Reliance Framework (myGov digital service). The Reliance Framework is a whole-of-government initiative to improve access to online government services which is being delivered under the oversight of an interdepartmental board. The board provides a whole-of-government cross-agency approach in the design and delivery of the myGov service and provides a forum for cross-agency expertise and issues to be considered in the design and build of the myGov service. The Reliance Framework Board ceased on 30 June 2015.

## DEREGULATION AND RED TAPE REDUCTION

The government’s deregulation policy aims to reduce unnecessary red and green tape costs on individuals, businesses and community organisations by $1 billion net per year. The department contributed savings of $109.1 million to the government’s target in the 2014 calendar year, as reported in the Social Services (Department of Human Services) Annual Deregulation Report. A copy of the report is available on the department’s website at **humanservices.gov.au**

Several areas across the department were involved with initiatives to improve interactions with the public and reduce red tape. These included:

* delivering additional functionality for myGov users—see myGov on page 155
* making it easier for customers to update their circumstance details online—see Personal details and circumstances updates on page 158
* working with the Department of Health to streamline the process for individuals and businesses who interact with the department on compensation matters.

The department also consults with external parties about opportunities to reduce red tape through its national advisory groups and forums.

## QUALITY MANAGEMENT

The department’s Quality Framework provides a single set of standards to ensure that the services we deliver are high quality and meet the expectations of both customers and government. The elements of the framework are accountability, quality processes, issues management, capability, culture and reporting. Underpinning these elements is the key principle of continuous improvement.

The department completed the first annual assessment of the Quality Framework in January 2015. It reflected the work of the Quality Advisory Group, which was formed to oversee quality across the department. The assessment highlighted early indicators of success, in particular areas where the framework was used. Supporting the framework is the Quality Hub which has tools and templates to assist in implementing elements of the framework.

The department also participated in a self-assessment against the Service Quality Guidelines developed by the International Social Security Association, of which the Secretary is a member. An overall rating of ‘advanced’ was achieved, which means the department has advanced structures, processes and mechanisms to support implementation of the guidelines.

# 3.2 ACCOUNTABILITY AND SCRUTINY

## EXTERNAL

### External audits

In 2014–15 the Australian National Audit Office (ANAO) tabled five performance audit reports involving the department. The department agreed with all recommendations. One recommendation, arising from the ANAO’s performance audit of the Management of Smart Centres’ Centrelink Telephone Services (Report No. 37 2014–15), was agreed with qualifications about the resources required to implement the recommendation. The Audit Committee was responsible for monitoring the implementation of ANAO recommendations. ANAO representatives were invited to attend all Audit Committee meetings as observers.

In some cases ANAO recommendations directly involved the responsibilities of policy departments. As the service delivery department, we worked with policy departments to help them effectively respond to the recommendations.

The Joint Committee of Public Accounts and Audit is required by the *Public Accounts and Audit Committee Act 1951* to examine all Auditor-General reports that are tabled in Parliament. The department was required to provide a response to the committee in 2014–15 relating to the ANAO audit of Trials of Intensive Service Delivery (Report No. 40 2013–14) and attend public hearings of the committee relating to the following ANAO audits:

Report No. 26—2013–14: Medicare Compliance Audits

Report No. 27—2013–14: Integrity of Medicare Customer Data

Report No. 50—2013–14: Cyber Attacks: Securing Agencies’ ICT Systems.

For more information about ANAO audit reports see Appendix E on page 264.

### Commonwealth Ombudsman

In 2014–15 the Commonwealth Ombudsman approached the department about 804 investigations. This is a decrease of 2.9 per cent compared to 2013–14.

The Ombudsman published one section 15 report involving the department. For more information see Appendix E on page 267.

### Freedom of information

The department has an Information Publication Scheme page on its website—see Appendix H on page 275.

During the year the department received 4477 Freedom of Information (FOI) requests for documents—a 2.5 per cent increase on the previous year. The department received 42 requests for amendment or annotation of personal records. The number of complex requests seeking non-personal information fell by 19.4 per cent.

Taking into account cases pending from previous years, 4489 requests were finalised. Of these:

* applicants withdrew 974 requests before decisions on access were made
* full access was granted in 1702 cases
* part access was granted in 1374 cases
* access was refused in 430 cases
* nine cases were transferred to other agencies.

#### Reviews of freedom of information decisions

In 2014–15 the department received 85 FOI requests for an internal review of access and amendment decisions. Of the reviews of access decisions completed in 2014–15, and taking into account requests pending from previous years, 27 requests resulted in access or part access. The original decision was affirmed in 40 of the reviews completed compared to 52 in 2013–14.

#### Office of the Australian Information Commissioner

During the year the Office of the Australian Information Commissioner (OAIC) published 15 review decisions in relation to applications for review of access decisions made by the department. Five of those affirmed the department’s decision and 10 varied, set aside or substituted the department’s decisions.

On 2 December 2014 the OAIC provided the department with its report following an own motion investigation. We are committed to continually improving service delivery in all areas of our business and have noted the recommendations in the Commissioner’s report and developed a plan to implement them.

### Personal information requests

The department provides various ways for people to access their own information including through our online services.

We also respond to requests for personal information in the public interest and under specific provisions in the legislation we administer.

In 2014–15 the department processed 136 838 personal information requests compared to 132 663 in 2013–14, an increase of 3 per cent.

### Judicial decisions and tribunal appeals

In 2014–15 there were no judicial decisions that had a significant impact on the operations of the department.

A large number of the department’s decisions are subject to merit review by the Social Security Appeals Tribunal and the Administrative Appeals Tribunal. For more information see Merit reviews on page 101.

## INTERNAL

### Internal audits

The department completed 39 internal audits in 2014–15 (including 15 audits that were carried over from 2013–14).

Every six months the department develops a rolling Audit Work Programme (AWP) that establishes internal audit priorities for the coming 12 months. The AWPs for 1 July 2014 and 1 January 2015 were developed in consultation with the Audit Committee and the Executive, before being approved by the Secretary.

The priorities are based on the ‘three lines of defence’ model to ensure adequate coverage and prioritisation of assurance activities and alignment with corporate strategic risks. Regular audits of the department’s ‘first line of defence’—the system of internal control—are undertaken. A key focus is on improving the department’s risk oversight arrangements—the ‘second line of defence’. The department’s third line of defence are internal audits.

In 2014–15 the AWP provided independent assurance on the department’s performance in managing strategic priorities, achieving operational objectives in line with organisational and legislative requirements, and ensuring that high standards of probity and accountability were met.

### Managing internal fraud

The department takes internal fraud control seriously and our systems respond to fraudulent activity, including through data-matching programmes, links to criminal intelligence information and financial intelligence tools. Our fraud awareness strategies promote key messages about how we view fraud, how to report suspected fraud, and awareness of current and emerging risks.

As required under section 10 of the Public Governance, Performance and Accountability Rule 2014, which relates to managing the risk and incidents of fraud within Commonwealth entities, the department takes a comprehensive strategic approach to fraud risk assessments. This approach underpins our 2014–15 Fraud Control Plan.

The department uses a range of strategies to manage internal fraud including:

* fraud control planning, monitoring and reporting
* a Fraud Strategy Statement to which the department adheres
* internal and external reporting mechanisms to enable reporting of internal fraud
* collecting and analysing information and data to detect fraud
* investigating incidents in accordance with Australian Government Investigation Standards.

Substantiated incidents of internal fraud are referred to the Commonwealth Director of Public Prosecutions (CDPP) for consideration of criminal prosecutions. The department also considers the need for administrative action against breaches of the APS Code of Conduct.

The department promotes fraud prevention and awareness to staff across the organisation and activities include:

* fraud awareness week including articles and executive messaging on fraud
* mandatory fraud awareness training
* screen savers on computers with fraud awareness images and key messages
* an intranet page linking all relevant awareness information and tip-off forms.

### Business continuity

The department has a Business Continuity Programme based on the international standard BS ISO 22301:2012 Societal security: Business continuity management systems requirements.

In 2014–15 critical business functions for the department were developed into business continuity plans (BCPs) to support our response and recovery from potential business disruptions that may affect any of the critical functions. A formal programme thoroughly tests and regularly updates all BCPs.

The progress of business continuity activities is reported monthly to the department’s Risk, Business Continuity and Security Committee.

### Corporate records management

The government’s Digital Transition Policy is moving Australian Government agencies to digital record keeping for efficiency purposes. We have continued to increase our digital record-keeping capability. In 2014–15 the growth in the department’s online and self-service capabilities resulted in further reductions in the volume of paper we received.

When the department does receive paper records the focus still remains on digitising them. Because the department relies less on paper records we have continued to consolidate existing warehouse storage facilities to improve the efficiency of our records management services.

## SAFEGUARDING PRIVACY

### Customer records and personal information

The department places emphasis on protecting the privacy of customers and staff. We have comprehensive processes to protect personal information. Our privacy framework is guided by the Operational Privacy Policy, which includes a number of requirements that staff must comply with. The policy reinforces that:

* all staff must sign an undertaking outlining their privacy and confidentiality responsibilities every year
* privacy incidents must be reported as soon as they are identified.

Personal information related to the administration of the department’s programmes and services is protected by the Privacy Act 1988 and the secrecy provisions in the various laws under which services are delivered, for example, the Social Security (Administration) Act 1999. Requests for personal information are considered under the Australian Privacy Principles and relevant secrecy provisions.

### Privacy impact assessments

As new projects and programme improvements are developed, the department considers their potential impact on privacy. The Operational Privacy Policy mandates the use of privacy impact assessments to:

* minimise privacy risks and impacts
* ensure compliance with legal obligations
* ensure the department’s commitment to safeguarding customer privacy is met.

### Privacy incidents

The department investigates all privacy complaints. Escalation and reporting processes minimise the effects of any substantiated privacy incident. In 2014–15 there were 1939 substantiated privacy incidents, which is 21 per cent more than in 2013–14.

## COMPENSATING CUSTOMERS

### Administrative errors

In 2014–15 the department received 2820 customer compensation claims. This compares to 3101 customer compensation claims received in 2013–14. Claims are paid when the department is legally liable to pay compensation, or under the Scheme for Compensation for Detriment Caused by Defective Administration.

The department approved 1373 customer compensation claims in 2014–15. This represents 47 per cent of all determined claims compared to 56 per cent in 2013–14.

The department aims to process customer compensation claims within 90 days. In 2014–15, 86 per cent of claims were completed within 90 days compared to 64 per cent in 2013–14.

The most common reason for paying customer compensation is to reimburse people for financial losses caused by the department’s failure to follow proper procedure or to provide appropriate advice.

## RISK MANAGEMENT

The department’s Enterprise Risk Management Framework outlines the vision, direction and guiding principles of our risk management approach. The framework is consistent with the international risk management standard AS/NZS ISO 31000:2009 Risk Management: Principles and Guidelines.

In 2014–15 the department’s risk management policy and framework were revised following the commencement of the PGPA Act and are consistent with the new Commonwealth Risk Management Policy. This policy aims to embed risk management as part of the culture of Australian Government entities where shared understanding of risk leads to well-informed decision making.

The department has 10 strategic risks:

* implementing government initiatives
* service delivery and customer service
* protecting staff, assets and customers on our premises
* integrity of government outlays
* progressing strategic priorities
* providing good customer service
* protecting customer information
* delivering policy advice and working collaboratively with others
* ICT capability
* attracting and developing staff.

As part of our business planning cycle, operational risks were also identified. Senior executive staff manage operational risks and report on them regularly.

To assist in managing risks associated with urgent or high-profile incidents and issues, the department has a system for quickly informing relevant stakeholders.

### Comcover Risk Management Benchmarking Programme

In 2014–15 the department participated in the annual Comcover Risk Management Benchmarking Programme, giving us an opportunity to measure its capability using a flexible risk maturity model. Comcover rated the department as having an ‘advanced’ risk maturity level. This maturity level reflects the department’s investment in its risk management framework and the integration of its operational capabilities.

# 3.3 COMPLIANCE AND BUSINESS INTEGRITY

The department is committed to ensuring people only receive what they are legally entitled to under the law. The department has a diverse range of compliance activities which reassure both the government and customers that we are taking preventative and other measures to protect the integrity of government outlays. Cases where deliberate deception and intent to defraud can be established are referred to the CDPP.

## SOCIAL SECURITY AND WELFARE PROGRAMME COMPLIANCE

### Social security and welfare payment accuracy and correctness

Payment accuracy reflects the department’s ability to pay the right person the right amount of money, through the right programme, at the right time, and takes into account customer and administrative error.

DSS calculates payment accuracy using data from random sample surveys and reports this in its annual report.

Payment correctness for social security or family assistance payments is also calculated using data from random sample surveys. Payment correctness is the percentage of surveys when the customer received a correct payment without administrative error. With a target of 95 per cent, in 2014–15 the department achieved payment correctness of 98.1 per cent compared to 97.9 per cent in 2013–14.

### Customer compliance

In 2014–15 the focus for customer compliance remained on using interventions to manage identified payment risks. The department increasingly uses early intervention to help people receive their correct entitlements and meet their obligations and responsibilities. The department also works with people to resolve issues when they have not complied with requirements because of genuine mistakes.

During the year the department’s targeted early intervention strategies included sending letters and SMS messages to remind customers of their obligations and to prompt self-correction. Whenever possible, we made immediate contact, usually by phone, to remind our customers about their reporting obligations and to update their records to avoid overpayments.

In 2014–15 more than 250 000 customers were contacted using these approaches which prevented $61.4 million in overpayments. This allowed customers most at risk to receive the support they needed to ensure their payments were correct.

Table 45: Social welfare payments compliance activity

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Interventions | 866 597 | 869 082 | 923 462 | +6.3 |
| Reductions in payments | 85 318 | 77 272 | 52 100 | –32.6 |
| Fortnightly savings in future outlays | $20.9 million | $19.2 million | $18.2 million | –5.1 |
| Prevented outlays | $89.4 million | $51.8 million | $61.4 million | +18.5 |
| Debts raised | 109 619 | 101 331 | 126 134 | +24.5 |
| Total debt value | $219.9 million | $283.6 million | $362.1 million | **+27.7** |

The department’s risk-based compliance approach uses data from a variety of sources and combines it, where appropriate, so that we can help by looking at a wider picture of the customer’s circumstances. Data from both internal and external sources is used in data-matching exercises to identify customers at risk of incorrect payment. In 2014–15 external sources included:

* the Australian Securities and Investments Commission
* the ATO, other than using the Data-matching Program (Assistance and Tax) Act 1990
* the Commonwealth Superannuation Corporation
* the Department of Education and Training
* the Department of Employment
* the Department of Health
* the Department of Immigration and Border Protection
* the Department of Veterans’ Affairs (DVA)
* Defence Housing Australia
* public and private education providers
* state and territory departments of corrective services
* state and territory registrars of births, deaths and marriages
* state and territory land titles offices.

In accordance with section 6 of the Data-matching Program (Assistance and Tax) Act 1990, the department, the ATO and DVA participated in four complete data-matching cycles. These activities resulted in 24 178 reviews and returned $134.6 million in net benefits to government.

Table 46: Data Matching reviews and net benefits to government

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Reviews | 32 316 | 27 632 | 24 178 | –12.5 |
| Net benefits | $118.0 million | $132.7 million | $134.6 million | +1.4 |

See Appendix D on page 258 for more information about the department’s Data-matching Program.

Details of the department’s data-matching initiatives are also reported to the OAIC and are publicly available through the Personal Information Digest available at oaic.gov.au

## REVIEWS OF SOCIAL WELFARE PAYMENT DECISIONS

### Merit reviews

A customer may ask for a review of a decision—an independent process undertaken by an officer not involved with the original decision. The review officer will contact the customer to explain the original decision and may ask for further information. The review officer can affirm, vary or set aside the original decision.

In 2014–15 the department had an explicit focus on managing outstanding reviews of decisions. An improved business model saw a significant reduction in both the number and the age of reviews on hand. This, in turn, led to an overall decrease in the average time taken to finalise a customer review.

Once this internal process is completed, if still unsatisfied the customer can apply for review to the Social Security Appeals Tribunal (SSAT) and then the Administrative Appeals Tribunal (AAT). The SSAT was amalgamated into the AAT from 1 July 2015.

Decisions most commonly challenged were:

* rejection of claim for payment such as Disability Support Pension
* raising or recovery of debts, including Family Tax Benefit reconciliation debts
* participation failure
* start date of payment
* rate of payment.

Table 47: Social welfare payments merit review applications

| Applications | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| Internal reviews | 135 545 | 115 618 | 111 982 |
| SSAT | 12 147 | 9 812 | 12 289 |
| AAT—customer applications | 1 919 | 1 924 | 1 999 |
| AAT—Secretary applications1 | 48 | 45 | 75 |

1. This refers to the Secretary of any department where the Minister is responsible, under the Administrative Arrangements Order, for part of the social security laws that allow decisions to be appealed to the AAT.

Table 48: Social welfare payments merit review outcomes1

|  | Unchanged decisions2 | Changed decisions |
| --- | --- | --- |
|  | 2012–13 | 2013–14 | 2014–15 | 2012–13 | 2013–14 | 2014–15 |
| Internal review officer  | 63.9%78 960 | 65.3%80 370 | 66.1%83 286 | 36.1%44 566 | 34.7%42 662 | 33.9%42 732 |
| SSAT | 76.9%9 002 | 75.1%7 686 | 75.3%7 974 | 23.1%2 707 | 24.9%2 548 | 24.7%2 619 |
| AAT—customer applications | 92.5%1 651 | 75.2%1 416 | 79.7%1 390 | 7.5%134 | 24.8%468 | 20.3%354 |
| AAT—Secretary applications3 | 57.1%28 | 73.3%22 | 50.0%18 | 42.9%21 | 26.7%8 | 50.0%18 |

1. In any given financial year, appeals decided will include cases that were received in prior financial years, as well as a portion that were received and decided in the same financial year.
2. Unchanged decisions include reviews that have been withdrawn.
3. This refers to the Secretary of any department where the Minister is responsible, under the Administrative Arrangements Order, for part of the social security laws that allow decisions to be appealed to the AAT. Secretary applications are managed in accordance with the partner department’s instructions.

## DEBT MANAGEMENT

### Debt raising

In 2014–15 the department continued to raise debts from customers—see Table 49.

Table 49: Debts raised from customers receiving social welfare payments

|  | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| Number of debts raised | 2 006 991 | 2 230 894 | 2 350 131 |
| Amount raised | $1.8 billion | $2.2 billion | $2.5 billion |

### Debt recovery

People with payment debts have several options to make repayments, including by cheque, money order, direct debit, BPAY, phone or internet banking, or Australia Post’s Postbill service. For a customer still receiving a payment the most common method of repaying a debt is through withholdings from their payment.

When a customer has difficulties repaying a debt, the department organises a repayment agreement that ensures the customer is not put in serious financial hardship.

When a person is no longer receiving payments and has failed to make their repayments, the department may use a contracted collection agent to recover a debt, with commission only paid on the recovered amount—see Table 50. The department also has an investigative and intelligence capability to locate former customers who have large debts and the capacity to pay them. If necessary, legal action may be taken to recover the amounts owed.

Table 50: Social welfare customer debt recovered

|  | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| Total debts recovered | $1.16 billion  | $1.27 billion | $1.43 billion |
| —amount recovered by contracted agents | $114.7 million | $124.8 million | $131.3 million |
| —percentage of total recovered by contracted agents | 9.9% | 9.9% | 9.2% |

### Compensation payments

The Social Security Act 1991 encourages people to use private financial resources, such as compensation payments, before accessing the taxpayer-funded social security system. It also ensures that any compensation payments for an injury or illness are considered in the calculation of any social security benefits. So that people fully understand how a compensation payment affects future income support payments, the department contacts them to ensure they are aware of preclusion periods. This helps people make informed decisions about their financial position.

Individuals and their legal representatives can also access a tool on our website to estimate the impact of a pending compensation claim. Information is also available for compensation recipients, compensation authorities, and legal, insurance, union and community representatives.

## SERIOUS NON-COMPLIANCE

### Our intelligence capability

During 2014–15 the department used a range of intelligence activities to identify and disrupt fraud and non-compliance associated with social and welfare payments. The range of activities included managing tip-offs, using proactive detection strategies (such as data mining, analytics and data matching) and undertaking audits and investigations.

The department undertook extensive research into fraud and non-compliance risk. We also worked with other government and non-government agencies, for example, with the Australian Federal Police, the Australian Crime Commission, the Australian Medical Association, the Royal Australian College of General Practitioners and the Pharmacy Guild of Australia—see also Customer compliance on page 99.

The department also continued to develop its ICT capability that directly supports the detection of fraud and non-compliance.

### Increased Data Matching Reviews

The Increased Data-Matching Reviews measure was implemented on 1 July 2014. This involved increasing the review numbers for data matching for additional customers with earned income and investment income and allowed for an extra 5000 compliance interventions each year.

## HEALTH PROGRAMME COMPLIANCE

### New compliance reviews

#### Compliance in large health practices

The 2012–13 Budget measure: Fraud prevention and compliance—Increased billing assurance for the Medicare Benefits Schedule assessed the risks to billing assurance in large practices and ceased on 30 June 2015. Findings from the project will inform future compliance approaches.

Up to $71.48 million in savings were achieved over 2012–15, exceeding the expected target of $20.7 million. This was mainly due to changes in billing behaviour by practitioners who were interviewed under the department’s Practitioner Review Program, practitioners who were peers in the same practice as those interviewed, or practitioners who had received a targeted letter about their servicing levels. Savings included $0.54 million repaid by practitioners determined to have engaged in inappropriate practice under the Professional Services Review Scheme.

#### Improved billing practices within public hospitals

Under the Fraud Prevention and compliance—Improve billing practices within public hospitals measure we have already gained a clearer understanding of Medicare billing practices within public hospitals. During the year products were published on the department’s website to help medical practitioners and hospital administrators understand their legal responsibilities and Medicare Benefit Schedule requirements when billing under Medicare in public hospitals. This four-year measure will finish on 30 June 2016.

### Chronic Disease Dental Scheme compliance

Over the period of its operation (1 November 2007 to 1 December 2012) the Chronic Disease Dental Scheme (CDDS) allowed chronically ill people, who were managed by their general practitioner under team care arrangements, access to Medicare rebates for dental services. The rebates were capped at $4250 over two calendar years.

The Dental Benefits Legislation Amendment Act 2014 commenced on 4 November 2014. This allows the Chief Executive Medicare or delegate to waive certain debts incurred by dental practitioners under the CDDS. The department had previously applied for debt waivers under the PGPA Act.

Waiver of debts or act of grace payments can occur where the dental practitioners have genuinely tried to comply with the documentation requirements of the CDDS. In cases like this, if they resubmit their claims with the correct details, any debt they had to the department is waived or they can receive an act of grace payment.

When dental practitioners have not provided services or have failed to show they have met the criteria supported for waiver, the department will not support the waiver of debts. In these circumstances the department will continue to seek recovery of the debts.

At 30 June 2015 the department had completed 656 audits and supported the waiver or repayment of debts of 543 dental practitioners.

### Health programmes debt

In 2014–15 the department initiated action to recover more than $63.9 million in incorrect Medicare payments. This was through:

* identifying recoverable amounts from audits and investigations
* practitioners acknowledging incorrect billing at a Practitioner Review Program interview
* payment orders resulting from successful prosecutions
* payment orders resulting from determinations by the Director of Professional Services Review
* voluntary acknowledgements
* penalties, including civil, criminal and administrative.

Of the total debt amount raised, 83 per cent or $53.1 million related to CDDS matters.

Table 51: Debts raised for recovery of benefits incorrectly paid

| Programme  | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| Number | Amount$ million | Number | Amount$ million | Number | Amount$ million |
| Medicare Benefits Schedule  | 639 | 3.61 |  970 |  9.8 | 1760 | 61.4 |
| Pharmaceutical Benefits Scheme  | 105 | 0.7 | 146 | 0.7 | 211 | 1.2 |
| Health support programmes | 28 | 0.5 | 35 | 0.2 | 39 | 1.3 |
| Child Dental Benefits Schedule | – | – | – | – | 33 | 0.03 |
| Other | – | – | – | – | 1 | 0.005 |
| Total  | 722 | 4.81 | 1151 | 10.7 | 2044 | 64.02 |

1. This figure is different to the figure reported in the department’s 2012–13 annual report due to a quality assurance process.
2. Total has been rounded to the nearest decimal point.

### Health Compliance Professionalism Survey

The professionalism survey invites health professionals to provide feedback about their experience during Medicare compliance audits. Feedback from the survey guides training initiatives and improvements to business processes. Health professionals’ satisfaction is measured by the following metrics:

* treated respectfully, courteously and in a professional manner
* management of privacy and confidentiality
* audit reason clearly explained
* timely communication
* opportunity to respond to concerns
* improvement in their understanding of MBS/PBS requirements.

In 2014–15 the department received completed surveys from 389 health professionals showing an overall satisfaction level of 91.8 per cent.

### Education and engagement

Education and engagement assists health professionals meet their compliance obligations through a range of activities and information.

#### General education and targeted feedback letters

General education and targeted feedback letters are sent when analysis reveals claiming anomalies across a large population of health professionals or the risk of non-compliant claiming by a health professional is low.

In 2014–15, 505 general education and targeted feedback letters were distributed to health professionals covering a range of issues, such as bulk bill incentive items to remind health professionals to check concession entitlement of patients at the date of service when claiming items.

#### Health Professional Guidelines

One aspect of the department’s health compliance program is to provide education and support materials for health professionals. Developed with the Department of Health and peak bodies, Health Professional Guidelines help health professionals understand what documents can be used to substantiate services if they are asked to participate in a health compliance audit or review. At 30 June 2015 there were 20 guidelines, with more in development.

### Audit and review activities

Audits and reviews examine the compliance of individuals and businesses, and support payment integrity. They include general audits, practitioner review or criminal investigation.

Table 52: Completed health compliance audits and reviews1

| Programmes/groups  | 2014–15 |
| --- | --- |
| Pharmaceutical Benefits Scheme  | 265 |
| Medicare Benefits Schedule | 2896 |
| Child Dental Benefits Schedule | 191 |
| Health support programmes | 328 |
| Aged care | 0 |
| Other2 | 0 |
| Total  | 3680 |

1. From 1 July 2014 excludes general education and targeted feedback letters.
2. Other includes programmes such as Australian Childhood Immunisation Register and Continence Aids Payments Scheme.

In 2014–15 the department improved its risk identification and priority business processes to more effectively target significant compliance risks. This included introducing improved risk pre-assessment processes, systemic reviews and strengthened governance processes.

The 2014–15 work programme focused on targeted high risks. Eight priority work areas were identified:

* Child Dental Benefits Scheme
* Health Support Program
* Practice Incentives Programme
* pathology services
* specialists
* general practitioners
* public fraud
* Pharmaceutical Benefits Scheme.

Details of specific compliance strategies in 2014–15 are outlined below.

#### Pharmaceutical Benefits Scheme

* unapproved pharmacies—reviewed claims from approved pharmacies when allegations were made that they had claimed for medicines supplied by another pharmacy not approved to supply under the PBS
* multiple payments—reviewed approved pharmacies when prescriptions appeared to be claimed more than once
* tip-offs—reviewed claims from approved pharmacies when allegations were made that a pharmacy had made incorrect claims.

#### Medicare Benefits Schedule

* MBS claims by members of the public—reviewed unusual MBS claims by patients to identify potentially fraudulent payments. We also conducted a review of claims made through Claiming Medicare Benefits Online to ensure the accuracy of the payments made
* GPs and specialists—removal of malignant neoplasms—audited health professionals MBS billing of removal of malignant neoplasms to determine if they had histopathology or specialist opinions confirming malignancy
* specialists—referred consultations—audited specialists’ claiming of referred consultations to determine if they had a valid referral before claiming the consultation
* pathology services—carried out an end-to-end audit of selected approved pathology authorities to ensure that pathology tests/services requested were the tests performed and claimed by the approved pathology practitioner
* diagnostic imaging—audited computed tomography and/or diagnostic radiology services to ensure that the services requested were performed and claimed by the billing practitioner.

#### Incentive programmes

* Practice Incentives Programme—audited medical practices receiving incentive payments. Practices were required to substantiate general eligibility for the programme and eligibility for Procedural GP Incentive and Indigenous Health Incentive payments
* Practice Nurse Incentive Programme—randomly selected practices to check their eligibility to receive these incentive payments
* Mental Health Nurse Incentive Programme—randomly selected practices to check their eligibility to receive these incentive payments.

#### Child Dental Benefit Schedule (CDBS)

* audited dentists to ensure payments made under the schedule met programme requirements
* sent targeted education letters to selected dentists
* provided information to dentists about the changes made in November 2014 to the Dental Benefits Act 2008 which incorporated increased compliance powers for the department when auditing dentists.

#### Practitioner Review Program

80/20 rule—we referred practitioners who breached this rule to the Director of Professional Services Review. The Health Insurance Act 1973 specifies that general practitioners or other medical practitioners are deemed to have practised inappropriately if they have rendered 80 or more professional attendances on each of 20 or more days within a 12-month period. Practitioners identified as approaching the 80/20 service level without yet breaching the rule were reminded of their obligations by letter or at a Practitioner Review Program interview.

### Internal reviews

In 2014–15 the department completed 65 reviews of decisions relating to health compliance activities, including 41 legislative reviews and 24 administrative reviews. In approximately 58 per cent of cases, the outcome was varied resulting in either an increase or a decrease in the recoverable amount. Review of decisions can be varied as health professionals are allowed to provide further information not available to the original decision maker. In the remaining 42 per cent of cases the original decision was upheld.

Table 53: Health internal reviews

|  | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| Allied health providers | 9 | 12 | 6 |
| Pharmacies | 0 | 0 | 1 |
| Dentists | 4 | 2 | 2 |
| General practitioners and specialists | 3 | 9 | 42 |
| Incentive payments | 1 | 3 | 12 |
| Public | – | – | 2 |
| Total | 17 | 26 | 65 |

### Improving transparency and accountability

On 22 September 2014 the Joint Committee of Public Accounts and Audit Report 445: Regional Cities Program, KPIs and Medicare was tabled in the Parliament.

The department accepted its two recommendations and has made good progress on addressing them. This work builds on that already undertaken as a result of an ANAO performance audit on Medicare compliance audits tabled in the Parliament in April 2014 including:

* improved governance—revised governance and reporting arrangements leading to redefinition of key activities in relation to performance measurement
* greater performance monitoring—working on an outcomes reporting framework which will detail an agreed set of methodologies to calculate direct savings (debts raised) and indirect savings (from behavioural change)
* greater targeting of resources and increasing cost effectiveness—achieved through improved risk identification and prioritisation, as well as better business processes and exploration of alternative treatment options
* greater data analytics—improving data analytics methods through collaboration with stakeholders, particularly the private health insurance sector
* greater productivity and efficiency—to be achieved through conducting an independent audit on health compliance activities.

For more information about external scrutiny and the department’s responses, see Appendix E on page 264.

## PUBLIC TIP-OFFS

People can provide information to us by:

* reporting via the fraud page on our website at humanservices.gov.au
* phoning the Australian Government Services Fraud Tip-off Line on 131 524
* writing to us at PO Box 7803, Canberra BC ACT 2610.

Information from the public about people who may have incorrectly or fraudulently claimed or received a payment or benefit is used to review entitlements and, if appropriate, carry out investigations.

We also assess patient complaints and tip-offs about potential fraud and other concerns relating to health care programmes to determine if a compliance investigation is required. Allegations about patient safety are referred to the relevant authorities.

In 2014–15 the department received more than 49 000 tip-offs through the Australian Government Services Fraud Tip-off Line and more than 59 000 tip-offs from other sources.

Table 54: Tip-offs

|  | 2012–13 | 2013–14 | 2014–15 | % change since 2013–14 |
| --- | --- | --- | --- | --- |
| Tip-offs through Fraud Tip-off Line | 55 229  | 52 942 | 49 140 | –7.2 |
| Tip-offs from other sources |  50 029 | 51 134 | 59 701  | +16.8 |

### Fraud investigations

The department investigates fraud and refers cases to the CDPP. The department’s fraud control processes are deliberately focused on the most serious cases of non-compliance, rather than on people making honest mistakes.

In 2014–15 the department conducted 2346 investigations into fraud compared to 3107 investigations in 2013–14. These included:

* 12 identity fraud investigations
* 20 undeclared family relationships investigations
* 8 investigations into organised and systemic fraud
* 169 investigations of potential criminal conduct of health professionals, pharmacists, corporate fraud, as well as the general public and receptionists
* 65 child support investigations.

During the year the department:

* established a digital forensic capability to further improve our ability to obtain evidence held on computers and other electronic devices
* continued to strengthen workforce capability by investing in qualifications and specialist development for program managers, analysts and investigators
* worked with the CDPP to develop and trial paperless presentation of briefs of evidence.

#### Optical surveillance

Optical surveillance involves observation of people, vehicles, places or objects. The department continued to use optical surveillance where other types of investigation were unsuccessful and when there was reasonable suspicion of fraud, serious cases of child support avoidance, or income minimisation. In 2014–15 the department completed 20 investigations using optical surveillance compared to 79 in 2013–14.

#### Partnerships in combating crime

The department works in partnership with many Australian, state and territory government agencies and private sector entities to enhance the department’s ability to combat fraud and non-compliance. Activities include contributing to whole-of-government committees, working groups and taskforces, data sharing, and targeted intelligence activities and investigations.

##### Australian Transaction Reports and Analysis Centre

The Australian Transaction Reports and Analysis Centre gives the department access to its records of significant or suspicious financial transactions. This information is used to detect undisclosed income or unexplained wealth, as these may be an indicator of potential fraud.

##### Australian Crime Commission

The department supports the Australian Crime Commission (ACC) in combating organised crime by seconding officers to the ACC. The department provides one officer to the ACC’s Fusion Centre that focuses on financial crime and another to the ACC’s Australian Gangs Intelligence Co-ordination Centre. The department receives information and intelligence from the ACC when relevant to fraud and non-compliance associated with social and welfare payments.

##### Australian Federal Police

The Australian Federal Police (AFP) supports the department’s fraud control efforts. We seconded an officer to the AFP Fraud and Anti-Corruption Centre in 2014–15. The centre is a multi-agency initiative focusing on strengthening law enforcement capability associated with serious and complex fraud, corruption by Australian Government employees and complex identity crime.

We also had 10 seconded federal agents working within the department, assisting with our investigations and preparing and executing search warrants. These federal agents also provided training and advice to departmental investigators.

## REFERRALS AND PROSECUTIONS

For cases suspected of more serious non-compliance, the department can refer them to other agencies and if proven apply administrative, criminal or civil penalties.

### Director of Professional Services Review

In 2014–15 the department referred 61 practitioners (including 12 practitioners who breached the 80/20 rule) to the Director of Professional Services Review—see Practitioner Review Program on page 110.

### Medicare Participation Review Committees

Medical Participation Review Committees (MPRCs) are independent statutory committees established on a case-by-case basis under Part VB of the Health Insurance Act 1973. They make determinations about whether a practitioner should retain the right to bill for professional services that attract a payment under the MBS.

Table 55: Cases referred to MPRCs

|  | 2012–13 | 2013–141 | 2014–15 |
| --- | --- | --- | --- |
| Open matters at start of year | 9 | 7 | 1 |
| Matters referred | 7 | 0 | 0 |
| Determinations finalised | 9 | 6 | 1 |
| Open matters at end of year | 7 | 1 | 0 |
| Hearings conducted | 6 | 6 | 0 |

1. From December 2013, the scope of matters referred to MPRCs was reduced.

The sole case finalised in 2014–15 resulted in the practitioner retaining the right to bill for the professional services.

### Commonwealth Director of Public Prosecutions

The department and the CDPP continued to work together to respond to fraud against social, health and welfare programmes. The department detects and investigates potential fraud and refers matters involving criminal intent to the CDPP which decides whether to prosecute.

In 2014–15 the department referred 1470 cases to the CDPP including:

* 1366 cases related to customers receiving social security or family assistance payments compared to 1071 in 2013–14
* 10 cases related to customers receiving Child Support services compared to 29 in 2013–14
* 74 cases related to the general public and receptionists claiming Medicare services and receiving benefits compared to 54 in 2013–14
* 20 cases relating to health professionals, pharmacists and corporate entities fraudulently claiming Medicare services and receiving benefits, compared to four in 2013–14
* 89 cases were outstanding at 30 June 2015.

## CHILD SUPPORT CUSTOMER COMPLIANCE

In 2014–15 the department continued to implement its child support compliance programmes. The department uses various activities to collect ongoing and overdue child support including those listed in the tables below.

Table 56: Child support compliance and enforcement actions

|  | Number of actions | Child support collected/corrected $ million |
| --- | --- | --- |
| 2012–13 | 2013–14 | 2014–15 | 2012–13 | 2013–14 | 2014–15 |
| Tax lodgement enforcement | 36 353 | 40 443 | 65 678 | 25.3 | 33.9 | 27.4 |
| Tax refund intercept payment | 109 764 | 111 612 | 105 202 | 116.4 | 130.4 | 121.5 |
| Departure prohibition orders | 467 | 271 | 218 | 6.7 | 6.2 | 6.7 |
| Litigation | 162 | 186 | 169 | 4.1 | 4.4 | 3.7 |

The following tables describe the performance of child support compliance and enforcement activities.

Table 57: Employer withholding from wages and salaries

|  | 30 June 2013 | 30 June 2014  | 30 June 2015 |
| --- | --- | --- | --- |
| Active paying parents with employer withholding payments set up—the department may initiate this measure for both current liability and child support debt. | 63 924 | 63 982 | 64 390 |

Table 58: Deductions from Centrelink payments and DVA payments

|   | 2012–13  | 2013–14  | 2014–15 |
| --- | --- | --- | --- |
| Amounts collected from Centrelink and DVA payments—these deductions may be made for both current liability and child support debt. | $26.7 million | $28.9 million | $30.5 million |

Table 59: Enforcement of tax return lodgement

|   | 2012–13  | 2013–14  | 2014–15 |
| --- | --- | --- | --- |
| Number of income tax periods finalised—Target: 105 000. Customers may be referred to the ATO for investigation of non-lodgement of tax returns or attempts to avoid obligations by under-declaring incomes. | 132 047 | 177 034 | 236 436 |
| Of these, the following were finalised as a result of tax return lodgement—the remainder were finalised through ATO Default Assessments or Return Not Necessary determinations. | 67 569 | 76 563 | 109 216 |
| Number of customers finalising all their outstanding tax obligations | 36 653 | 40 443 | 65 678 |

Table 60: Prohibition of departure from Australia

|   | 2012–13  | 2013–14  | 2014–15 |
| --- | --- | --- | --- |
| Amounts collected under Departure Prohibition Orders—preventing overseas travel by customers who have not made satisfactory arrangements to clear substantial debts. | $6.7 million | $6.2 million | $6.7 million  |

**Table 61**: Litigation

|   | 2012–13  | 2013–14  | 2014–15 |
| --- | --- | --- | --- |
| Amounts recovered through litigation —the department commences litigation targeting parents who repeatedly avoid paying their child support when other enforcement options have been unsuccessful and an assets or income stream is identified. | $4.1 million | $4.4 million | $3.7 million |

## REVIEWS OF CHILD SUPPORT DECISIONS

In accordance with the Child Support (Registration and Collection) Act 1988, the department is required to finalise all objections to child support decisions received within 60 days for domestic customers and 120 days for international customers.

We contact parents throughout the objection review process before we make a final decision. Both parents are given the opportunity to provide information to ensure decisions are accurately based on their individual circumstances and financial capacity, and to promote greater procedural fairness.

The department provides feedback to original decision makers on the number and outcomes of objections received to help improve future decision making.

We are continuing to review and enhance the objections process by making it more accessible to customers, while upholding the integrity of the Child Support Scheme.

Table 62: Objections received and finalised

|  | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| Number of objections received | 15 307 | 15 074 | 16 317 |
| percentage relating to care | 29.1% | 34.3% | 34.7% |
| percentage relating to change of assessment | 21.9% | 18.4% | 18.7% |
| percentage relating to estimates | 21.9% | 15.0% | 14.2% |
| Percentage finalised in 60 days—domestic | 73.7% | 80.4% | 83.8% |
| Percentage finalised in 120 days—international | 77.0% | 82.8% | 86.6% |

### Objections to change of assessment

The objection rate to change of assessment has increased slightly from 15.3 per cent in 2013–14 to 16.9 per cent in 2014–15. This is an increase of 286 change of assessment objections from 2013–14 or a 10.3 per cent increase.

Table 63: Change of assessment applications finalised and objections received

|  | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| Change of assessment applications finalised | 20 262 | 18 074 | 18 092 |
| Change of assessment objections received | 3 358 | 2 770 | 3 056 |

### Social Security Appeals Tribunal reviews

The SSAT received 2053 applications for review of child support decisions in 2014–15 compared to 1863 applications in 2013–14. The SSAT was amalgamated into the AAT from 1 July 2015.

Table 64: Child Support SSAT review outcomes1

|  | Unchanged decisions2 | Changed decisions |
| --- | --- | --- |
| 2012–13 | 2013–14 | 2014–15 | 2012–13 | 2013–14 | 2014–15 |
| SSAT | 430  | 508  | 582 | 791  | 878 | 753 |

1. The total number of applications will not match the number of changed/unchanged decisions due to a number of applications either withdrawn, dismissed or still in progress.
2. Unchanged decisions are those made by the SSAT affirming the original decision made by the Child Support Registrar. Unchanged decisions do not include withdrawn or dismissed applications.

To improve service delivery and policy outcomes the department reviews child support review decisions to identify any systemic procedural or operational issues.

# 3.4 MANAGEMENT OF HUMAN RESOURCES

The Department of Human Services is the largest public sector service delivery organisation in the country serving the largest customer group, the Australian public. Our people are critical to our delivery of services across the country whether online, on the phone or face-to-face. We continue to invest in our future workforce, empower our leaders and managers and build strong capability to deliver services and outcomes for government.

## OUR PEOPLE

The department invests in workforce planning and strategy to meet business requirements now and into the future. The department uses people reporting and data to understand the profile of its workforce, trends and future requirements. Working with business areas, the department identifies and acts on workforce priorities and strategies to ensure people are in the right job at the right time.

At 30 June 2015 the department employed 34 890 people, of whom 31 094 (89.1 per cent) were ongoing and 3796 (10.9 per cent) were non-ongoing. Of the non-ongoing employees 2672 (7.7 per cent) were intermittent/irregular staff. This compares to 30 June 2014 when the department employed 34 773 people, of whom 32 403 (93.2 per cent) were ongoing and 2370 (6.8 per cent) were non-ongoing. Of the non-ongoing employees 1833 (77.3 per cent) were intermittent/irregular staff.

At 30 June 2015 the number of full-time equivalent (FTE) staff was 29 589.31 compared to 30 179.48 in 2013–14 at 30 June 2014. The FTE—the average number of staff—is fewer than the total number of people employed, as the total headcount includes full-time, part-time and intermittent/irregular staff.

Access to flexible working hours is an important mechanism for staff to balance their work and personal commitments. At 30 June 2015, 12 091 (34.7 per cent) of staff worked part-time—that is, they worked less than 37.5 hours a week. This compares to 11 546 (33.2 per cent) of staff at 30 June 2014.

Appendix F on page 268 presents statistics on staff by classification, location, employment status, employment type, gender, disability, diverse background and Indigenous. It also sets out staff salary ranges and employment arrangements.

### Job Placement Services Scheme

The Department of Human Services Agreement 2011–14 formalises our commitment through the Job Placement Services Scheme to retain and redeploy staff whose roles may be affected by organisational change. The scheme aims to ensure that valuable skills and capabilities are retained. Information about job placement services is available for staff on our intranet. In 2014–15, 95 people on the Job Placement Services Scheme were found a permanent placement or left the department.

### Commitment to consultation

The department consults with employees and, where they choose, their representatives in accordance with the Department of Human Services Agreement 2011–2014 and the Department of Human Services Medical Officers Agreement 2013–2014. The department is continuing formal negotiations for new enterprise agreements—see Enterprise bargaining agreements below.

### Enterprise bargaining agreements

The Department of Human Services Agreement 2011–2014 covers all non-Senior Executive Service (SES) staff except Medical Officers. Medical Officers are covered by the Department of Human Services Medical Officers Agreement 2013–2014.

The department is continuing formal negotiations for new enterprise agreements. We are committed to meeting the requirements of the Australian Government Public Sector Workplace Bargaining Policy. In the meantime the existing agreements still apply.

The department held 39 enterprise bargaining meetings with union and employee bargaining representatives between June 2014 and July 2015. We are committed to keeping all staff fully informed about the next enterprise agreement through a range of channels, including face-to-face information sessions with staff nationwide. Following a request from the representative of Medical Officer Employees, they will continue to be covered by a separate enterprise agreement. The department has held a number of meetings with their representatives. During this period, the department also managed seven rounds of protected industrial action that have had minimal impact on service delivery.

### Workforce arrangements

#### Individual flexibility arrangements

Individual flexibility arrangements are used to supplement the conditions of staff in exceptional circumstances. As an example, the department has used individual flexibility arrangements to assist with recruitment to remote and isolated localities. In 2014–15 the department had 64 individual flexibility arrangements.

#### Workforce transformation

To support the shift towards more flexible and agile business approaches, workforce transformation has continued through job design, people change, and learning and development initiatives. Workforce transformation has also been a key focus across service delivery and business areas.

Regional Based Change Managers support customers and staff through change. Learning initiatives including a Talent Hub were trialled to develop staff skills—see also Middle management development on page 133.

#### People change management

The Transformer Network is an informal network for building a positive attitude towards change in the workplace. Through the network, all departmental staff have access to a range of change resources and other change-related support materials.

There are two kinds of change support—online self-help which supports staff access to tools that will assist them in managing people change, and direct service support to business teams which provides tailored solutions for specific needs.

#### Workforce availability

The unscheduled absence result for 2014–15 was 16.47 days per FTE. This is an increase on the result of 16.26 days per FTE in 2013–14. This result includes 14.2 days per FTE in sick and carers’ leave, comprising 12.53 days per FTE paid sick and carers’ leave and 1.68 days per FTE unpaid sick and carers’ leave.

The department is committed to achieving higher levels of workforce availability through effective people management, health and safety, and high levels of staff engagement. Under our Attendance Strategy 2013–17: supporting a healthy and engaged workforce:

* 3826 managers had completed positive attendance training
* business areas across the department had implemented the strategy in business plans or attendance plans and achieved positive results
* emerging attendance cases were escalated to people teams and long-term absence cases closely monitored
* attendance performance management expectations were included in individual performance agreements for supervisors.

Some positive trends and results in workforce availability are apparent in several of the department’s larger divisions. These results were mostly achieved through improving manager capability and staff engagement, and ensuring that absences are effectively monitored and managed.

### Public Interest Disclosure Act 2013

The Public Interest Disclosure Act 2013 established a legislative scheme for investigating allegations of serious wrongdoing in the Australian Public Service (APS). Information about the scheme is available to:

* staff on the department’s intranet
* the public on our website.

Responsibilities and functions under the Act are delegated to a core group of SES and Executive Level (EL) staff to ensure appropriate control and oversight in managing disclosures. The findings of an internal audit conducted between November 2014 and February 2015 will be used to further improve the management of disclosures. In 2014–15 the department received 16 public interest disclosures.

### People survey

Seventy-six per cent of the department’s employees completed the APS Employee 2015 Census this year, an increase of 5 per cent from the 2014 participation rate.

Levels of employee engagement exceeded the agreed 2015 departmental KPIs (improvement in three of the four indexes from 2014). The table below indicates a continued level of improvement in employee engagement since 2013.

Table 65: Comparison of employee engagement index scores—APS Employee Census

| Engagement element index scores1 | DHS—2013 | DHS—2014 | DHS—2015 |
| --- | --- | --- | --- |
| Job engagement index scores | 6.3 | 6.4 | 6.5 |
| Team engagement index scores | 6.1 | 6.3 | 6.4 |
| Supervisor engagement index scores | 7.0 | 7.0 | 7.2 |
| Agency engagement index scores | 5.3 | 5.5 | 5.7 |

1. Note—the engagement index uses a 0 to 10 point scale with 10 being the highest level of engagement

### Performance management

Our performance management process is designed to foster a culture of high performance by providing all staff with a clear link between their work effort and departmental priorities.

All eligible staff develop and negotiate an individual performance agreement with their manager. The agreements:

* give staff a clear understanding of their role and the performance and behavioural standards expected of them
* align individual and team work effort to departmental priorities
* help staff identify their learning and career development needs.

In 2014–15, 96.1 per cent of staff (96.4 per cent in 2013–14) had individual performance agreements negotiated, with 3.17 per cent of staff not requiring one due to long-term leave.

### Job Family Model

The department uses the APS Job Family Model to underpin strategic workforce planning and job design activities. The model has helped the department to shape its workforce, including alignment of job roles. This has enhanced the department’s understanding of its workforce, and assists in identifying demand for critical roles and addressing risks associated with labour market shortages. During the year key occupations the department identified as workforce priorities included jobs in the areas of ICT, strategic policy, research, programme and project management, and compliance and regulation.

### Job Design

The department’s Job Design programme ended in June 2015 with around 95 per cent of all roles in the department having an agreed job statement. The job statements have helped us to provide consistent roles that support movement of employees to similar roles as business needs emerge, and provide employees with clarity in various areas of skill development to support their own learning and development.

### Apprentices, cadets and graduates

The Apprenticeship Programme is made up of certificate or diploma level study and formal workplace components to provide on-the-job training to supplement formal study. Both components need to be successfully completed to graduate from the programme.

In 2014, 100 apprentices commenced with the department’s Indigenous Apprenticeship Programme. In 2015, 10 apprentices started on the ICT Apprenticeship Programme, managed by the Department of Finance.

The Cadetship Programme is made up of approved university study and workplace components, both of which need to be successfully completed to graduate.

In 2015 nine cadets began working in the department under the ICT Cadetship Programme managed by the Department of Finance. Five cadets are currently on the Indigenous Cadetship Programme, managed by the Department of the Prime Minister and Cabinet.

The National Graduate Programme offers university graduates professional development opportunities, accredited learning and specialised events and activities. The programme offers two pathways—generalist and professional. The professional pathway attracts people with allied health, communications, finance, human resources, ICT and legal qualifications. The 2015 intake of the National Graduate Programme included 66 generalist pathway and 36 professional pathway participants.

All programmes and pathways have a strong focus on diversity, especially in attracting and retaining Indigenous people and people with disability.

As part of the entry level framework, the department also continued the allied health university student placement programme and work experience placements for high school students.

### Capability review

The department continued to participate in the Australian Public Service Commission’s (APSC) 2012 Capability Review, which looked at ways to improve the capability of both individual agencies and the APS as a whole.

A follow-up Capability Review Health Check was completed in October 2014 with the department being one of the first in the Australian Government to take part in this process. The APSC used the input provided by the department to formulate its Capability Review Health Check report.

The health check shows an overall improvement in the three leadership, strategy and delivery capabilities. It commented on our progress in developing a uniform organisational culture, and evidence of strong cooperation and appreciation between ICT and our business. It also noted the increased rigour around the change process to support the considerable volume of projects, Budget initiatives and organisational changes.

### Project Focus

The Project Focus pilot was implemented on 29 September 2014 to focus on the active management and resolution of long-term Comcare cases opened or reopened between 2002 and 2012. The broad strategic aim is to reduce the department’s future liability associated with these cases. With the closure of CRS Australia, 70 staff were redeployed across the network into state-based teams to assist with the pilot.

The pilot was set up to:

* achieve a reduction of future Comcare liabilities for cases under the project’s management
* be recognised as an innovative programme demonstrating best practice in the area of long-term injury management—under its Managing Workers’ Compensation in the Commonwealth initiative. The Department of Employment is monitoring the pilot project
* look at the potential to provide shared service arrangements for other government departments to address long-term compensation claims.

## ACCESSIBLE AND INCLUSIVE WORKPLACES

The department is committed to creating workplaces that are accessible and inclusive for all staff. It is guided by the Workplace Diversity and Inclusion Strategy 2011–15 and Workplace Accessibility Plan 2011–15. We will consult staff about a refreshed strategy, expected for release by the end of 2015.

### ICT support for greater accessibility

During the year we continued to provide support and training to around 500 staff who use assistive technology software. The APS Diversity Council agreed to pilot a shared service arrangement with the department providing cross-agency assistive technology services for participating agencies. The department is also leading an inter-agency Community of Practice including representatives of agencies involved in the pilot, which will focus on the challenges and opportunities that ICT offers to people with disability, and to help promote best practice.

Agencies participating in the inter-agency accessibility support unit are:

* Attorney-General’s Department
* Australian Public Service Commission
* Australian Taxation Office
* Department of Communications
* Department of Education and Training
* Department of Employment
* Department of Health
* Department of Social Services.

Assistive technology training and support is also provided to the Department of Veterans’ Affairs on a shared services arrangement.

### Employment of people with disability

The department’s Workplace Accessibility Plan 2011–15 and Disability Recruitment Strategy contain recruitment and retention strategies for attracting and retaining people with disability. At 30 June 2015, 4.7 per cent of staff in the department identified as having disability.

During the year we developed a disability awareness and confidence training package, consisting of both face-to-face and eLearning components. This is for all staff to help them build knowledge, awareness and capability in managing staff with disability.

The RecruitAbility scheme was developed under the APS Disability Employment Strategy, where job applicants with disability who meet the minimum requirements of an advertised vacancy are advanced to a further stage in the selection process. The department is now applying RecruitAbility to all advertised vacancies including graduate recruitment. The scheme helps to build the confidence and capability of applicants with disability and supports their employment and career development. Staff involved in selections also have an increased awareness of the issues facing people with disability.

The department’s scanning operations centre provides substantial and fulfilling employment opportunities for people with disability which involves mail sorting, digitising customer correspondence and data entry. The centre has 49 staff with around 22 per cent who identify as having disability.

In an Australian first, in 2014–15 the department and HP Australia started the Dandelion Programme. This involves working with Danish company Specialist People Foundation to recruit, train and employ people with Autism Spectrum Disorder (ASD). The agreement between the three organisations provides 11 people with ASD with employment for a three-year traineeship in our ICT testing area.

### Other diversity initiatives

During the year the department released the Culturally and Linguistically Diverse (Multicultural) Employee Plan, which includes practical strategies to ensure active inclusion of staff from culturally and linguistically diverse (CALD) backgrounds. The department also widely promoted and celebrated Harmony Day in March 2015.

The department provides multicultural awareness training to staff as both an Elearning and face-to-face training package, which included a facilitated cultural immersion session delivered by the United Muslim Women Association to 12 of the department’s SES officers during 2014–15.

The department is currently developing an SES multicultural awareness training package, including Islamic cultural awareness, for delivery in 2015–16.

To enhance inclusion of lesbian, gay, bisexual, transgender and intersex (LGBTI) staff the department has developed a comprehensive eLearning package which is available to all staff.

We also hosted five staff diversity networks to provide information and support to Indigenous staff, staff with disability, mature age staff, staff from CALD backgrounds, and LGBTI staff.

### Reconciliation Action Plan

On 1 June 2015 we launched the 2015–17 Reconciliation Action Plan, renewing our commitment to advancing reconciliation over the next three years. The plan was granted ‘elevate’ status by Reconciliation Australia—the highest possible rating available, which establishes the department as a national leader in taking action towards reconciliation.

Over the next three years the department will continue to share what we learnt with other government departments, for example, by providing information sessions on Indigenous recruitment and retention; making our Indigenous Cultural Awareness training available; and trialling our Indigenous Mentoring Programme in other departments—see Indigenous Mentoring Programme on page 131.

### Employment of Aboriginal and Torres Strait Islander peoples

The department has set a target of increasing Aboriginal and Torres Strait Islander peoples’ employment to 5 per cent by the end of 2017.

In 2014–15 the department maintained 4 per cent representation of Indigenous staff, which is above the APS target of 2.7 per cent. The department supported its Indigenous staff by continuing to implement actions under the Aboriginal and Torres Strait Islander Employees Plan 2011–2015.

#### Indigenous Mentoring Programme

The Indigenous Mentoring Programme was developed to support new Aboriginal and Torres Strait Islander staff ‘navigate’ their way around the department and the APS. The programme also helps Indigenous staff deal with what can be a delicate balance between their responsibilities and obligations to their community and their new workplace.

A new Indigenous staff member usually has an Indigenous mentor after their first three months with the department. The department has 204 Indigenous staff trained as mentors, including 60 new Indigenous mentors who were trained in May and June 2015 to support the department’s largest ever intake of Indigenous apprentices as part of our Indigenous Apprenticeships Programme. The Indigenous Mentoring Programme is also supported by an Aboriginal and Torres Strait Islander Buddy Programme. The Buddy Programme supports Aboriginal and Torres Strait Islander employees to adjust to the new workplace.

#### Indigenous Scholarship Programme

To retain and develop its Indigenous workforce, the department manages an Indigenous Scholarship Programme. The scholarships are for Indigenous staff who have completed the first year of their first undergraduate degree in a field of study relevant to the department’s business, with a particular focus on identified future skills gaps. The successful scholars are paid their salary and their university fees for the rest of their studies.

In 2014–15 the department had eight Indigenous staff on scholarships.

#### Indigenous Cultural Capability Framework

One of the major strategies to improve workplace culture is the requirement for all staff to participate in the department’s Indigenous Cultural Capability Framework. This framework takes a three-tiered approach to increase and build staff knowledge and awareness of Aboriginal and Torres Strait Islander cultures.

In 2014–15, 5703 staff accessed the department’s online Indigenous Cultural Awareness eLearning training which was refreshed in June 2015. During the year 2710 staff participated in face-to-face training. A mandatory training product for SES officers, Exploring Our Culture: Senior Executives, was rolled out in 2014, with Part II of this product starting in March 2015. To date, 195 employees have completed Part I of the product, with 104 completing Part II between March and June 2015.

Secondment programmes were strengthened in 2014–15 with six staff completing secondments to Indigenous communities as part of the Jawun Indigenous Community Secondment Programme. Additionally, one SES officer participated in an Empowered Communities secondment. Two staff took part in a pilot secondment programme with the Australian Institute of Aboriginal and Torres Strait Islander Studies and one employee commenced a secondment with Reconciliation Australia.

#### National Indigenous Employee Network

The National Indigenous Employee Network of 895 Indigenous members provides a national voice for Indigenous staff. The network is consulted regularly on employment and other Indigenous issues.

## LEARNING AND DEVELOPMENT

### Technical training

In 2014–15 significant changes were made to the approach used to build the technical skills of all staff. These changes were centred on simplifying, consolidating and better organising learning products to support a capable and engaged workforce. Specifically, the following activities were completed:

* establishing a clearly defined organising model for all service delivery technical learning, including implementation of a new learning management system catalogue (including learning pathways)
* integrating existing technical learning, providing a suite of foundation learning for all service delivery job roles
* developing and trialling new tools to support this simplified approach, including modifying the existing training development model.

The development and rollout of our Mandatory Refresher Program, a department-wide initiative to refresh our workforce’s knowledge in critical legislation-based skills and behaviour, resulted in 27 555 staff completing the learning. This represented 88 per cent of the department’s entire workforce. Courses included in the Mandatory Refresher Program were Workplace Health and Safety, APS Values and Ethics, and Fraud Awareness.

### Leadership development and engagement

The department continued to invest in a talent development programme for selected Executive Level 2 (EL2) leaders from across business areas. This programme involved 22 EL2 staff in group and individual learning activities to develop self-awareness and development pathways. Seventeen SES leaders also participated in programmes offered by the APSC to enhance their skills and build networks across agencies.

### Departmental culture

The department strengthened its ‘We’ culture with business areas progressing strategies to embed employee engagement and diagnostics to identify ways to build team culture. Given the critical role played in engaging and leading teams, 132 of the SES managers were trained in improving their communication skills.

### Middle management development

The department’s approach to middle management development is undergoing a significant change through a project called Future Leaders Today. As part of the project a Human Services Capability Framework will be the foundation of a new development pathway for all staff. This will also align with a new online database called Talent Hub which maps capabilities and competencies for every role in the department. Using the hub staff can track the skills pathways for their role and identify what development and training they need to align with the department’s learning strategy. A pilot of the first stage of this initiative began in July 2014.

### Ethics and values

The department remains committed to ensuring all staff understand and comply with the APS Values and Code of Conduct, and maintain the highest ethical standards.

To underline our commitment the department released a suite of products that promote a culture of respect and integrity, including a new Preventing and Resolving Workplace Bullying Policy and a Guidelines and Workplace Bullying Prevention Kit. The prevention kit provides staff and managers with a range of resources to help identify and eliminate unacceptable workplace behaviour.

During 2015 the department also focused on fraud prevention and fraud risk awareness to remind all staff of their obligations, including the responsibility to report fraud and unauthorised access to information.

Possible breaches of the APS Code of Conduct are taken seriously and appropriate action is taken when required. Investigations are conducted according to departmental procedures, which ensure staff are treated fairly. If a breach of the APS Code of Conduct is found, sanctions are imposed. In 2014–15 there were 279 matters involving a suspected breach of the code compared to 472 in 2013–14.

## WORK HEALTH AND SAFETY AND INJURY MANAGEMENT

The department’s work health and safety policy, guidelines and procedures aim to identify, adopt and develop best practice in health and safety management to reduce the social and financial cost of occupational injury and illness and improve business performance.

The approach is founded on the Work Health and Safety Policy and the Work Health and Safety Strategy 2013–22—supporting healthy, safe and productive workplaces. The strategy is closely aligned with the Australian Work Health and Safety Strategy 2012–22 and includes targets for reducing injuries by 30 per cent and action areas for improvement. The policy and strategy are supported by the department’s new health and safety consultation arrangements which include health and safety committees and health and safety representatives.

The department’s work health and safety priority areas continue to be:

* body stressing injury prevention, including sedentary work
* customer aggression
* psychological health, including bullying and harassment
* offsite safety, including remote travel.

The targets for the strategy are to achieve:

* zero workplace fatalities
* effective compliance with the Work Health and Safety Act 2011
* a consistent ‘effective’ rating on Safety Assurance Programme (SAP) assessments, which involves reviewing safety management at a sample of workplaces annually
* a reduction in the incidence rate of workers’ compensation claims resulting in one or more weeks off work and claims for musculoskeletal disorders of at least 15 per cent by 2016 (against 2012 levels) and at least 30 per cent by 2022 (against 2012 levels).

The department’s work health and safety outcomes in 2014–15 show good progress against the targets, especially in reducing workers compensation claims, increasing work health and safety awareness and improving SAP results. These include:

* a 19 per cent reduction in the number of workers compensation claims submitted to Comcare in 2014–15
* a 5.1 per cent reduction in the number of customer aggression reports submitted by staff delivering face-to-face customer services
* implementing the new health and safety consultation arrangements, which replace the health and safety management arrangements with a manual to provide practical information
* including work health and safety in individual performance agreements and work health and safety eLearning in the mandatory staff training programme requirements for 2014, with 99 per cent of staff completing this training
* participating in the Global Corporate Challenge in 2015 to support staff to improve their health and fitness
* continuing to promote body stress injury prevention using ‘Take a stand for better health’ promotional material, training, information and resources, to enable staff to set up their workstations and promoting movement and standing at work to reduce the health impacts of sedentary work
* training customer-facing staff to reduce and manage customer aggression, with more than 71 per cent of staff delivering face-to-face customer services being retrained since August 2012
* addressing psychological injury risks through the development of a pilot mental fitness project and commencing consultation on a psychological health strategy for the department
* providing training for supervisors implementing early intervention support for staff at risk of injury.

The department has introduced a number of initiatives and structural changes to support injury prevention, early intervention and rehabilitation, to ensure early return to work and, in turn, reduce the likelihood of matters progressing to workers’ compensation claims, including:

* establishing a team of allied health staff to focus on long-term workers’ compensation cases—see Project Focus on page 126
* implementing a maturity model for rehabilitation case management, which places greater emphasis and resources on early intervention
* developing and implementing a new performance and quality framework for rehabilitation case management
* working with rehabilitation providers to improve performance, including using Abilita, a psychometric tool to assist with priority claims
* delivering an Early Intervention for Managers training programme.

### Workers compensation claims by mechanism of injury

Figure 7: Accepted claims for 2014–15 by mechanism of injury (per cent of total claim numbers)

See Appendix G on page 274 for information required under the Work Health and Safety Act 2011.

## RECOGNISING EXCELLENCE

The department’s Awards and Honours Programme recognises and rewards performance excellence. The main national award programme focuses on exceptional customer service, successful innovation, inspirational leadership, and business excellence of both individuals and teams. The department also participates in external awards programmes.

### Internal award programmes

The Pinnacle Achievement Awards are the department’s primary national annual award programme. They include categories and criteria aligned to the department’s strategic direction, culture and leadership priorities. For the 2014 awards programme, 156 nominations representing the achievements of individuals and teams across the department were submitted. Category winners and highly commended recipients were announced by the Secretary at the awards ceremony held in Canberra on 28 August 2014. Overall 21 individuals and 24 teams were acknowledged for their exceptional contribution and performance.

Significant Achievement Awards are sponsored by the SES and recognise achievements by individuals and teams within their business lines.

The ‘In the Moment’ programme encourages immediate and informal recognition at a local level.

The department’s Australia Day Achievement Awards, as part of the National Australia Day Council programme, recognise staff who have made a significant contribution to helping customers in the local community.

As part of the department’s NAIDOC Week celebrations, each year the department hosts and presents awards for Aboriginal and Torres Strait Islander Employee Achievement, Individual Achievement in Indigenous Servicing, and Team Achievement in Indigenous Servicing.

For the 2014 NAIDOC award programme, 35 nominations representing individual and team achievement were submitted. Category winners and highly commended recipients were announced by the Secretary at the awards ceremony held in Canberra on 8 July 2014. Overall seven individuals and four teams were acknowledged for their exceptional achievements.

### External award programmes

In 2014–15 the department participated in a number of public sector endorsed programmes as well as private sector industry association award programmes. The following recognition was achieved:

* 2015 National Archives of Australia inaugural Digital Excellence Awards—joint winner with the Department of Immigration and Border Protection in the large agency category for the department’s digital services including mobile apps, online and myGov
* Australasian Reporting Awards—a silver award for the department’s 2013–14 annual report
* Institute of Public Administration Australia—a bronze award for the department’s 2013–14 online annual report
* the 2015 Supply Nation Government Supplier of the Year award
* 2014 EXPAND Executive Assistant/Personal Assistant of the Year Awards—Winner of the APS2–5 Executive Assistant of the Year
* 2014 Australian Human Resources Institute Awards—Winner of the Wayne Cascio Award for Organisational Change and Development
* 2014 APS Diversity Awards—Highly Commended for a Disability Employment Award
* 2014 Australian Software Testing Awards—Winner of the Best Project Award
* 2014 Australian Awards for Excellence in Public Sector Management—Winner of the Collaboration category and Silver Excellence Award for myGov Digital Services
* Australia Day 2015 Honours List—Mandy Ritchie, General Manager CRS Australia Division, was awarded a Public Service Medal for outstanding public service leading to increased employment participation of job seekers with disabilities, injuries and health conditions
* Queen’s Birthday Honours List—Roxanne Ramsey, former General Manager, Indigenous, Regional and Intensive Services Division, was awarded a Public Service Medal for outstanding public service in social services, particularly for Indigenous communities
* 2015 Government CIO of the Year—Gary Sterrenberg, Chief Information Officer, was recognised for his leadership in the development and implementation of myGov.

### Service Recognition Programme

In 2014–15 the Service Recognition Programme acknowledged 3445 staff for their increased level of experience, capability and insight developed through continuous employment in the APS. The programme is an important part of the staff engagement strategy to build a culture that values staff service contributions. Service recognition certificates and service pins are given to staff who reach 10, 20, 25, 30, 40 and 50 years of continuous service in the APS.

## WORKPLACE GIVING

The department has a workplace giving programme that allows staff to make regular donations to charities under pre-tax arrangements directly from their pay.

This year donations increased by 12.39 per cent over the previous year with more than $65 299 donated to 33 charities. The main beneficiaries were the Australian Red Cross, Cancer Council, Care Australia, Medecins Sans Frontiers, RSPCA and Salvation Army.

## CHARITY FUNDRAISING

As part of its commitment to supporting charities, the department’s national charity calendar involves selecting organisations which align with our business, and are based on suggestions from staff. Each month we help a charity and promote awareness of its work and in some cases staff undertake fundraising activities. Charities supported during the year included The Smith Family, *beyondblue* and the Cancer Council.

The department is also involved in charity fundraising at the local level. For the fifth time the Secretary participated in the St Vincent de Paul Society’s annual Vinnies CEO Sleepout, raising more than $43 000 for the homeless.

Additionally, this year’s annual Department of Human Services Games (held at the Gold Coast) raised nearly $40 000 for the Royal Flying Doctor Service, the Cancer Council Queensland and the Gold Coast Youth Service.

# 3.5 ENGAGEMENT AND FEEDBACK

## CUSTOMER SATISFACTION

### Service Charter

The department’s Service Charter, Our Service Commitments, shapes the identity of the department and sets out what people can expect from us. The charter is a public expression of the department’s commitment to excellence in service delivery, outlining:

* service delivery approach and commitments
* customers’ rights and responsibilities
* how customers can provide feedback about service delivery
* what customers can do if they are dissatisfied with a decision made by the department
* how customers can have complaints resolved.

Our Service Commitments underpin our business priorities and are on our website.

#### Performance summary against service commitments

Following is an overview of the department’s performance against each of the six service commitment themes. The results are derived from a survey that focuses on each surveyed customer’s most recent interaction in the previous week with Centrelink and Medicare services and was conducted continuously throughout 2014–15. Results were calculated on the basis of customer ratings. Customers who did not answer or indicated ‘don’t know’ or ‘not applicable’ were removed from the calculation of results.

Respect: We will welcome you and will listen to you and work with you to understand your individual and cultural needs—measured by customer assessments of staff behaviour.

* 90 per cent of customers surveyed about Centrelink services agreed that staff treated them with respect and 78 per cent agreed that staff took into account their individual circumstances.
* 94 per cent of customers surveyed about Medicare services agreed that staff treated them with respect and 87 per cent agreed that staff took into account their individual circumstances.

Easy access to services: We will give you quick and easy access to the right services—measured by customer assessments of accessibility of services.

* 60 per cent of customers surveyed about Centrelink services were satisfied with the ease of accessing services.
* 80 per cent of customers surveyed about Medicare services were satisfied with the ease of accessing services.

Quality information: We are committed to providing consistent and accurate information—measured by customer assessments of the consistency and accuracy of information.

* 80 per cent of customers surveyed about Centrelink services agreed that staff had told them everything they had to do to get the service and 81 per cent agreed that they were given accurate information.
* 76 per cent of customers surveyed about Centrelink services agreed that staff gave them information that was consistent with what they had already heard or read.
* 91 per cent of customers surveyed about Medicare services agreed that staff had told them everything they had to do to get the service and 93 per cent agreed that they were given accurate information.
* 89 per cent of customers surveyed about Medicare services agreed that staff gave them information that was consistent with what they had already heard or read.

Fair and transparent services: We will be open and honest with you and will follow through on our commitments—measured by customer assessments of how clearly the department provides customers with information about their rights and responsibilities.

* 71 per cent of customers surveyed about Centrelink services indicated that staff had advised them of their rights and responsibilities.
* 74 per cent of customers surveyed about Medicare services indicated that staff had advised them of their rights and responsibilities.

Genuine consultation: We value your feedback and we will work with you to understand how to improve our services—measured by customer assessment of whether the department took into account their individual circumstances.

* 78 per cent of customers surveyed about Centrelink services agreed that staff took into account their individual circumstances.
* 87 per cent of customers surveyed about Medicare services agreed that staff took into account their individual circumstances.

Efficiency: We will simplify the way we deliver services to you. We will streamline processes to provide the right outcome—measured by customer assessment of staff promptness and efficiency.

* 78 per cent of customers surveyed about Centrelink services said that staff were prompt and efficient.
* 89 per cent of customers surveyed about Medicare services said that staff were prompt and efficient.

### Satisfaction survey programme

The Transactional Survey targets a random selection of customers who have recently contacted the department and measures their satisfaction with the most recent transaction.

There are a number of other research activities that form part of the satisfaction research programme. These include measuring customers’ general perceptions of the department—the Relationship Survey.

Each year the Health Provider Survey gauges satisfaction with departmental services from health professionals, including pharmacists, general practitioners and practice managers. The Department of Social Services is now responsible for aged care providers and were not included in the 2014–15 survey.

Every two years, an International Services Survey is conducted to measure the satisfaction of services provided to customers residing overseas.

Table 66: Summary of the department’s satisfaction research activities

| Survey title | Target audience(s) and sample size | Summary of findings 2013–14 | Summary of findings 2014–15 |
| --- | --- | --- | --- |
| Transactional Survey | Targets a random selection of current customers who have recently interacted with the departmentMeasures customer perceptions of the quality of service they receivedIn 2014–15 about 26 620 surveys were completed through phone interviews and 5780 surveys completed through integrated voice response | Satisfaction with:* Centrelink services at 68 per cent
* Medicare services at 85 per cent
* Child Support services at 84 per cent
 | Satisfaction with:* Centrelink services at 70 per cent
* Medicare services at 83 per cent
* Child Support customer services at 74 per cent1
 |
| Relationship Survey | Targets customers who have had any interaction with the department in the previous 12 monthsMeasures customers’ general perceptions of the departmentThe survey was conducted across May and June 2015 with 1000 surveys completed | Satisfaction with:* Centrelink at 64 per cent
* Medicare at 81 per cent
* Child Support at 50 per cent
 | Satisfaction with:* Centrelink at 56 per cent
* Medicare at 82 per cent
* Child Support at 50 per cent
 |
| Health Provider Survey | Targets a random selection of health care providers who have interacted with the department in the previous 12 monthsRuns once a year and approximately 1207 surveys were completed in 2014–15 | The percentage of health providers indicating they were satisfied or neutral with the services provided by the department: * 98 per cent for pharmacists
* 80 per cent for aged care providers
* 93 per cent for practitioners
* 93 per cent for practice managers
 | The percentage of health providers indicating they were satisfied or neutral with the services provided by the department:* 99 per cent for pharmacists
* 91 per cent for practitioners
* 88 per cent for practice managers
 |
| International Services Survey | Targets 200 customers residing overseas who had an interaction with the department in the past 12 monthsMeasures customer satisfaction with the services provided by the department’s International ServicesConducted once every two yearsConducted with customers living in Netherlands, Germany and the United Kingdom | Overall satisfaction with the services provided by the department’s International Services was 96 per cent | Overall satisfaction with the services provided by the department’s International Services was 80 per cent |

1. The result is based on data from February to June 2015. This data is not fully comparable with data from the previous year.

## CUSTOMER FEEDBACK

In 2014–15 the department implemented a new customer feedback recording tool to provide better information and identify ways to continuously improve our services to the public. Monthly case studies were provided to help staff focus on ways to improve their interactions with customers and prevent future complaints.

The department is committed to ensuring that customers are aware of their right to complain or provide feedback. Customers can provide feedback in a variety of ways, including:

* calling our feedback and complaints line on 1800 132 468
* calling one of our international phone numbers if overseas listed on humanservices.gov.au/international
* sending a secure message via humanservices.gov.au/feedback
* by mail (no postage stamp required)
* via the National Relay Service
* speaking to a Service Officer at any of our service or smart centres.

The table below summarises customer feedback received by the department.

Table 67: Summary of customer feedback about the department

| Customer feedback | 2012–13 | 2013–14 |  2014–15 | % change from 2013–14 |
| --- | --- | --- | --- | --- |
| Centrelink  |
| Compliments | 8 893 | 6 435 | 5 299 | –17.7 |
| Suggestions | 1 542 | 1 327 | 1 178 | –11.2 |
| Complaints | 46 243 | 52 763 | 62 691 | +18.8 |
| Medicare |
| Compliments | 587 | 597 | 637 | +6.7 |
| Suggestions | 203 | 198 | 270 | +36.4 |
| Complaints | 12 234 | 11 690 | 11 457 | –2.0 |
| Child Support |
| Compliments | 574 | 441 | 440 | –0.2 |
| Suggestions | 198 | 130 | 185 | +42.3 |
| Complaints | 23 312 | 22 829 | 21 298 | –6.7 |

### Centrelink customer feedback

In 2014–15 the department recorded 69 168 customer feedback contacts about Centrelink services. The top three complaints by volume were:

* difficulties with phone services, including complaints about hold wait times, engaged signals and call disconnections (24.7 per cent)
* dissatisfaction with departmental staff or a contractor, including attitude/behaviour, lack of knowledge and staff not taking agreed action (16.4 per cent)
* dissatisfaction with timeliness, including the time taken to process a claim, make a decision and review a decision (12.3 per cent).

### Medicare customer feedback

In 2014–15 the department recorded 12 364 customer feedback contacts about Medicare services. The top three complaints by volume were:

* difficulties with phone services, including complaints about hold wait times, engaged signals and call disconnections (25.4 per cent)
* difficulties with digital services, including the inability to access the services, the item number being unavailable for online claiming, and not being user-friendly (20 per cent)
* not having received a service, including a payment, a card and a tax statement (8.7 per cent).

### Child Support customer feedback

In 2014–15 the department recorded 21 923 customer feedback contacts about Child Support services. The top three complaints by volume were:

* collection, including lack of collection, account balance and employer withholding (33.1 per cent)
* quality of service, including lack of courtesy, advice and inaction (29.7 per cent)
* child support assessments including income calculated, care arrangements and change of assessment (21.2 per cent).

### Responses to customer complaints about the department’s services

Departmental responses to customer complaints address individual circumstances. A joint approach is taken to resolve customer issues that involve more than one programme or service type.

Responses to resolve complaints may include an apology, an explanation of the policy, correcting a customer’s record, review of a decision, case management, or referral to an external organisation.

## COMMUNITY ENGAGEMENT

### National advisory groups and forums

In 2014–15 the department facilitated several national advisory groups and forums.

#### National Welfare Rights Network

The National Welfare Rights Network (NWRN) includes 16 community legal services specialising in social security and family assistance law and its administration by the department. NWRN member organisations provide assistance to individual clients, conduct training for community workers, and produce publications to assist social security recipients and community organisations to understand the system. At the twice-yearly meetings between the department and NWRN, information and ideas are exchanged on a range of issues.

#### Child Support National Stakeholder Engagement Group

The Child Support National Stakeholder Engagement Group is convened jointly by the Department of Social Services and the Department of Human Services. It connects a broad cross-section of stakeholders including the legal community, academics and peak bodies of family support service providers representing separated parents. The group discusses current child support policy, child support service delivery and child support administration processes.

In 2014–15 the group discussed deregulation opportunities within the broader welfare system, the Parliamentary Inquiry into the Child Support Programme, the child support system redesign, and the child support Express Plus mobile app.

#### Multicultural advisory forums and committees

The department has partnerships with an extensive range of stakeholders from community and government organisations across all levels of government that work on issues relating to service delivery for CALD customers.

The National Multicultural Advisory Group includes members from government agencies and peak bodies representing communities from CALD backgrounds. The group provides advice and feedback about the quality and effectiveness of the department’s service delivery to multicultural customers. The annual face-to-face meeting was held in July 2014, with follow-up meetings held in October 2014 and February 2015. Issues discussed in the follow-up meetings included Budget measures, red tape reduction, refugee servicing, and future digital service delivery.

The department also convenes multicultural advisory committees and forums to consult regularly with multicultural communities at local, state and territory levels. These committees and forums operate in areas with high multicultural populations such as Brisbane, Sydney, Melbourne, Adelaide and Perth. They ensure communities know about the department’s programmes, services and new initiatives. In 2014–15 issues raised included online and Express Plus mobile apps for CALD customers, employment and training initiatives in local areas, and multilingual services.

#### Older Australians Working Group

The department met with the Older Australians Working Group in November 2014 and June 2015. The group has representatives from peak organisations and customer groups, and allows the department to showcase service delivery developments. The group offers feedback on the current and potential impacts of service delivery on older people.

#### Stakeholder Consultative Group

The Stakeholder Consultative Group is the department’s peak stakeholder consultation forum on health issues. It includes representatives and professionals from consumer, medical, allied health, pharmaceutical and aged care fields. The group provides advice on emerging strategic and operational matters as well as input into the implementation of government measures such as red tape reduction. This helps improve the effectiveness of the service delivery aspects of the health programmes the department administers. The group met twice in 2014–15.

## RESEARCH

The department’s research programme for 2014–15 continued to support improvements in service delivery through a series of internal service delivery evaluations.

The department also participated in a range of collaborative research projects across all levels of government and through academic partnerships. These included projects with the Department of Finance, the Department of Social Services, the Productivity Commission, various state and local governments, and academic institutions.

# 3.6 ASSETS MANAGEMENT

## PROPERTY

At 30 June 2015 the department leased 484 commercial properties covering 729 543 square metres. During the year the number of properties reduced by 164 from the previous year because of the co-location of 51 Medicare service centres into Centrelink service centres and the closure of 110 CRS Australia properties. By 30 June 2015 we had four new myGov sites located in Sydney, Brisbane, Adelaide and Perth.

The department also owns 35 residential properties and leases another 17 in remote locations. These properties provide accommodation for staff in places where sourcing residential properties is difficult.

During 2014–15 the department continued to manage the Department of the Prime Minister and Cabinet’s (PM&C) property portfolio outside the Australian Capital Territory. This consists of 232 properties including commercial, residential and remote properties.

The department continually reviews its property portfolio to ensure it meets business objectives and is as efficient as possible.

In 2014 PricewaterhouseCoopers undertook an independent review of property operations across the department. Recommendations from the review were focussed on increased efficiency and ensuring value for money in accordance with the Commonwealth Property Management Framework and are progressively being implemented.

During 2014–15 the expenditure on property operating expenses was $430.4 million, with a further $59.3 million on capital improvements.

## ASSETS

The department’s assets management policies and procedures encompass whole-of-life assets management. The department publishes guidance and procedures for staff and conducts a risk-based rolling stocktake and independent valuations to maintain the accuracy of assets records.

During the year the department provided assurance on the existence, validity and valuation of the assets held. We undertook:

* a stocktake to confirm the existence and location of the department’s assets
* a revaluation of leasehold improvement and data centre equipment
* an assets impairment review in accordance with Australian Accounting Standard 136—Impairment of Assets.

The composition of the department’s fixed assets base is mainly purchased software, internally developed software, leasehold improvements and data centre equipment.

## SECURITY

The department’s compliance with the mandatory requirements of the Australian Government Protective Security Policy Framework is managed through activities such as effective security risk management, monitoring and review of security plans and policies, and training and education.

As part of an increased focus on security in 2014–15, governance of the security activity in the department has been reviewed and a restructure of security functions has resulted in the formal establishment of an agency security capability.

The department continues to implement a range of initiatives to address the changing security environment including strengthening security in service centres. These include:

* reviewing the department’s property design and physical security environment to help minimise customer aggression and provide a secure and safe working environment
* more than doubling the number of security guards during the year to better manage strategic and operational security risks.

## SHARED SERVICES

In addition to property management, under the department’s agreement with PM&C we provide travel services, fleet management, credit card management and a staff assistance programme. The shared services arrangement uses the department’s expertise and existing nationwide coverage to deliver these services to PM&C. The department has recently entered into shared services arrangements with both PM&C and the Department of Finance to undertake investigations into potential breaches of the APS Code of Conduct.

Shared services will be extended with the government implementing new systems to support the National Disability Insurance Scheme (NDIS), with the department to manage the implementation. We have commenced designing and planning the ICT solution for NDIS in collaboration with the National Disability Insurance Agency and the Department of Social Services.

The department also provides ICT and learning and development services to a number of agencies—see ICT support for other government agencies on page 172.

# 3.7 PURCHASING

The department conducted its procurement activities in accordance with the Commonwealth Procurement Rules (CPRs). We review the Accountable Authority Instructions periodically to ensure our procurement activities and related policy and procedural publications remain aligned with the CPRs and the Commonwealth procurement framework.

In 2014–15 the department continued to provide specialist procurement advice, training and assistance to staff undertaking procurements to ensure compliance with the CPRs—in particular, that they deliver value for money.

The department continued to contribute to the refresh and ongoing maintenance of a number of whole‑of-government coordinated procurement initiatives led by the Department of Finance. The department also refreshed and maintained the arrangements that support the sourcing of communications-related services by 51 Australian Government agencies.

## PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESS

The department supports small business participation in the Australian Government procurement market. Small and medium enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance’s website at finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts

The department recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website at treasury.gov.au

In undertaking its procurement activities, the department seeks to support SMEs through a range of measures including:

* the use of the Commonwealth Contracting Suite for low-risk procurements valued under $200 000
* implementation of a Supplier Diversity Strategy to increase the level of activity between the department and supplier groups such as Australian Disability Enterprises and Indigenous SMEs
* membership of Supply Nation, a non-profit organisation established to grow the Aboriginal and Torres Strait Islander business sector through the promotion of supplier diversity in Australia, to further the department’s activity within the Indigenous business sector. In May 2015 the department was recognised as the Supply Nation Government Member of the Year for leadership in supplier diversity and creating opportunities for Indigenous procurement.
* the use of Australian Industry Participation Plans in whole-of-government procurement where applicable
* encouraging the use of credit cards to expedite payments.

# 3.8 CONSULTANCY CONTRACTS

The department’s consultancy contracts are categorised in accordance with PM&C’s Requirements for Annual Reports and the Department of Finance’s guidance on reporting on consultancies. In addition to the requirements of the department’s procurement guidelines and policies, all proposals for consultancy services are referred to a procurement specialist before the relevant Deputy Secretary approves them.

The department engages consultants to provide specialist professional services, independent research or assessment, and other necessary skills that are otherwise unavailable in the department.

In 2014–15 the department continued to reduce spending on consultancy services. We spent $543 534 on a total of eight consultancy contracts—$399 097 spent on three ongoing contracts and the balance on five new contracts.

Table 68 shows total expenditure (including GST) on consultancy contracts for the current and previous two financial years.

This annual report contains information about actual expenditure on contracts and consultancies. Information about the contract value of departmental contracts and consultancies is available on the AusTender website. For information about the department’s advertising and market research costs, see Appendix I on page 276.

Table 68: Expenditure on consultancy services

|  | 2012–13$ | 2013–14$ | 2014–15$ |
| --- | --- | --- | --- |
| Total consultancy services expenditure | 3 035 040 | 921 930 | 543 534 |

# 3.9 ANAO ACCESS CLAUSE

All departmental contract templates include a standard clause providing the Auditor-General with appropriate access to a contractor’s premises and records.

# 3.10 EXEMPT CONTRACTS

In 2014–15 the department had no contracts or standing offers that were exempted from publication on AusTender by the Secretary.

# 3.11 GRANTS

Information on grants awarded by the department in 2014–15 is available on our website.

# 3.12 ENVIRONMENTAL MANAGEMENT

We are committed to carrying out our business in an environmentally responsible and resource efficient way.

The department’s environmental management system aligns to international standard ISO 14001:2004 and helps us manage and report on greenhouse gas emissions, energy use, resource use and waste arising from building operations, motor vehicle and air travel, ICT and stationery supplies.

The department is dedicated to achieving the environmental targets set by the government for energy use, resource consumption and waste, and supports the mandatory environmental standards for application in procurement processes. Supporting these measures drives resource efficiency and innovation in supply chains and across industry.

See Appendix J on page 278 for more information about the department’s contribution to ecologically sustainable development and environmental performance.

# PART 4–Transforming services and technology

# 4.1 SERVICE DELIVERY TRANSFORMATION

The department has actively contributed to the development of the Australian Government’s Digital Transformation Agenda (DTA) and the establishment of the Digital Transformation Office (DTO) within the Communications portfolio. The DTA is about delivering services that are focused on the user, moving from traditional face-to-face and phone services to those that are digital by design.

The DTO is engaging with industry and in addition is leveraging the department’s existing service delivery transformation capability as part of a whole-of-government approach to improving digital services that support a user-centric experience.

During the year the myGov digital service continued to grow, with over seven million active accounts at 30 June 2015. myGov provides users with secure and easy access to a range of government online services, a secure digital inbox to receive mail from participating member services, and the ability to update address details in one place and have that information automatically notified to linked participating member services—see *myGov* on page 155.

## DIGITAL AND ONLINE SERVICES

The department recognises that many of its customers now expect to interact with us in a modern and convenient way, and we are continuing to identify new and emerging technologies to support quick and easy access to services, at a time that suits them.

Our strong focus is on encouraging more Medicare claiming from the point where health services are provided. Digital claiming from the point of service requires the least effort for customers as no direct help from the department is needed for patients making a Medicare claim.

**Table 69**: Self-service transactions

|  | **2012–13** | **2013–14** | **2014–15** |
| --- | --- | --- | --- |
| **Centrelink** |
| Self-service transactions1 | 74.5 million | 102.0 million | 118.3 million |
| **Medicare** |
| Self-service transactions1 | 2.9 million | 4.0 million | 5.4 million |
| **Child Support** |
| Self-service transactions1 | 162 000 | 183 000 | 230 000 |

1. Self-service transactions include using Express Plus mobile apps, the internet and, for Centrelink, phone self-service.

### Welfare Payments Infrastructure Transformation

In April 2015 the government announced its commitment to replace the ageing Centrelink information and communications technology (ICT) system.

This is a significant, multi-year transformation programme. It will build a new welfare payments ICT system that will enable the department to:

* provide customers with faster, more connected and automated digital services
* give staff a modern ICT platform that makes it easier for them to do their jobs
* position us to meet the future policy and service delivery needs of government.

The new system will be implemented through multiple work packages over several years, starting on 1 July 2015.

### myGov

The myGov digital service is a simple, secure way for people to access many Australian Government services online in a place and at a time that is convenient for them to undertake their business including looking for lost superannuation, submitting their income tax returns, and claiming payments.

A myGov account gives a user one secure account to access online services provided by the department, the Australian Taxation Office (ATO), the Department of Health (the Personally Controlled Electronic Health Record), the Department of Veterans’ Affairs (DVA), the National Disability Insurance Scheme, and the Department of Employment’s Australian JobSearch which became the eighth myGov member service on 13 December 2014. It is anticipated that more government agencies will join myGov over time.

The myGov sign-in process was enhanced in December 2014, giving users the option of using security codes sent to their mobile phone instead of secret questions and answers to sign in to their account.

At 30 June 2015 there were over seven million active myGov accounts.

Other features of the myGov digital service include user access to digital mail through their myGov account. People can also update their personal details and notify change of address in one transaction in their myGov account and have the changes automatically notified to the department and the ATO.

The myGov capability was also expanded to include the MyPost functionality. At 30 June 2015, 175 284 letters had been sent to the MyPost Digital Mailbox since it started on 26 July 2014.

The ATO started using the myGov inbox in March 2015, joining Centrelink, Child Support and Medicare services in providing a convenient way for people to receive their digital mail in one secure inbox. At 30 June 2015 over 58.2 million new and past letters had been delivered to customers through the myGov inbox.

### myGov shopfronts

The first myGov shopfront opened to the public in Brisbane as a proof-of-concept trial site in 2013–14. The second trial site was opened in Sydney’s CBD on 5 January 2015. Visitors to the myGov shopfronts are supported in using digital services to access myGov and connect with member services. When a person is unable to self-manage, or where services are not yet available digitally, staff can assist with simple transactions, information and referrals. The trials are also testing the effectiveness of the myGov brand for whole-of-government face-to-face servicing.

As a first step in delivering government services in an easy and integrated way, during the year the department and the ATO worked together on myGov shopfront proof-of-concept design, planning and implementation.

Following on from the two trial sites in Brisbane and Sydney, the department opened two more myGov shopfronts in Adelaide and Perth in June 2015, again working together with the ATO, with others in Albury and Melbourne due to open soon.

### Express Plus mobile apps

The department’s Express Plus mobile apps continue to be a popular and convenient way for customers to engage with government services, allowing customers to have access to services anywhere, at any time. In 2014–15 the department launched:

* Express Plus Child Support mobile app for iOS devices for child support customers
* Express Plus Centrelink mobile app for both iOS and Android devices, which combines the department’s Families, Job Seekers, Students and Seniors apps into a single, easy to use app tailored to the customer’s circumstances.

Persian (Farsi) language support was also added to the existing Arabic, Chinese and Vietnamese languages in the Express Plus Lite Multilingual mobile app, which allows customers to report their earnings.

Since their introduction the department’s Express Plus mobile apps have been downloaded more than 4.9 million times. In 2014–15 over 61 million transactions were completed compared to 36 million in 2013–14.

### High definition video conferencing pilot

During the year the department continued an innovative pilot to explore and evaluate opportunities for using video conferencing technology. The pilot offers face-to-face services through high definition video conferencing, focusing on customers who may find it difficult to visit a service centre.

In 2014–15 Disability Support Pension customers, social work customers, customers seeking advice from the Financial Information Service and people in search of work participated in face-to-face interviews and seminars via video conferencing. Interactive multipoint webinars were also conducted with health and allied health professionals.

The pilot is also exploring the use of multimedia technologies such as smartphones and tablet devices to allow customers to connect with the department.

So far we have received positive feedback from customers who have trialled the services.

### Electronic messaging

Increasingly the department is using electronic messaging to communicate with customers receiving various notifications. This is helping to reduce the number of letters mailed to customers and eliminate unnecessary and confusing communication—see also Table 74 on page 162.

### Electronic document scanning

The department scans and stores customer correspondence received by mail and fax. Once a document is scanned onto an individual’s record the digital image can then be accessed electronically by staff from anywhere in Australia.

We are exploring how we can better use technology to receive and manage customer documents submitted at service centres, by mail, fax, email, online and Express Plus mobile apps. Work on identifying solutions for extracting and processing information from digital documents with minimal or no staff intervention is also under way.

### Document Lodgement Service

The Document Lodgement Service is a quick and easy method for customers to submit documents online. Customers can access the service through their Centrelink online account, myGov and Express Plus mobile apps.

Since it started in April 2013 over 2.1million documents have been submitted using the service, with an average of 2200 documents lodged each day and over 1.4 million submitted in 2014–15.

### Online claims

In 2014–15 the department introduced Sickness Allowance and Mobility Allowance online claims. The Families online claim was enhanced to streamline and improve the customer experience. The Families, Student and Apprentice, and Age Pension transfer online claims were modernised to reduce the need for staff intervention. In 2014–15 more than 1.8 million claims were made online, an increase of 63 per cent on 2013–14.

Over 70 per cent of Newstart Allowance, Parenting Payment and Youth Allowance (job seeker) claims are currently submitted online.

Customers can also manage their appointments online and through Express Plus mobile apps.

### Personal details and circumstance updates

The department continues to enable customers to update a range of their circumstances online. During 2014–15 new services were introduced for customers to update bank account balances, update shares and other assets, and report overseas travel details.

Improvements were made to a number of online services including updating contact, address and accommodation details, reporting employment income, claiming an advance payment and requesting documents online. The report employment income and update address, contacts and accommodation online services were also transformed to reduce the need for staff intervention.

In 2014–15 customers completed over 112 million of these transactions online and via Express Plus mobile apps compared to 95 million in 2013–14.

### Online income stream reviews

In August 2014 the department introduced an online service for customers who are required to complete income stream reviews. Customers can either access their online account or use a one-time access code to complete the review. The majority of online income stream reviews are auto-processed without the need for staff intervention. These reviews were assessed by the department in August 2014 and February 2015.

### Improved access to online services

In 2014–15 the department continued to improve access to its online services. This included automatically upgrading 99 000 customers to ‘one level’ of access for their Centrelink online services account which provides a wider range of digital services including updating customer details, applying for advance payments and reporting employment income. Improvements were also made to online services for individual and third party nominees, expanding the user base and the number of transactions available.

### Electronic rent verification

Community housing organisations registered with the department can provide updated rent information for their residents who are receiving payments from the department. With this service a customer does not have to provide a rent certificate to receive their Rent Assistance payment.

### Confirmation eServices

The department’s Confirmation eServices allow customers to share their information online with participating third-party organisations such as local councils and utility service providers. It provides the minimum amount of information necessary to electronically confirm a person’s entitlement to a social welfare payment from the department or a DVA payment to:

* receive a concession, rebate or service—Customer Confirmation
* request income, assets and payment details for people receiving income support—Income Confirmation
* assist administrators and trustees of superannuation funds to decide whether superannuation can be released early due to financial hardship—Superannuation Confirmation.

It is mandatory for an organisation to obtain a person’s consent before accessing any information via Confirmation eServices. People can withdraw their consent at any time. In 2014–15 there were 67.6 million Confirmation eServices transactions compared to 55.6 million in 2013–14.

### Online services for health professionals

Health Professional Online Services (HPOS) provides secure access to a range of online services for health professionals and their administrators.

In 2014–15 a number of new services were added to HPOS, including:

* the ability for health professionals to submit claims over the internet for allied, dental health and optical services for DVA patients. This gives small businesses an alternative to paper claiming and reduces their regulatory overheads
* the ability for health professionals to bulk bill Medicare directly for any medical and some allied health services that the patient received
* automatic notifications sent to health professionals when new mail is in their HPOS mailbox.

As well the HPOS website was redesigned to make HPOS easier to navigate and use.

**Table 70**: Users accessing HPOS services

|  | **2012–13** | **2013–14** | **2014–15** | **% change since 2013–14** |
| --- | --- | --- | --- | --- |
| Users | 104 771 | 124 582 | 163 872 | +31.54 |
| Accesses to HPOS | 1 489 583 | 1 946 095 | 2 897 581  | +48.89 |

### Letters and forms

During the year the department encouraged people to register for letters online rather than have them sent in hard copy to their mailing address—see Table 71 on page 161. Customers can receive letters online through their myGov inbox. They are sent an SMS—see Table 74 on page 162—or email to alert them to a new letter.

In 2014–15 we sent 55 081 039 letters online compared to 46 383 176 in 2013–14—see Table 73 on page 162. The number of letters sent through mail houses decreased from 92 719 932 in 2013–14 to 82 115 117 in 2014–15—see Table 72 on page 161.

The department also continued to improve the content of letters and forms for customers. Letters were reviewed and revisions made to ensure the letters are easier to understand, whether in hard copy or electronically.

We also offer a range of printable claim forms that can be downloaded by customers. The volume of forms printed and distributed fell from 20 961 146 in 2013–14 to 19 661 735 in 2014–15.

**Table 71**: Registrations for social welfare service online letters

|  | **2012–13** | **2013–14** | **2014–15** | **% change since 2013–14** |
| --- | --- | --- | --- | --- |
| Registrations | 901 126 | 1 005 215 | 1 394 108 | +38.7 |
| Customers registered at 30 June | 1 794 800 | 2 358 107 | 3 294 425 | +39.7 |
| Percentage of customers registered at 30 June | 15.6 | 19.8 | 27.1 | +36.9 |

**Table 72**: Total mail house letters

| **Mail house letters** | **2012–13** | **2013–14** | **2014–15** | **% change since 2013–14** |
| --- | --- | --- | --- | --- |
| Centrelink1 |  |  |  |  |
| Letters | 84 968 521 | 60 053 941 | 46 733 6311 | –22.2 |
| Correspondence or letters about special initiatives | 6 524 954 | 1 625 704 | 1 658 1901 | +2.0 |
| Publications | 9 417 100 | 533 815 | 6 671 5771 | +1 149.8 |
| Medicare2 | 18 009 446 | 17 270 973 | 16 074 595 | –6.9 |
| Medicare cards | 4 329 603 | 5 856 548 | 3 957 332 | –32.4 |
| Child Support3 | 7 395 171 | 7 378 951 | 7 019 792 | –4.9 |
| Total mail house letters | 130 644 795 | 92 719 932 | 82 115 117 | –11.4 |

1. Special initiatives include Schoolkids Bonus, Digital TV switchover and Age Pension mailout.
2. People who have an online mail preference can receive four types of Medicare letters and a ‘welcome’ letter in their myGov inbox.
3. The 2012–13, 2013–14 and 2014–15 figures represent total mail packs which include multiple individual items distributed through the department’s production centres.

**Table 73**: Online letters

|  | **2012–13** | **2013–14** | **2014–15** | **% change since 2013–14** |
| --- | --- | --- | --- | --- |
| Centrelink | 31 724 995 | 43 487 116 | 49 104 303 | +12.9 |
| Medicare | NA1 | 620 065 | 3 064 831 | +494.3 |
| Child Support | 1 936 315 | 2 275 995 | 2 911 905 | +27.9 |
| Total letters online  | 33 661 310 | 46 383 176 | 55 081 039 | +18.8 |

1. Medicare letters online commenced with the implementation of the myGov inbox on 29 March 2014.

**Table 74**: SMS letter alert messages sent to customers

|  | **2012–13** | **2013–141** | **2014–15** | **% change since 2013–14** |
| --- | --- | --- | --- | --- |
| Total SMS  | 26 981 490 | 29 145 841 | 29 709 079 | +1.9 |

1. Medicare and Child Support service SMS commenced with the implementation of the myGov inbox on 29 March 2014.

### Access points and agents

Access points provide free self-help facilities where customers can conduct their business with the department. This includes services such as making phone calls to the department using fax, photocopying and internet facilities, and certifying proof of identity documents.

Agents are located in communities that need more than access point services. As well as providing the same facilities and services as an access point, an agent provides face-to-face information services and an internet-enabled computer and printer for customers to conduct their business. Agents also accept claim forms for lodgement and provide customers with assistance, guidance and referrals.

In 2014–15 we made more improvements to self-service facilities at identified agent sites through infrastructure upgrades. At 30 June 2015 the department had 238 access points and 350 agents throughout regional, rural and remote Australia compared to 232 access points and 347 agents in 2013–14.

## FACE-TO-FACE SERVICES

The department continues to implement a one-stop shop approach to face-to-face service delivery. By providing more services under one roof, the department is better able to meet the needs of individual customers, and provide targeted assistance to customers with more complex needs.

At 30 June 2015 the department delivered the full range of its face-to-face services in 380 service centres compared to 431 service centres at 30 June 2014 as we continue to build sustainable, accessible and fit-for-purpose service centres that reduce the cost and duplication of service delivery. In total, there were more than 25.4 million recorded visits to our service centres in 2014–15 compared to more than 26.5 million in 2013–14.

### Services provided in our service centres

Face-to-face services include transactional services, as well as specialist services available to assist customers with more complex needs. An increasingly large proportion of the department’s face-to-face service offer is about supporting customers in the use of the department’s online and mobile services.

### Co-location with other organisations

The department continues to co-locate with other government agencies and with non-government organisations in service centres to broaden the range of services available in one site. For example, customers can access services in various locations around Australia from an increasing number of providers such as the Australian Taxation Office, the Department of Immigration and Border Protection, Department of Veterans’ Affairs, the National Disability Insurance Agency, and state and territory housing authorities.

### Mobile service centres

The department has three mobile service centres, which travelled continually throughout regional and rural Australia in 2014–15. Priority was given to visiting communities that are greater than 50 kilometres from a service centre. Mobile service centre crews visited 607 towns of which 428 were greater than 50 kilometres from a service centre and helped over 13 000 people. This compares to 383 towns of which 268 were more than 50 kilometres from the service centre, helping over 9800 people in 2013–14.

Mobile service centres assisted in the South Australian bushfires in January 2015, in the Tropical Cyclone Marcia response in Queensland in February and March 2015, and in the response to storms and flooding on the New South Wales east coast in April 2015. They spent 29 days in disaster-affected communities helping over 700 people.

## SMART CENTRES

Smart centres are a flexible way to deliver a range of phone and processing services. The smart centre approach is to resolve enquiries at the first point of contact whenever possible and promote the use of self-service options including Express Plus mobile apps and online services.

Smart centre activities are managed through a virtual network, providing Centrelink, Child Support and Medicare services to customers. Phone and processing services are delivered from many locations around Australia that form part of the virtual network.

The department traditionally experiences seasonal peak periods of demand from January–March and June–September each year, when increased workload is generated by:

* families income estimates
* families reconciliation
* updates to child care information
* assessing student eligibility for new and changed enrolments for the new academic year and second semester
* enquiries about the Medicare safety net and Medicare benefit tax statements
* child support enquiries about assessments for newly separated parents and assessments as a result of tax lodgements
* Schoolkids Bonus enquiries.

Smart Centre capability was also stretched this year due to emergency responses for:

* South Australia bushfires in January 2015
* Tropical Cyclone Marcia in Queensland in February 2015
* Tropical Cyclone Lam in Queensland in February 2015
* Tropical Cyclone Olwyn in Western Australia in March 2015
* New South Wales east coast storms and flooding in April 2015.

### Phone services

In 2014–15 the department handled 56.8 million calls about Centrelink, Child Support and Medicare services compared to 59.5 million in 2013–14.

The 2014–15 Portfolio Budget Statements outlined an average speed of answer and wait time key performance indicators for each of the programmes with the following targets:

* Social security and welfare programme:
* ≤16 minutes average speed of answer—telephony
* ≤15 minutes average wait time—face-to-face
* Health programme:
* ≤30 seconds average speed of answer—Pharmaceutical Benefits Scheme (PBS) authorities and eHealth providers telephony
* ≤2 minutes average speed of answer—providers telephony
* ≤7 minutes average speed of answer—customers telephony
* ≤15 minutes average wait time—face-to-face
* Child Support Programme
* ≤3 minutes average speed of answer—telephony.

The average length of time a customer waited for their call to be answered in 2014–15 was:

* 15 minutes and 40 seconds for social security and welfare services
* 25 seconds for PBS authorities and eHealth providers
* 1 minute and 25 seconds for health services (provider)
* 5 minutes and 10 seconds for health services (customer)
* 2 minutes and 33 seconds for child support services.

The 2013–14 Portfolio Budget Statements outlined an average speed of answer and wait time key performance indicators with the targets of ≤16 minutes for service users (that is, customers—telephony channel). Due to the changes in the Portfolio Budget Statements reporting requirements for 2014–15, comparisons to the previous financial year’s results are not possible.

The department continues to focus on improving the customer experience by simplifying and automating many of the department’s telecommunication systems. This includes improvements to:

* interactive voice response systems, based on the latest technology and customer feedback
* the ‘place in queue’ call back system, which reduces the time customers spend waiting to talk to a Service Officer
* voice recognition and authentication applications, to simplify self-service registration and identification processes, removing the need for customers to repeat complex personal registration details during each contact.

See Appendix E on page 264 for information about an ANAO report on Management of Smart Centres’ Centrelink Telephone Services.

### National Job Seeker Claims Network

The National Job Seeker Claims Network (NJCN) is part of the smart centre network. It aims to maximise and streamline Newstart Allowance and Youth Allowance (job seeker) new claim finalisations, eliminating the need for customers to attend an interview to make a claim in person. In 2014–15 further improvements to streamline the new claim process for job seekers were introduced, including:

* the rollout of Newstart Allowance and Youth Allowance (job seeker) online claims across the NJCN. Customers who are in severe financial hardship or who are not capable of completing an online claim are referred to their local service centre for assistance
* improvements to online services enabling customers to book and reschedule phone appointments to discuss their participation requirements and, when possible, have their claim finalised. This appointment is generally within two working days
* use of the Document Lodgement Service to enable uploading of required documents to support their online claim, including information from third parties.

### Multilingual smart centre services

Smart centres provide multilingual phone services to customers in languages other than English. Bilingual Service Officers can finalise most of a customer’s business in a single phone call either directly or with support from interpreters. In 2014–15 Service Officers on the multilingual lines answered more than 713 000 calls compared to more than 829 000 calls in 2013–14.

### Rural smart centre services

Smart centres provide a rural phone service, designed specifically to meet the needs of customers in rural and remote communities. Service Officers handle both calls and processing of Farm Household Allowance claims, drawing on their knowledge of local rural issues. Service Officers can also assist with the impact of geographic isolation and changing circumstances such as drought or flood for farmers and their families. In 2014–15 more than 193 000 calls were answered in rural smart centres compared to more than 246 000 calls in 2013–14.

### Indigenous smart centre services

The Remote Smart Centre delivers phone services to Indigenous Australians, which include advice about Indigenous-specific payments. Service Officers can respond to calls from Indigenous customers, as well as from agents acting on their behalf in remote areas. The most common questions are about ABSTUDY, Indigenous services, Income Management and the BasicsCard.

In 2014–15, 2.8 million calls were answered about Indigenous issues and Income Management compared to 2.2 million calls in 2013–14.

In March 2015 the department started to have regular meetings with schools which have ABSTUDY students. The meetings focus on working collaboratively with schools on how to improve end-to-end ABSTUDY processes, information sharing and the best way to share our Remote Servicing Team visiting schedules with schools and communities.

### Child support smart centre services

The department delivers most of its child support services to customers over the phone, in many cases finalising processing in real time. In 2014–15 we:

* received 2.3 million calls about child support from separating or separated parents compared to 2.6 million in 2013–14
* processed 18 092 requests for a change of assessment compared to 18 169 in 2013–14.

### Health and other small business phone services

The department provides phone services for health and other programmes to health professionals, aged care organisations, and small businesses. During 2014–15 these services covered Medicare, the PBS, specialised health and medical services, aged care, and the Small Business Superannuation Clearing House. In 2014–15 these phone services handled 14.5 million calls compared to 13.8 million in 2013–14.

# 4.2 SERVICE DELIVERY IMPROVEMENTS

## SERVICE DELIVERY OPERATING MODEL

In 2014–15 the department continued to use its Service Delivery Operating Model to guide design and delivery of services to create better outcomes for government and customers. The operating model has four service levels on offer:

* naturally connected, automated services happening behind the scenes—to save effort for customers and staff
* self-managed—for people who can access and use services by themselves without needing support from staff
* assisted—for people who are unable to self-manage because of their circumstances and require support to access the right services
* managed and intensive—for people facing complex challenges who need a high level of coordinated assistance for a period of time.

Continuing implementation of the Service Delivery Operating Model will lead to more naturally connected and self-managed services, allowing staff to focus on customers with more complex needs.

## A NEW CHILD SUPPORT SYSTEM

The department is currently developing a new case management system to support the Child Support Programme for release in 2015–16. It will replace the CUBA system which has supported the programme since 2002.

The new system will improve management of child support cases, provide improved support for staff delivering child support services, and deliver a better online service for customers and employers.

## BUSINESS SYSTEMS

In 2014–15 further work was undertaken to integrate business systems. This included improving Customer First—the department’s unified servicing platform for all staff. The system improves workforce efficiency and distribution of information across our network. Most staff in service centres, smart centres and other teams use the Customer First interface daily.

# 4.3 INFORMATION AND COMMUNICATIONS TECHNOLOGY

During the year the departmentcontinued to build on our self-service capability by making additional online transactions available to customers and other users —see *Digital and online services* on page 154.

### Service stability

In 2014–15 the department reduced Priority 1 incidents to 1.2 per month in line with industry best practice.

### Telstra contract

We continued to consolidate our telecommunication services through a managed service contract with Telstra. In 2014–15 Telstra provided the department with a fully-managed service covering voice, mobile and data services. Many of these services were rolled out to the Medicare and Child Support programmes and will be rolled out to Centrelink in 2015–16, which is expected to produce substantial benefits. Final transition to the new contact centre solution is expected to finish in late 2015.

### Data centre consolidation

On 24 February 2015, the department established a contract for data centre facilities through the Department of Finance’s suppliers panel. Since then the department has started transitioning critical ICT services, including payment systems, from its own data centre. This will result in increased business continuity capability, a lower impact on the environment, and reduced operating costs through the use of efficient, green data centre technologies.

## ICT SUPPORT FOR OTHER GOVERNMENT AGENCIES

The department continued to provide ICT support to other Australian, state and territory government agencies, including:

* internet gateway services to nine departments and agencies
* data warehousing and business information services to several departments, primarily for the Department of Social Services and the Department of Health. The services include collecting data from transaction processing systems and formatting, relating and storing that data in a data warehouse, and developing analytical and reporting products that use it
* a range of information data exchange programmes
* online capability for:
* users of the Small Business Superannuation Clearing House—see page 58
* the Practice Incentives Programme, using a web-based self-service system to simplify administration for general practitioners—see page 41
* the HECS Reimbursement Scheme—see page 44
* the Rural Procedural Grants Program—see page 44
* the Rural Locum Education Assistance Program—see page 45
* the School Enrolment and Attendance Measure—see page 18
* Income Management—see page 70
* business services supporting the Paid Parental Leave Scheme—see page 17
* the Farm Household Allowance—see page 64
* the Status Resolution Support Services—see page 77.
* ICT components and technical operational support for:
* components of the eHealth record system—see page 52
* the National Authentication Service for Health which enables secure electronic communications across the health sector—see page 53
* authentication and digital services for users of myGov—see page 155
* the National Health Funding Administrator Payments System which supports all state and territory government health departments to provide payments to all public hospitals—see page 48.

# PART 5–Financial overview and financial statements

# PART 5.1 FINANCIAL OVERVIEW

## STATEMENT OF FINANCIAL PERFORMANCE

In 2014–15 the department administered an estimated $165.8 billion in payments or around 40 per cent of government outlays. The department reported an operating surplus of $65.8 million after adjustment for unfunded depreciation and amortisation and the revaluation of assets and provisions. This compares with a surplus of $132.6 million in 2013–14.

See Appendix K on page 284 for resource statements and expenses for Outcome 1, including three programmes.

### Income

The department was primarily funded through direct appropriation in the annual budget cycle. The department received service related revenue from other Australian Government agencies and non‑government entities under service arrangements—see Table 75 on page 175.

In 2014–15 the department received total income of $4270.7 million, comprising $4068.7 million in government appropriation and $202.0 million from other sources—see Table 76 on page 175.

Table 76 shows that in 2014–15 the department’s income increased slightly by $39.3 million or 0.9 per cent compared to the previous year. This was the net result of an increase of $110.5 million in appropriation revenue and a reduction of $71.2 million in own source income. Figure 8 on page 176 shows a comparison of income and expenses over the past three years.

**Table 75**: Own source revenue1

| **Government agencies and other entities** | **$ million** |
| --- | --- |
| Australian Electoral Commission | 1.4 |
| Australian Taxation Office | 9.9 |
| Department of Foreign Affairs and Trade | 7.1 |
| Department of Health | 23.0 |
| Department of Immigration and Border Protection  | 1.0 |
| Department of the Prime Minister and Cabinet | 2.9 |
| Department of Social Services | 62.0 |
| Department of Veterans' Affairs | 29.8 |
| Other agencies (amounts less than $1.0 million from other government agencies) | 3.9 |
| Other entities | 43.4 |
| **Total** | **184.4** |

1. Financial and other data in this annual report has been rounded to the nearest decimal point. This may lead to minor differences between numbers.

### Expenses

The department’s expenses in 2014–15 totalled $4432.6 million compared to $4341.3 million in 2013–14.

In 2014–15 staff expenses were $2805.5 million and supplier expenses were $1369.9 million.

**Table 76**: Income and expenses1, 2

|  | **2012–13 $ million** | **2013–14 $ million** | **2014–15 $ million** | **% change since 2013–14** |
| --- | --- | --- | --- | --- |
| Income | 4 192.0 | 4 231.4 | 4 270.7 | +0.9 |
| Expenses | 4 456.0 | 4 341.3 | 4 432.6 | +2.1 |

1. Financial and other data in this annual report has been rounded to the nearest decimal point. This may lead to minor differences between numbers.
2. Where relevant, comparative numbers have been restated to align with changes in accounting practices.

**Figure 8**: Income and expenses

## STATEMENT OF FINANCIAL POSITION

### Equity

The total equity of the department at 30 June 2015 was $671.4 million, representing contributed equity of $1430.6 million, reserves of $95.4 million and accumulated deficit of $854.5 million.

### Assets

The department’s total assets increased by 7.3 per cent to $2048.4 million at 30 June 2015.

### Liabilities

The department’s total liabilities increased by 7.7 per cent to $1377.0 million at 30 June 2015.

**Table 77**: Equity, assets and liabilities

|   | **2012–13 $ million** | **2013–14 $ million** | **2014–15 $ million** | **% change since 2013–14** |
| --- | --- | --- | --- | --- |
| Equity | 562.0 | 630.5 | 671.4 | +6.5 |
| Assets | 1 854.5 | 1 909.6 | 2 048.4 | +7.3 |
| Liabilities | 1 292.5 | 1 279.1 | 1 377.0 | +7.7 |

**Figure 9**: Equity, assets and liabilities

### Administered items

In 2014–15 the department collected and transferred $1.5 billion child support payments between separated parents for the support of their children. The department also administered the BasicsCard and the Community Innovation through Collaboration Programme and recognised $24.2 million dividends and competitive neutrality payments on behalf of the Australian Government from Australian Hearing.

# PART 5.2 FINANCIAL STATEMENTS

# PART 6–Appendices

# APPENDIX A HUMAN SERVICES (MEDICARE) ACT 1973 REPORT

The Human Services (Medicare) Act 1973 provides for the Chief Executive Medicare to authorise the exercise of powers pursuant to section 8L of the Act, and are contained within the statutory reporting requirements pursuant to section 42 of the Act.

Table 78: Human Services (Medicare) Act 1973—section 42 reporting requirements

| Section 42(1) paragraphs: (a) to (h) | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- |
| (a) The number of signed instruments made under section 8M  | 3 | 5 | 1 |
| (b) The number of notices in writing given under section 8P  | 103 | 161 | 283 |
| (c) The number of notices in writing given to individual patients under section 8P. Note: this is a subset of (b) above | 27 | 6 | 0 |
| (d) The number of premises entered under section 8U | 0 | 0 | 0 |
| (e) The number of occasions when powers were used under section 8V | 0 | 0 | 0 |
| (f) The number of search warrants issued under section 8Y | 16 | 14 | 2 |
| (g) The number of search warrants issued by telephone or other electronic means under section 8Z | 0 | 0 | 0 |
| (h) The number of patients advised in writing under section 8ZN1 | 0 | 0 | 0 |

1. Where powers are exercised in relation to a record containing clinical records, the Chief Executive Medicare must advise the patient in writing, except under specific circumstances, for example, where after reasonable inquiries the patient could not be located or contacting the patient would jeopardise the investigation.

# APPENDIX B SERVICES DELIVERED ON BEHALF OF OUR PARTNERS

Table 79: Payments on behalf of other departments

| Department | 2014–15 |
| --- | --- |
| Attorney-General’s Department | $112.3 million |
| Department of Agriculture | $54.1 million |
| Department of Education and Training | $953.3 million |
| Department of Health | $36.9 billion |
| Department of Industry and Science | $1.2 million |
| Department of Immigration and Border Protection | $231.6 million |
| Department of Infrastructure and Regional Development | $149.8 million |
| Department of Social Services | $122.1 billion |
| Department of Veterans’ Affairs | $3.8 billion |

## AUSTRALIAN GOVERNMENT AGENCIES

In 2014–15 the department provided the following payments and services on behalf of the Australian Government agencies listed below.

### Attorney-General’s Department

* Australian Government Disaster Recovery Payments
* Australian Victim of Terrorism Overseas Payments
* Disaster Recovery Allowance
* National Security Hotline service

### Australian Taxation Office

* Provision of tax information to customers through service centres
* Small Business Superannuation Clearing House services
* Tax File Number application form lodgement services

### Department of Agriculture

* Drought Coordinator services
* Farm Household Allowance

### Department of Education and Training

* Adult Migrant English Programme—provision of information to customers
* Assessment Subsidy for Overseas Trained Professionals Programme—referrals
* Child Care Benefit
* Child Care Rebate
* Jobs, Education and Training Child Care fee assistance
* Skills for Education and Employment Programme—referrals
* Youth Connections services—referrals

### Department of Employment

* Employment services—referrals

### Department of the Environment

* Green Army Programme—provision of information to customers

### Department of Foreign Affairs and Trade

* Australian Passport Information Service
* Social work support for people affected by the MH17 flight disaster
* Social work support for vulnerable Australians voluntarily repatriated from overseas

### Department of Health

* eHealth programmes
* Operation of the Personally Controlled eHealth Record System
* Indemnity Insurance Fund
* Medical Indemnity
* Medicare and related programmes
* Adverse events assistance activity
* Dental Benefits Scheme
* Medicare Benefits Scheme
* National registers
* Australian Childhood Immunisation Register
* Australian Organ Donor Register
* Midwife Professional Indemnity
* National Bowel Cancer Screening Register
* Pharmaceutical Benefits Scheme
* Provider programmes
* General Practice Rural Incentives Program
* Higher Education Contribution Reimbursement Scheme
* Mental Health Nurse Incentive Programme
* Office of Hearing Services—claim payment
* Office of Hearing Services—Centrelink Confirmation eService
* Practice Incentives Programme
* Practice Nurse Incentive Programme
* Rural Procedural Grants Program and the Rural Locum Education Assistance Program
* Public programmes
* Medicare Compensation Recovery
* External Breast Prostheses Reimbursement Program
* Private Health Insurance Rebate
* Support Leave for Living Organ Donors
* Support services
* Internet gateway—Therapeutic Goods Administration
* National Emergency Call Centre Surge Capability

### Department of Immigration and Border Protection

* Citizenship testing in regional offices
* Status Resolution Support Services Payment

### Department of Industry and Science

* Adult Migrant English Programme—provision of information to customers
* Liquefied Petroleum Gas Vehicle Reimbursement Scheme
* Skills for Education and Employment Programme—referrals

### Department of Infrastructure and Regional Development

* Tasmanian transport schemes

### Department of the Prime Minister and Cabinet

* Remote Jobs and Communities Programme—referrals
* School Enrolment and Attendance Measure—provision of social work services

### Department of Social Services

* ABSTUDY payments
* Aged Care Education Training Incentive
* Aged Care Provider Supplement
* Age Pension
* Approved Programme of Work Supplement
* Assistance for Isolated Children Scheme Payments
* Assurance of Support Scheme
* Austudy
* Baby Bonus
* Bali Lifetime Rehabilitation Assistance Package
* Bereavement Allowance
* Bereavement Payment
* Carer Adjustment Payment
* Carer Allowance
* Carer Payment
* Carer Supplement
* Centrelink Compensation Recovery
* Child Care Benefit
* Child Care Rebate
* Child Disability Assistance Payment
* Child Support services
* Commonwealth Seniors Health Card
* Community Development Employment Project Participation Supplement
* Continence Aids Payment Scheme
* Crisis Payment
* Dad and Partner Pay
* Disability Employment Services—referrals
* Disability Support Pension
* Double Orphan Pension
* Education Entry payment
* Energy Supplement
* Employment Services Assessments
* Essential Medical Equipment Payment
* Ex-Carer Allowance (child) Health Care Card
* Family Tax Benefit Part A
* Family Tax Benefit Part B
* Fares Allowance
* Financial Hardship for Residential Aged Care and Home Care
* Financial Information Service
* Foster Child Health Care Card
* Grandparent Child Care Benefit
* Health Care Card
* Health Care Card (Family Tax Benefit)
* Household Organisational Management Expenses (HOME) Advice
* Incentive Allowance
* Income Management/BasicsCard
* Income Management Matched Savings Scheme Payment
* Income Support Bonus
* Job Capacity Assessments
* Job Commitment Bonus
* Jobs, Education and Training Child Care Fee Assistance
* Language, Literacy and Numeracy Supplement
* Large Family Supplement
* Low Income Family Supplement
* Low Income Health Care Card
* Low Income Supplement
* Medical assessments for foreign pensions
* Mobility Allowance
* Multiple Birth Allowance
* Newborn Supplement
* Newborn Upfront Payment
* Newstart Allowance
* Parental Leave Pay
* Parenting Payment Partnered
* Parenting Payment Single
* Partner Allowance
* Payments under Special Circumstances (ex-gratia)
* Pension Bonus Bereavement Payment
* Pension Bonus Scheme
* Pension Bonus Top-up
* Pension Loans Scheme
* Pension Supplement
* Pensioner Concession Card
* Pensioner Education Supplement
* Pharmaceutical Allowance
* Reimbursement to Great Southern Rail for Concessional Fares
* Relocation Scholarship
* Remote Area Allowance
* Rent Assistance
* Seniors Supplement
* Schoolkids Bonus
* Sickness Allowance
* Single Income Family Supplement
* Special Benefit
* Special Child Care Benefit
* Special Disability Trusts
* Stillborn Baby Payment
* Student Start-up Scholarship
* Telephone Allowance
* Transition to Independent Living Allowance
* Utilities Allowance
* Voluntary Incentive Payment
* Widow Allowance
* Widow B Pension
* Wife Pension
* Youth Allowance Apprentice
* Youth Allowance Jobseeker
* Youth Allowance Student
* Youth Disability Supplement

### Department of the Treasury

* Early Release of Superannuation Benefits

### Department of Veterans’ Affairs

* Carer Supplement
* Community support services
* Concession cards for veterans
* Income Management
* Processing of payments to health and hospital providers
* Repatriation Pharmaceutical Benefits Scheme
* Veterans’ Agent services
* Veterans’ Information Kiosks
* Veterans’ Information services

## STATE AND TERRITORY GOVERNMENTS AND OTHER ORGANISATIONS

### National E-Health Transition Authority

* Healthcare Identifiers Service
* National Authentication Service for Health

### Foreign governments

* Reciprocal service arrangements with a number of countries

### National Emergency Call Centre Surge Capability

* The National Emergency Call Centre Surge Capability is a call overflow service the department provides to all states and territories, as well as some Australian Government agencies. See Emergency call centre surge assistance on page 84.

# APPENDIX C CARER RECOGNITION ACT 2010—REPORT

## OBLIGATIONS OF ALL PUBLIC SERVICE AGENCIES

Section 7(1)—Each public service agency is to take all practicable measures to ensure that its employees and agents have an awareness and understanding of the Statement for Australia’s Carers.

The department raises staff awareness and understanding of the Statement for Australia’s Carers through online tools and resources. The statement, set out in Schedule 1 of the Carer Recognition Act 2010, enshrines the rights, opportunities and choices of carers. Our intranet resources also include links to the Act and information about support available to help staff with their caring responsibilities.

Section 7(2)—Each public service agency’s internal human resources policies, so far as they may significantly affect an employee’s caring role, are to be developed having due regard to the Statement for Australia’s Carers.

The department complies with section 7(2) of the Act through the Department of Human Services Agreement 2011–14 and internal human resource policies.

The department consults with staff and representatives, providing the opportunity for comments and feedback while having due regard to the Statement for Australia’s Carers. We support staff with caring responsibilities through:

* flexible working arrangements
* part-time work
* home-based work
* an elder care advisory service
* the Employee Assistance Program.

Section 8(1)—Each public service care agency is to take all practicable measures to ensure that it, and its employees and agents, take action to reflect the principles of the Statement for Australia’s Carers in developing, implementing, providing or evaluating care supports.

The department is committed to the principles of the Statement for Australia’s Carers. Our payments, services and information to carers reflect this as does the development and implementation of carer programmes and supports.

The department continues to develop and implement practical actions against each of the six priority areas. We actively support awareness and understanding of carer issues within the community. We promote National Carers Week through outreach and community activities, and we promote awareness of carer issues to staff. We also produce News for Carers, an online publication for people receiving Carer Payment and Carer Allowance, and for peak carer organisations. It provides information about national initiatives and services for carers.

Section 8(2)—Each public service care agency is to consult carers, or bodies that represent carers, when developing or evaluating care supports.

The department continues to promote service models that involve carers as partners in the provision of care. Carers and carer peak bodies are consulted on the development of new measures as required.

Section 8(3)—Each public service care agency must prepare a report on its compliance with section 7 and this section in each reporting period. The report must be included in the agency’s annual report for the reporting period.

For more information about the department’s specialised services and support for carers and our engagement with carers see Delivering aged care payments on page 23, People with disability and carers on page 19, Carer specialist assessments on page 63, *National Disability Insurance Agency and the National Disability Insurance Scheme,* and the *National Disability Strategy* on pages 20–21, and Carers on our website at humanservices.gov.au

# APPENDIX D DATA-MATCHING

## DATA-MATCHING PROGRAM (ASSISTANCE AND TAX) ACT 1990

The legal authority for data-matching is governed by the Data-matching Program (Assistance and Tax) Act 1990. Under section 12 of the Act, participating agencies are required to table reports in both houses of the parliament. This appendix covers the progress of the programme for the department for 2014–15.

## DATA-MATCHING PROGRAM OBJECTIVES

The Data-matching Program aims to:

* detect people who may be receiving incorrect payments from an income support agency
* verify the accuracy of customers’ income declared to agencies that make income support payments
* encourage voluntary compliance including:
* deterring people from attempting to claim payments to which they are not entitled
* the voluntary surrender of payments to which people may not be entitled
* the voluntary disclosure of changes in circumstances which affect rates of payment
* identify debtors who have resumed receiving an income support payment
* detect fictitious or assumed identities.

The programme plays an important role in identifying dual payments and undeclared or understated income that cannot be detected by other control measures. It is part of the department’s comprehensive system of controls that enables us to detect incorrect payments and fraud.

## PROGRAMME CYCLES

The Data-matching Program (Assistance and Tax) Act 1990 specifies that a programme cycle must be completed within two months of its commencement and that a new cycle cannot begin until the previous one has finished. No more than nine cycles may be conducted each year. During 2014–15 four cycles were conducted.

## PRIVACY SAFEGUARDS

The programme operates within a framework of comprehensive and strict privacy safeguards that cover the collection, storage, use and disclosure of personal information. Close attention is paid to adhering to these requirements. The main safeguards associated with the programme ensure that:

* the Data-Matching Agency (DMA) does not hold source agency data for any longer than necessary
* source agencies cannot link or merge the information used in the programme to create a new, separate, permanent database of information
* the source agency data used is as up-to-date as possible
* data received and generated by the DMA is protected by strict physical and system security arrangements
* source agencies establish reasonable procedures for confirming the validity of results
* people are advised of the existence of the programme and the use of their information when they begin receiving a payment or service from an assistance agency
* people are contacted only when the department cannot explain a discrepancy by examining their records
* information no longer required is destroyed.

## PROGRAMME MONITORING

The department continued to monitor the operation of the programme closely, in consultation with other participating agencies and the Office of the Australian Information Commissioner (OAIC). Monitoring is undertaken in a variety of ways including regular reports, OAIC audits and ongoing project analysis.

## STATISTICS

This section contains the statistical details required under guideline 12 of the Schedule to the Data‑matching Program (Assistance and Tax) Act 1990. The information is divided into two parts. The first part, which has been compiled for the DMA, details the input and output from the programme cycles. The second part outlines the action taken by the department on discrepancies.

### Data-Matching Agency

The legislation requires that the following information processed by the DMA be provided:

* the total number of matches undertaken
* the number and proportion of matches that resulted in discrepancies.

Discrepancies can result from invalid Tax File Numbers (TFNs), identity matching or payment and income matching. Table 80 shows the DMA input and output for programme cycles in 2014–15. Table 81 shows the number and proportion of matches that resulted in discrepancies and outcomes for the same period.

Table 80: Data-Matching Agency input and output for all agencies 2014–15

| Department | Matches undertaken | DMA output | DMA output as a percentage of total departmental matches |
| --- | --- | --- | --- |
| Department of Human Services | 106 881 052 | 2 270 183 | 2.1% |
| Department of Veterans’ Affairs | 1 393 782 | 15 811 | 1.1% |
| Total | 108 274 834 | 2 285 994 | 2.1% |

Many people will have more than one component including married, maiden or previous legal names. For the Department of Veterans’ Affairs, maiden and married names are separated into two records after receipt by the DMA.

Table 81: Results of discrepancies released for action in 2014–15

| Discrepancies/cases | Number |
| --- | --- |
| Discrepancies which resulted in a notice under section 11 of the *Data-matching Program (Assistance and Tax) Act 1990* being sent1 | 3 039 |
| Discrepancies which resulted in action being taken2 | 17 985 |
| Cases in which action proceeded despite a dispute about the accuracy of the data3 | 101 |
| Discrepancies which did not proceed to action after the individual was contacted4 | 4 777 |
| Cases where an overpayment was identified5 | 23 675 |
| Cases where recovery action was initiated6 | 21 087 |
| Cases where the debt was fully recovered7 | 17 006 |

1. Section 11 of the Data-matching Program (Assistance and Tax) Act 1990 requires that people must be given written notice of any proposed action as a result of information gained through the programme. People have 28 days to respond.
2. Following the completion of a cycle, departments undertake further refinements before releasing the discrepancies for follow-up action. These refinements are to reduce the number of unproductive discrepancies that are released.
3. In any year a small number of people challenge the accuracy of the information on which the proposed action is based—usually because they do not fully understand conditions of eligibility for payment.
4. There will always be a number of cases where people are sent a notice of proposed action but the action does not proceed. In these cases people or a third party such as an employer are able to provide details to show that the payments received were correct.
5. The number of overpayment cases identified, including the number of debts waived.
6. The number of cases where recovery action was commenced on a debt. The department recovers debts in two ways, either through withholding part of a customer’s entitlement or through cash repayments.
7. Recovery of a debt can take place over a number of years and the number and value of debts raised in a year does not necessarily correspond to the number and value of recoveries.

## COST BENEFITS

This section sets out the savings and other benefits of the Data-matching Program.

It includes details of direct savings in outlays and the actual direct costs of the programme. See Table 82 on page 262 for cost–benefit information.

### Direct savings methodology

There are three direct savings components from the programme:

* downward variations in rate or the stopping of payments
* raised debts
* ceasing payments to new customers for failure to comply with TFN requirements.

The programme is also used to match details of former customers of each assistance agency who owe a debt to the Australian Government. Detection of these customers means that withholdings can be made from their current entitlement to assist in repaying their debt.

### Direct savings achieved

In 2014–15 the Data-matching Program achieved $163.2 million in savings compared to $154.7 million in 2013–14.

### Direct cost methodology

#### Administrative costs

Administrative costs included computer and associated costs—the equipment used to run the programme cycles has some ongoing administrative costs associated with computer hardware and software maintenance.

#### Salary costs

The programme’s main salary costs were costs associated with:

* managing and supporting the programme within the department
* the department’s network review activity, including its management and coordination.

### Direct cost–benefit summary

When the costs and benefits (direct savings) are compared, the net benefits of the programme are significant. In 2014–15 the net benefit of the programme was $134.6 million, compared to $132.7 million in 2013–14.

Table 82: Direct cost–benefit summary

|  | 2014–15 |
| --- | --- |
| Benefits1 | $160 013 100 |
| Costs | $25 451 400 |
| Net benefits2 | $134 561 800 |
| Cost–benefit ratio3 | 1:6.3 |

1. Net savings, including the effect of upward variations.
2. Calculated by subtracting costs from benefits.
3. Calculated by dividing benefits by costs.

## CHRONOLOGY

The events listed below include data-matching cycles run in accordance with the Data-matching Program (Assistance and Tax) Act 1990 and consultation with the OAIC in 2014–15.

* 28 July 2014 Cycle 3/2014 commenced
* 19 August 2014 Step 5 of Cycle 3/2014
* 26 August 2014 Cycle 3/2014 completed
* 24–25 July 2014 OAIC staff audited teams from Business Integrity
* 20 October 2014 Cycle 4/2014 commenced
* 10 November 2014 Step 5 of Cycle 4/2014
* 17 November 2014 Cycle 4/2014 completed
* 6–7 November 2014 OAIC staff audited teams from Business Integrity
* 2 February 2015 Cycle 1/2015 commenced
* 23 February 2015 Step 5 of Cycle 1/2015
* 2 March 2015 Cycle 1/2015 completed
* 4 May 2015 Cycle 2/2015 commenced
* 25 May 2015 Step 5 of Cycle 2/2015
* 1 June 2015 Cycle 2/2015 completed
* 24–25 June 2015 OAIC staff audited teams from Business Integrity.

# APPENDIX E EXTERNAL SCRUTINY

## AUSTRALIAN NATIONAL AUDIT OFFICE

The department maintains a collaborative and productive relationship with the Australian National Audit Office (ANAO) and welcomes the audit and assurance activities it undertakes.

The department coordinates its internal audit activities with the ANAO’s performance audit activities to help ensure the adequacy of audit coverage across the department and to minimise duplication of assurance effort. The department closely monitors implementation of ANAO recommendations.

Tabled ANAO audit reports, including the department’s responses to recommendations, are published on the ANAO website at **anao.gov.au**

### ANAO audits tabled in the Parliament in 2014–15

Report No. 48 2014–15, tabled 10 June 2015

Limited Tender Procurement

The audit objective was to assess whether Australian Government entities had appropriately justified the use of limited tender procurement and whether processes adopted met the requirements of the Commonwealth Procurement Rules (CPRs) including the consideration and achievement of value for money. The department was one of three agencies selected as part of the audit. The ANAO’s overall conclusion across the three agencies highlights the risks to value for money when applying limited tender to procurement and the need for entities to ensure that procurement processes satisfy the requirements of the CPRs. The ANAO made two recommendations aimed at improving entity procurement practices in relation to the use of limited tender, including strengthening pre-approval compliance assurance mechanisms and enhancing the accuracy of AusTender reporting. The department agreed with both recommendations. The department has already completed, or is in the process of completing, a range of actions to enhance its eProcurement system which will address a number of the issues raised within the report. In addition, the introduction of an inflight verification action will support the implementation of the recommendations, as will an increased emphasis on limited tendering in procurement training and guidance material.

Report No. 46 2014–15, tabled 9 June 2015

Administration of the Australian Childhood Immunisation Register

The audit objective was to examine the effectiveness of the department’s administration of the Australian Childhood Immunisation Register (ACIR). The ANAO concluded that the department’s administration of ACIR has been generally effective and that performance targets agreed between the department and the Department of Health (which is responsible for the overall management of the ACIR in the context of the National Immunisation Program) has generally been met or exceeded.

The ANAO made three recommendations relevant to the department and aimed at maintaining and improving ACIR data integrity, and improving the efficiency of information processing. The department agreed with the first recommendation, but with qualifications, noting that the ANAO found that the number of data discrepancies between ACIR and other departmental ICT systems was small. While there is room for improvement this needs to be balanced against the costs associated with resolving known data synchronisation issues and the benefits that can be gained. The department agreed with both the second and third recommendations.

Report No. 37 2014–15, tabled 19 May 2015

Management of Smart Centres’ Centrelink Telephone Services

The audit objective was to assess the effectiveness and efficiency of the department’s management of smart centres’ Centrelink telephone services. The ANAO observed that the large volume of calls handled by the department—43.1 million calls in 2013–14, an average of 800 000 calls each week—is unique in the public and private sectors. The ANAO further observed that many of the calls made by Centrelink customers are technically complex and also involve support for customers with complex needs.

Against this context of unique scale and complexity, the ANAO’s overall conclusion was that the department is making progress in its transition to revised delivery arrangements for Centrelink services through its smart centre and self-service initiatives, while continuing to face challenges in managing a significant volume of telephone calls from customers. The ANAO found that the department is pursuing a number of useful reforms under its transformation programme for smart centres, and has also established a soundly-based quality assurance framework for Centrelink telephone services.

The ANAO made a number of observations about call wait times, customer satisfaction levels, and the rationale underpinning relevant key performance indicators, while noting that department’s overall target for all customer telephone services has been agreed with government. The ANAO made three recommendations concerning the implementation of a coordinated channel strategy—applying the Quality Call Listening process to all staff answering calls, and reviewing performance indicators to better reflect the customer experience and to clarify the service standards that customers can expect.

The department agreed with the first two recommendations. The department also agreed with the third recommendation, but with qualifications, noting that reducing the average answer speed from 16 minutes to five minutes would require an estimated 1000 additional staff costing over $100 million each year.

Report No. 36 2014–15, tabled 6 May 2015

Administration of the Assistance for Isolated Children Scheme

The audit objective was to assess the effectiveness of the department’s administration of the Assistance for Isolated Children Scheme. The ANAO’s overall conclusion was that the department’s administration of the scheme has been generally effective. The ANAO did not make any recommendations for the department. The report did suggest opportunities for refinements, including low-cost outreach activities to supplement existing information channels, making better use of surveys to assess customer satisfaction, and considering opportunities to assist the Department of Social Services to assess the scheme’s achievements against policy objectives.

Report No. 25 2014–15, tabled 5 March 2015

Administration of the Fifth Community Pharmacy Agreement

This audit involved the Department of Health and the Department of Human Services. Its objective was to assess the effectiveness of the development and administration of the Fifth Community Pharmacy Agreement, and the extent to which the agreement met its objectives. The ANAO concluded that, overall, the Department of Health’s administration of the agreement has been mixed.

The ANAO made eight recommendations relevant to the Department of Health, aimed at improving the development of costings, clarity of the next agreement and related public reporting, record-keeping and performance information. One of these recommendations involved the department and concerned improving the accuracy of the Department of Health’s calculation of pharmacy remuneration for reporting and evaluation purposes. The department agreed with this recommendation.

### Continuing ANAO audits

The following ANAO performance audits were in progress at 30 June 2015.

Qualifying for the Disability Support Pension

The audit objective is to assess the Department of Social Services’ and the department’s administration of Disability Support Pension eligibility and review processes.

Procurement Initiatives to Support Opportunities for Indigenous Australians

The audit objective was to assess the effectiveness of the administration of procurement initiatives to support opportunities for Indigenous Australians.

## COMMONWEALTH OMBUDSMAN

In December 2014 the Commonwealth Ombudsman published a section 15 report on Department of Health: Avoiding, acknowledging and fixing mistakes about the Pharmaceutical Benefits Scheme and pharmacy location rules. The Ombudsman made four formal recommendations to the Department of Health and the department. The department supports three of the four recommendations, as one recommendation was directed to the Department of Health.

# APPENDIX F STAFFING STATISTICS AND REMUNERATION

## STAFF PROFILE

Table 83: Staff by substantive classification and location

| Classification | ACT | NSW | QLD | SA/NT | TAS | VIC | WA | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| SES Band 3 | 6 | 0 | 0 | 0 | 0  | 0 | 0 | 6 |
| SES Band 2 | 30 | 0 | 1 | 0 | 0 | 1 | 0 | 32 |
| SES Band 1 | 95 | 8 | 12 | 7 | 1 | 5 | 1 | 129 |
| Executive Level 2 | 591 | 85 | 85 | 34 | 23 | 68 | 12 | 898 |
| Executive Level 1 | 1 287 | 312 | 351 | 181 | 60 | 250 | 82 | 2 523 |
| APS 6 | 1 245 | 1 173 | 971 | 545 | 223 | 907 | 256 | 5 320 |
| APS 5 | 648 | 812 | 679 | 431 | 172 | 474 | 175 | 3 391 |
| APS 4 | 458 | 4 864 | 3 053 | 1 420 | 1 067 | 3 449 | 1 045 | 15 356 |
| APS 3 | 195 | 1 981 | 1 241 | 745 | 263 | 1 528 | 644 | 6 597 |
| APS 2 | 11 | 82 | 49 | 21 | 55 | 62 | 20 | 300 |
| APS 1 | 47 | 35 | 40 | 17 | 4 | 28 | 17 | 188 |
| Other—trainees, graduates, cadets | 90 | 4 | 28 | 24 | 0 | 3 | 1 | 150 |
| Total | 4 703 | 9 356 | 6 510 | 3 425 | 1 868 | 6 775 | 2 253 | 34 890 |

Table 84: Staff by substantive classification and employment status

| Classification | Ongoing | Non-ongoing | Total |
| --- | --- | --- | --- |
| SES Band 3 | 5 | 1 | 6 |
| SES Band 2 | 31 | 1 | 32 |
| SES Band 1 | 128 | 1 | 129 |
| Executive Level 2 | 894 | 4 | 898 |
| Executive Level 1 | 2 510 | 13 | 2 523 |
| APS6 | 5 296 | 24 | 5 320 |
| APS5 | 3 342 | 49 | 3 391 |
| APS4 | 15 103 | 253 | 15 356 |
| APS3 | 3 205 | 3 392 | 6 597 |
| APS2 | 258 | 42 | 300 |
| APS1 | 172 | 16 | 188 |
| Other—trainees, graduates, cadets | 150 | 0 | 150 |
| Total | 31 094 | 3 796 | 34 890 |

Table 85: Staff by substantive classification and employment type

| Classification | Full-time | Part-time1 | Total |
| --- | --- | --- | --- |
| SES Band 3 | 5 | 1 | 6 |
| SES Band 2 | 31 | 1 | 32 |
| SES Band 1 | 128 | 1 | 129 |
| Executive Level 2 | 825 | 73 | 898 |
| Executive Level 1 | 2 176 | 347 | 2 523 |
| APS6 | 3 881 | 1 439 | 5 320 |
| APS5 | 2 739 | 652 | 3 391 |
| APS4 | 9 773 | 5 583 | 15 356 |
| APS3 | 2 782 | 3 815 | 6 597 |
| APS2 | 183 | 117 | 300 |
| APS1 | 139 | 49 | 188 |
| Other—trainees, graduates, cadets | 137 | 13 | 150 |
| Total | 22 799 | 12 091 | 34 890 |

1. Includes intermittent/irregular staff.

**Table 86**: Staff by substantive classification and gender

| Classification | Female | Male | Total |
| --- | --- | --- | --- |
| SES Band 3 | 2 | 4 | 6 |
| SES Band 2 | 13 | 19 | 32 |
| SES Band 1 | 61 | 68 | 129 |
| Executive Level 2 | 426 | 472 | 898 |
| Executive Level 1 | 1 396 | 1 127 | 2 523 |
| APS6 | 3 579 | 1 741 | 5 320 |
| APS5 | 2 289 | 1 102 | 3 391 |
| APS4 | 11 713 | 3 643 | 15 356 |
| APS3 | 5 129 | 1 468 | 6 597 |
| APS2 | 215 | 85 | 300 |
| APS1 | 122 | 66 | 188 |
| Other—trainees, graduates, cadets | 67 | 83 | 150 |
| Total | 25 012 | 9 878 | 34 890 |

Table 87: Staff by substantive classification with disability or NESB background

| Classification | With disability | NESB1 |
| --- | --- | --- |
| Ongoing | Non-ongoing | Ongoing | Non-Ongoing |
| SES Band 3 | 0 | 0 | 1 | 0 |
| SES Band 2 | 0 | 0 | 9 | 0 |
| SES Band 1 | 5 | 0 | 24 | 0 |
| Executive Level 2 | 41 | 0 | 263 | 1 |
| Executive Level 1 | 101 | 0 | 799 | 1 |
| APS6 | 231 | 0 | 1 377 | 2 |
| APS5 | 195 | 0 | 902 | 2 |
| APS4 | 828 | 10 | 3 678 | 36 |
| APS3 | 111 | 35 | 1 011 | 315 |
| APS2 | 33 | 1 | 47 | 3 |
| APS1 | 23 | 1 | 46 | 2 |
| Other—trainees, graduates, cadets | 14 | 0 | 20 | 0 |
| Total | 1 582 | 47 | 8 177 | 362 |

1. This data aligns to the APSC definition for Diverse Cultural and Linguistic Background and Non-English Speaking Background (NESB) Groups 1 and 2. NESB 1 refers to people born overseas whose first language was not English and NESB 2 refers to children of migrants.

Table 88: Staff by substantive classification who identify as Indigenous

| Classification | 2013–14 | 2014–15 |
| --- | --- | --- |
| Ongoing | Non-ongoing | Ongoing | Non-ongoing |
| SES Band 3 | 0 | 0 | 0 | 0 |
| SES Band 2 | 0 | 0 | 0 | 0 |
| SES Band 1 | 3 | 0 | 2 | 0 |
| Executive Level 2 | 10 | 0 | 10 | 0 |
| Executive Level 1 | 38 | 0 | 39 | 0 |
| APS6 | 117 | 0 | 114 | 0 |
| APS5 | 188 | 0 | 182 | 1 |
| APS4 | 607 | 0 | 661 | 2 |
| APS3 | 274 | 64 | 329 | 53 |
| APS2 | 10 | 3 | 6 | 1 |
| APS1 | 2 | 0 | 2 | 0 |
| Other—trainees, graduates, cadets | 86 | 0 | 5 | 0 |
| Total | 1 335 | 67 | 1 350 | 57 |

## NON-SENIOR EXECUTIVE SERVICE REMUNERATION

At 30 June 2015, 34 691 non-SES staff were covered by the Department of Human Services Agreement 2011–2014.

Table 89: Salary ranges for staff covered by the Department of Human Services Agreement 2011–2014

| Classification | Salary range1$ |
| --- | --- |
| Executive Level 2 | 111 677–132 809 |
| Executive Level 1 | 96 504–106 935 |
| APS 6 | 77 154–89 217 |
| APS 5 | 69 699–75 208 |
| APS 4 | 62 493–69 239 |
| APS 3 | 56 069–62 492 |
| APS 2 | 50 580–54 588 |
| APS 1 | 45 263–48 533 |
| Deputy General Counsel—Executive Level 2 (Legal Job Stream) | 141 039 |
| Senior Rehabilitation Consultant—APS 6 (Professional Job Stream) | 94 017 |
| Rehabilitation Consultant 2—APS 6 (Professional Job Stream) | 89 512 |
| APS Trainee (School-based pathway) Year 11 | 18 105 |
| APS Trainee (School-based pathway) Year 12 | 22 632 |
| APS Trainee (Apprentice) | 50 580 |
| APS Trainee (IT Apprentice) | 45 263–51 970 |
| Cadet APS | 25 800–51 970 |
| Graduate APS | 56 069–62 493 |

1. The salary ranges in this table cover base salary rates only and do not include reportable fringe benefits, allowances and salary sacrifice arrangements.

At 30 June 2015, 33 Medical Officers were covered by the Department of Human Services Medical Officers Agreement 2013–2014.

Table 90: Salary ranges for staff covered by the Department of Human Services Medical Officers Agreement 2013–2014

| Classification | Salary range1$ |
| --- | --- |
| Medical Officer Class 4 | 163 518–174 248 |
| Medical Officer Class 3 | 150 468–157 238 |
| Medical Officer Class 2 | 118 817–141 283 |

1. The salary ranges in this table cover base salary rates only and do not include reportable fringe benefits, allowances and salary sacrifice arrangements.

## PERFORMANCE PAY

There were no performance payments made in 2014–15.

## SENIOR EXECUTIVE SERVICE REMUNERATION

The Secretary establishes salary ranges for SES employees having regard to:

* the Australian Government Public Sector Workplace Bargaining Policy
* the annual APS SES remuneration survey
* the performance of the department
* value for money.

Table 91: Salary range for SES classifications

| Classification | Salary range1$ |
| --- | --- |
| SES Band 3 | 285 000–339 500 |
| SES Band 2 | 201 000–248 000 |
| SES Band 1 | 150 000–196 000 |

1. The salary ranges in the table cover base salary rates only. This does not include motor vehicle, reportable fringe benefits or other allowances. These salary ranges are indicative as the Secretary may approve salary rates outside these bands.

Salaries for individual SES employees are reviewed annually by the Secretary, following the completion of the annual performance cycle. As well as individual performance, other factors taken into account include organisational performance, relevant remuneration data, and size and complexity of the role. The department’s SES employees have not received a salary increase since 2013.

Table 92: Employment arrangements

| Arrangement | SES | Non-SES |
| --- | --- | --- |
| Section 24(1) of the Public Service Act 1999 | 160 | 0 |
| Individual flexibility agreements | 0 | 64 |
| Common law contract  | 0 | 0 |

# APPENDIX G WORK HEALTH AND SAFETY

## WORK HEALTH AND SAFETY ACT 2011—REPORTING

### Comcare inspections

In 2014–15 Comcare undertook eight workplace inspections. One contravention of the Work Health and Safety Act 2011 was reported for the failure to test residual current devices at one workplace.

### Incidents notified to Comcare

Table 93: Incidents notified to Comcare

| Type of incident | Number |
| --- | --- |
| Death | 1 |
| Serious injury or illness | 27 |
| Dangerous incidents | 11 |
| Total | 39 |

# APPENDIX H FREEDOM OF INFORMATION

As required under Part II of the Freedom of Information Act 1982 the department has an Information Publication Scheme (IPS) plan, which is available on our website.

Most mandatory information that must be published under the Act is available in various documents on the department’s website and can be easily identified by the IPS logo visible on the freedom of information page.

In 2014–15 the website information included:

* the department’s IPS plan
* details of the department’s organisational structure
* details of the department’s functions, including its decision-making powers and other powers affecting members of the public (or any particular person or entity, or class of persons or entities)
* appointments of officers that are made under legislation (other than APS staff), such as the appointment of statutory office holders
* the department’s annual reports
* arrangements for members of the public to comment on specific policy proposals for which the department is responsible, including how (and to whom) those comments may be made
* contact details to enquire about access to the department’s information or documents under the Act
* the department’s operational information
* information in documents to which the department routinely gives access in response to requests under Part III (access to documents) of the Act, except information that is otherwise exempt
* information that the department routinely provides to the Parliament in response to requests and orders from the Parliament.

# APPENDIX I ADVERTISING AND MARKET RESEARCH

## COMMUNICATION CAMPAIGNS

The department did not undertake any communication or advertising campaigns in 2014–15.

## ADVERTISING COSTS—MEDIA ADVERTISING AGENCY

In 2014–15 the total departmental expenditure through the Australian Government’s master media agency, Mitchells Adcorp Alliance, was $699 277. This includes expenditure on print, radio and online advertising in areas such as recruitment, public notices, tenders and departmental services.

Table 94: Costs associated with advertising

| Payee | Purpose | 2014–15 $ |
| --- | --- | --- |
| Mitchells Adcorp Alliance | Advertising | 699 277 |
| SBS Broadcasting Service | National multicultural radio broadcasting | 36 421 |
| Sensis | White Pages | 1 808 017 |
| Total | 2 543 715 |

## MARKET RESEARCH PAYMENTS

The department commissioned the projects listed in Table 95. They involved gathering, analysing and reporting information from external audiences or sources to provide insight on a particular topic or issue.

Table 95: Payments associated with market research organisations

| Vendor | Description | 2014–15$ (including GST) |
| --- | --- | --- |
| Australian Centre for Social Innovation | Complex citizen insight1 | 70 000 |
| Colmar Brunton | CAP (Indigenous community) agents survey 2015 | 32 282 |
| Colmar Brunton | Family and domestic violence communication testing | 15 000 |
| DBM Consultants  | Integrated customer satisfaction programme | 1 434 659 |
| EY Sweeney | Service delivery communication testing | 76 000 |
| instinct and reason | HD video conference pilot evaluation1  | 52 800 |
| instinct and reason | Complex customer insight—online1 | 31 900 |
| instinct and reason | myGov Brisbane shopfront proof of concept evaluation | 18 000 |
| instinct and reason | Operational communication for Medicare Benefits Schedule changes for new Medicare safety net | 24 000 |
| Latitude Research | Testing digital communication strategies1 | 115 000 |
| Lonergan Research | Exploring current student needs and expectations1 | 50 000 |
| Market Access Consulting and Research | *News for Seniors* research  | 48 950 |
| ORC International | Evaluation of Rouse Hill service offer pilot1 | 31 818 |
| ORC International | Future of *Australian Pension News* research | 30 954 |
| ORC International | Rural agents and access points survey 2015 | 22 580 |
| Taylor Nelson Sofres | Digital services and transformation communication | 41 976 |
| Total2 | 2 095 919 |

1. Relates to payments made in 2014–15 for research completed in 2013–14.
2. The total includes payments for invoices goods receipted before 30 June 2015. The equivalent Table in 2013–14, included only those payments issued prior to 30 June 2014. This change in process accounts for the increased amount reported in 2014–15.

# APPENDIX J ENVIRONMENTAL PERFORMANCE

Section 516A of the Environment Protection and Biodiversity Conservation Act 1999 requires Commonwealth agencies to report annually on their contribution to the principles of ecologically sustainable development (ESD) and the measures taken to minimise their impact on the environment. The ESD principles are defined in section 3A of the Act.

## HOW ADMINISTERED PROGRAMMES ACCORD WITH THE PRINCIPLES OF ESD—SECTION 516A(6)(a)

In 2014–15 the department administered the Australian Government Drought Assistance programme in line with the principles of ESD. The department delivered a suite of payments to drought-affected communities, including the Farm Household Allowance from 1 March 2014.

## HOW THE APPROPRIATION OUTCOME CONTRIBUTED TO THE PRINCIPLES OF ESD—SECTION 516A(6)(b)

In 2014–15 the department continued to contribute to the principles of ESD through the delivery of efficient and convenient services to individuals, families and the community. For instance, departmental activities that had a direct impact on reducing resources consumed, release of emissions and waste generated, included:

* online brochures, forms and letters
* Express Plus mobile apps and quick response codes for customers to easily access service information
* mobile service centres that visit regional and remote communities.

## EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516A(6)(c)

Departmental activities with an impact on the environment were risk-assessed using the international standard for Risk Management ISO 31000:2009 and the Australian Standard handbook for environmental risk assessment HB203:2006. We manage activities identified as posing the most significant risk through the department’s environmental management system (EMS) which aligns to the international standard EMS ISO 14001:2004.

In general these activities consume considerable resources and generate substantial waste. Activities that have a significant effect on the environment include:

* building operations and refurbishments
* use of ICT
* use and disposal of stationery
* operating vehicles.

Table 96: Resources use

|   | Units | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- | --- |
| Stationary energy (electricity and gas) | gigajoules | 415 449  | 400 448 | NA1 |
| Transport energy (fuels) | gigajoules | 45 780  | 36 554 | NA1 |
| Total energy use | gigajoules | 461 229  | 437 002 | NA1 |
| Internal paper use | tonnes | 857 | 851 | 749  |
| Customer letters | A4 sheets | 202 589 154 | 120 421 513 |  109 541 466 |
| Property use | square metres | 814 631 | 788 942 |  729 543 |

1. Stationary energy reporting for 2014–15 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy reporting.

Table 97: Waste, resource recovery and pollution

|   | Measure | 2012–13 | 2013–14 | 2014–15 |
| --- | --- | --- | --- | --- |
| Net greenhouse gas emissions—energy use | tonnes of carbon dioxide equivalents | 116 123 | 108 613 | NA1 |
| Office copy paper recycling | % coverage (square metres) | 98.2 | 98.1 |  98.0 |
| Commingled recycled | % coverage (square metres) | 18 | 18 |  20 |
| Mobile phone recycling | kilograms | 139 | 238 | 331  |
| Fluorescent and other lamps recycled | units | 1 724 | 2 748 | 6 012 |

1. Net greenhouse gas emissions—stationary energy reporting for 2014–15 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy and greenhouse gas emission reporting.

## MEASURES TAKEN TO MINIMISE THE EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516(6)(d)

The department’s Environmental Sustainability Policy (available at humanservices.gov.au) is used to minimise the effect of our activities on the environment, and to drive better practices, performance and accountability.

Any environmental initiative or measure introduced is evaluated for financial effectiveness, with an objective of least cost/high return. This approach is consistent with the government’s proposed Emissions Reduction Fund objective of lowest cost emissions reduction.

Table 98: Control measures and initiatives 2014–15—resource use, and supplier and product selection

| Activities | Measures taken to minimise the effect on the environment |
| --- | --- |
| Air travel | * We promoted and supported the use of video and phone conferencing instead of staff using air travel.
 |
| Building operations | * Landlord and tenant obligations under Green Lease Schedules have been improved by site-based energy management plans, organising Building Management Committee meetings and implementing initiatives at large offices across the department. At 30 June 2015 there were 42 Green Leases for large offices.
* National Australian Built Environment Rating System (NABERS) assessments were undertaken at large offices. At 30 June 2015 the department had 21 large offices performing at or above a 4.5 Stars NABERS energy rating.
* We retained or improved performance through ongoing controls and initiatives such as office energy audits, server room audits, lighting upgrades, installation of master switches and timers in meeting rooms, reviewing programme settings on hot water units, and syncing air conditioning to security timers.
* Reputable eco-labels and other environmental standards are used to improve environmental performance—such as ENERGY STAR® to rate appliances.
* We purchased 10 per cent Greenpower from electricity services in the Australian Capital Territory, procured through the whole-of-government electricity contract.
* The department supports the FluoroCycle Scheme to ensure that hazardous fluorescent lamps are recycled on disposal. The scheme promotes better environmental practice in our supply chain.
* The department participated in Earth Hour to promote greenhouse emission awareness and to review lighting system operations.
 |
| ICT | * The ICT server virtualisation programme continued to deliver considerable energy and cost savings. The department has virtualised 98 per cent of x86 architecture-based Wintel workload and 99 per cent of Unix workload, avoiding the purchase of additional servers.
* The Data Centre Consolidation and Relocation Strategy delivered significant improvements to data centre energy efficiency and carbon emission performance.
* We have automated PC shutdown using the hibernation mode after three hours of inactivity.
* Server room construction and maintenance guidelines were established to improve the energy efficiency of server rooms. • Replacement PCs and monitors are compliant to the Silver or Gold standard of the eco-label—Electronic Product Environmental Assessment Tool—covering environmental concerns such as energy efficiency, greenhouse performance, minimising hazardous materials and waste management.
* We continued to rationalise printer and multifunction devices in refurbished and new buildings, which have reduced the number of machines and contributed to reduced energy and cost.
* We continue to add environmental clauses into ICT contracts to appropriately manage e-waste, with supplier take back and responsible disposal of equipment.
* We rolled out follow-me print technology to an additional 4000 staff as a way of improving productivity, as well as to reduce paper, toner cartridges and cost.
 |
| Management and communication | * The Environmental Sustainability Policy continued to strengthen the department’s environmental management. The policy ensures that environmental initiatives introduced provide the most environmental benefit at the least cost.
* An in-house environmental reporting system has been further developed to strengthen our reporting capability.
* There was increased use of in-house social media to promote and communicate staff messaging, such as about Earth Hour.
* Environmental standards are continuing to be introduced into procurements, which improves the environmental performance of products and suppliers.
* The department continues to support and participate in the Government Agencies Environmental Network.
 |
| Motor vehicle travel | * The department promoted leasing of environmentally-friendly vehicles for fleet use, particularly vehicles with a high Green Vehicle Guide rating.
* We reduced motor vehicle fleet numbers by 110 through a consolidation and rationalisation programme.
 |
| Stationery | * The department uses 50 per cent recycled content copy paper for internal printers, photocopiers and multifunction devices. The remainder of the copy paper consists of virgin fibre sourced from forests that meet Programme for the Endorsement of Forestry Certification or Forest Stewardship Council standards, and complies with the independently certified ISO 14024 standard.
* For bulk external mail, most of the envelopes are made from 60 per cent recycled content paper, and customer letters are made from reputably sourced virgin fibre paper.
* We have increased our digital record-keeping capability and have significantly reduced the number of paper‑based files.
 |

## MECHANISMS TO REVIEW AND INCREASE THE EFFECTIVENESS OF THOSE MEASURES—SECTION 516(6)(e)

In 2014–15 we continued to enhance governance processes to review and report environmental performance. Table 99 outlines the department’s performance against the Energy Efficiency in Government Operations policy targets.

The department regularly consults its senior executive on environmental sustainability performance and uses this information to inform our annual Environmental Sustainability Plan.

Table 99: Office energy performance1

| Measures and targets | Target | Actual 2012–13 | Actual 2013–14 | Actual 2014–15 |
| --- | --- | --- | --- | --- |
| Office—tenant light and power (megajoules per person) | 7 500 | 6 986 | 6 330 | NA1 |
| Office—central services (megajoules per square metre) | 400 | 330 | 332 | NA1 |

1. Stationary energy reporting for 2014–15 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy reporting.

# APPENDIX K RESOURCE STATEMENTS AND EXPENSES FOR OUTCOME 1

Table 100: Resource statement 2014–15

|  |  | Actual available appropriation for 2014–15 $'000 | Payments made 2014–15 $'000 | Balance remaining 2014–15 $'000 |
| --- | --- | --- | --- | --- |
|  |  | (a) | (b) | (a)–(b) |
| Ordinary annual services |  |  |  |  |
|  Departmental appropriation |  | 5 389 495  | 4 420 952 | 968 543 |
|  Total |  | 5 389 495 | 4 420 952 | 968 543 |
| Administered expenses |  |  |  |  |
|  Outcome 1 |  | 10 290 | 7 360 | 2 930 |
|  Total |  |  10 290 | 7 360 | 2 930 |
| Total ordinary annual services | A | 5 399 785  | 4 428 312 | 971 473 |
| Other services |  |  |  |  |
|  Departmental non-operating |  |  |  |  |
|  Equity injections |  | 20 442 | 20 121 | 321 |
|  Total |  | 20 442 | 20 121 | 321 |
| Total other services | B | 20 442 | 20 121 | 321 |
| Total available annual appropriations |  | 5 420 227 | 4 448 433  | 971 794 |
| Special appropriations |  |  |  |  |
| Special appropriations limited by criteria/entitlement |  |  |  |  |
|  |  |  |  |
| Child Support (Registration and Collection) Act 1988 |  |  |  |  |
|  |  |  |  |
|  section 77—unremitted deductions |  | 58 583 |  |
|  section 78—unexplained remittances |  | – |  |
| Total special appropriations | C |  | **58 583** |  |
| Special accounts |  |  |  |  |
| Opening balance |  | 57 552 |  |  |
| Appropriation receipts |  | 60 013 |  |  |
| Non-appropriation receipts to special accounts |  |  |  |  |
|  | 1 345 338 |  |  |
| Payments made |  |  | 1 408 218 |  |
| Total special accounts | D | 1 462 903 | 1 408 218 | 54 685 |
| Total resourcing and payments |  |  |  |  |
| A+B+C+D |  |  6 883 130 | 5 914 234 |  |
| Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or Commonwealth Authorities and Companies Act 1997 bodies through annual appropriations |  |  |  |  |
|  |  |  |  |
|  | 60 013 | 60 013 |  |
| Total net resourcing and payments for the Department of Human Services | 6 823 117 | 5 855 221  |  |

Table 101: Expenses for Outcome 1

Outcome 1—Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.

|  | **Budget1**  | **Actual expenses** | **Variation**  |
| --- | --- | --- | --- |
| **$'000** | **$'000** | **$'000** |
|  | (a) | (b) | (a)–(b) |
| Programme 1.1: Services to the Community—Social Security and Welfare |  |  |  |
| Administered expenses |  |  |  |
| Ordinary annual services (Appropriation Act No. 1) | 6 129 | 6 129 | – |
| Expenses not requiring appropriation in the Budget year | 267 | 32 | 235 |
| Departmental expenses |  |  |  |
| Departmental appropriation2 | 3 599 318 | 3 129 367  | 469 951 |
| Expenses not requiring appropriation in the Budget year3 | 206 977 |  190 653 | 16 324 |
| Total for Programme 1.1 | 3 812 691 |  3 326 181 | 486 510 |
| Programme 1.2: Services to the Community—Health |  |  |  |
| Departmental expenses |  |  |  |
| Departmental appropriation2 | 650 697 |  597 475 | 53 222 |
| Expenses not requiring appropriation in the Budget year3 | 33 845 | 37 935 | –4 090 |
| Total for Programme 1.2 | 684 542 |  635 410 | 49 132 |
|  | (a) | (b) | (a)–(b) |
| Programme 1.3: Child Support |  |  |  |
| Administered expenses |  |  |  |
| Ordinary annual services (Appropriation Acts No.1 and No.3) | 2 257 | 1 430 | 827 |
| Special appropriation | 65 535  | 58 583 | 6 952 |
| Special accounts | 1 384 074 | 1 365 323 | 18 751 |
| Expenses not requiring appropriation in the Budget year3 | 92 800 | 81 658 | 11 142 |
| Departmental expenses4 |  |  |  |
| Departmental appropriation | – | 452 107 | –452 107 |
| Expenses not requiring appropriation in the Budget year3 | – | 25 052 | –25 052 |
| Total for Programme 1.3 | 1 544 666 | 1 984 153 | –439 487 |
| Outcome 1: Totals by appropriation type |  |  |  |
| Administered expenses |  |  |  |
| Ordinary annual services (Appropriation Acts No.1 and No.3 ) | 8 386 | 7 559 | 827 |
| Special appropriation | 65 535 | 58 583 | 6 952 |
| Special accounts | 1 384 074 | 1 365 323 | 18 751 |
| Expenses not requiring appropriation in the Budget year3 | 93 067 | 81 690 | 11 377 |
| Departmental expenses |  |   |  |
| Departmental appropriation2 | 4 250 015 | 4 178 949 | 71 066 |
| Expenses not requiring appropriation in the Budget year3 | 240 822 | 253 640 | –12 818 |
| Total expenses for Outcome 1 | 6 041 899 | 5 945 744 | 96 155 |
|   | 2013–14  | 2014–15 |  |
| Average staffing level (number) | 30 089 | 29 711 | –378 |

1. 2014-15 Budget, including any subsequent adjustment made at Additional Estimates.
2. Departmental appropriation combines ordinary annual services (Appropriation Acts No.1 and No.3) and revenue from independent sources (section 74).
3. Includes unfunded depreciation and amortisation expense, write-down and impairment of assets and resources received free of charge.
4. Departmental expenses for Child Support were previously reported under programme 1.1 and are now reported under 1.3 Child Support.

# APPENDIX L CORRECTION OF ERRORS IN THE DEPARTMENT’S 2013–14 REPORT

Page 3

The reference to ‘40 million Medicare online transactions’ is incorrect. This should read ‘4.0 million Medicare online transactions’.

**Page 46**

Table 14: Australian Childhood Immunisation Register

The table incorrectly listed the ‘Children aged under seven years registered at 30 June 2013–14 as 2.3 million. This should read ‘Children aged under seven years registered at 30 June 2013–14 as 2.2 million’.

**Page 29**

Part 2—Report on Performance—Page 9

The reference to 3435 active services online in 2012–13 is incorrect. This should read 3329.

The reference to 4614 active services online in 2013–14 is incorrect. This should read 3403.

The number of active services transmitting (online claiming) has been adjusted to account for online activity done by DHS.

Page 76

Table 40: Early Release of Superannuation Benefits on Compassionate Grounds

The table incorrectly listed the ‘Applications approved in full or in part for 2013–14 as 11 728’. This should read 12 243.

The table also incorrectly listed the ‘Average amount released per approval for 2013–14 as $12 874’. This should read $12 333.

Page 110

Table 45: Transactions and registrations for digital and online services

The table incorrectly lists the ‘Total Centrelink self-service transactions for 2013–14 as 102 million and the percentage change since 2012–13 column as +29.0’. This should read +36.9.

# APPENDIX M COMPLIANCE INDEX

| Ref | Part of Report | Description | Requirement | Page number(s) in this report |
| --- | --- | --- | --- | --- |
| 8(3) & A.4 |  | Letter of transmittal | Mandatory | XII |
| A.5 |  | Table of contents | Mandatory | III–VII |
| A.5 |  | Index | Mandatory |  |
| A.5 |  | Glossary | Mandatory |  |
| A.5 |  | Contact officer(s) | Mandatory | II |
| A.5 |  | Internet home page address and Internet address for report | Mandatory | II |
| 9 | Review by Secretary |
| 9(1) |  | Review by departmental Secretary | Mandatory | VIII–XI |
| 9(2) |  | Summary of significant issues and developments | Suggested | VIII–XI |
| 9(2) |  | Overview of department’s performance and financial results | Suggested | VIII–XI |
| 9(2) |  | Outlook for following year | Suggested | X–XI |
| 9(3) |  | Significant issues and developments—portfolio | Portfolio departments—suggested | VIII–XI |
| 10 | Departmental Overview |
| 10(1) |  | Role and functions | Mandatory | 2 |
| 10(1) |  | Organisational structure | Mandatory | 2–4 |
| 10(1) |  | Outcome and programme structure | Mandatory | 3 |
| 10(2) |  | Where outcome and programme structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change | Mandatory | Nil to report |
| 10(3) |  | Portfolio structure | Portfolio departments—mandatory | 8 |
| 11 | Report on Performance |
| 11(1) |  | Review of performance during the year in relation to programmes and contribution to outcomes | Mandatory | 12–15 |
| 11(2) |  | Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements | Mandatory | 12–15 |
| 11(2) |  | Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change | Mandatory | Nil to report |
| 11(2) |  | Narrative discussion and analysis of performance | Mandatory | 12–172 |
| 11(2) |  | Trend information | Mandatory | 12–172 |
| 11(3) |  | Significant changes in nature of principal functions/services | Suggested | 153–172 |
| 11(3) |  | Performance of purchaser/provider arrangements  | If applicable, suggested  | 9, 249–255 |
| 11(3) |  | Factors, events or trends influencing departmental performance | Suggested | 12–172 |
| 11(3) |  | Contribution of risk management in achieving objectives | Suggested | 89, 94–98 |
| 11(4) |  | Performance against service charter customer service standards, complaints data, and the department’s response to complaints | If applicable, mandatory | 140–145 |
| 11(5) |  | Discussion and analysis of the department’s financial performance | Mandatory | 174–177 |
| 11(6) |  | Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations. | Mandatory | Nil to report |
| 11(7) |  | Agency resource statement and summary resource tables by outcomes | Mandatory | 284–287 |
| 12 | Management and Accountability |
|  | Corporate Governance |
| 12(1) |  | Agency heads are required to certify their agency's actions in dealing with fraud. | Mandatory | XII |
| 12(2) |  | Statement of the main corporate governance practices in place | Mandatory | 88–90 |
| 12(3) |  | Names of the senior executive and their responsibilities | Suggested | 4–7 |
| 12(3) |  | Senior management committees and their roles | Suggested | 88–90 |
| 12(3) |  | Corporate and operational plans and associated performance reporting and review | Suggested | 88–120 |
| 12(3) |  | Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks | Suggested | 94–96 |
| 12(3) |  | Policy and practices on the establishment and maintenance of appropriate ethical standards | Suggested | 133 |
| 12(3) |  | How nature and amount of remuneration for SES officers is determined | Suggested | 273 |
|  | External Scrutiny |
| 12(4) |  | Significant developments in external scrutiny | Mandatory | 264–267 |
| 12(4) |  | Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner | Mandatory | 94 |
| 12(4) |  | Reports by the Auditor-General, a Parliamentary Committee. the Commonwealth Ombudsman or an agency capability review | Mandatory | 264–267 |
|  | Management of Human Resources |
| 12(5) |  | Assessment of effectiveness in managing and developing human resources to achieve departmental objectives | Mandatory | 120–136 |
| 12(6) |  | Workforce planning, staff retention and turnover | Suggested | 120–130 |
| 12(6) |  | Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs) | Suggested | 121 |
| 12(6) |  | Training and development undertaken and its impact | Suggested | 132–133 |
| 12(6) |  | Work health and safety performance | Suggested | 132–133 |
| 12(6) |  | Productivity gains | Suggested | Nil |
| 12(7) |  | Statistics on staffing | Mandatory | 268–273 |
| 12(8) |  | Statistics on employees who identify as Indigenous | Mandatory | 270 |
| 12(9) |  | Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs | Mandatory | 268–273 |
| 12(10) & B |  | Performance pay | Mandatory | 273 |
| 12(11)–(12) | Assets management | Assessment of effectiveness of assets management  | If applicable, mandatory | 148 |
| 12(13) | Purchasing | Assessment of purchasing against core policies and principles | Mandatory | 150 |
| 12(14)– (23) | Consultants  | The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website. | Mandatory | 151 |
| 12(24) | Australian National Audit Office Access Clauses | Absence of provisions in contracts allowing access by the Auditor-General | Mandatory | 152 |
| 12(25) | Exempt contracts | Contracts exempted from publication in AusTender | Mandatory | 152 |
| 12(26)–(28) | Small business | Procurement initiatives to support small business | Mandatory | 150 |
| 13 | Financial Statements | Financial Statements | Mandatory | 178–245 |
|  | Other Mandatory Information |  |  |  |
| 14(1) & C.1 |  | Work health and safety (Schedule 2, Part 4 of the Work Health and Safety Act 2011) | Mandatory | 274 |
| 14(1) & C.2 |  | Advertising and Market Research (Section 311A of the Commonwealth Electoral Act 1918) and statement on advertising campaigns | Mandatory | 276–277 |
| 14(1) & C.3 |  | Ecologically sustainable development and environmental performance (Section 516A of the Environment Protection and Biodiversity Conservation Act 1999) | Mandatory | 278–283 |
| 14(1) |  | Compliance with the agency’s obligations under the Carer Recognition Act 2010 | If applicable, mandatory | 256–257 |
| 14(2) & D.1 |  | Grant programmes | Mandatory | 152 |
| 14(3) & D.2 |  | Disability reporting—explicit and transparent reference to agency-level information available through other reporting mechanisms | Mandatory | 119–121, 86, 128, 127 |
| 14(4) & D.3 |  | Information Publication Scheme statement | Mandatory | 275 |
| 14(5) |  | Correction of material errors in previous annual report | If applicable, mandatory | 288 |
| E |  | Agency Resource Statements and Resources for Outcomes  | Mandatory | 284–286 |
| F |  | List of Requirements | Mandatory | 289–293 |

# GLOSSARY

#### Administered items

Revenues, expenses, assets and liabilities that the government controls, but which an agency or authority manages on the government’s behalf.

#### Appropriation

An amount of public monies the Parliament authorises for spending for a particular purpose.

#### AusTender

The Australian Government’s web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.

#### Co-located services

Co-location of services improves the way people deal with the Australian Government by providing convenient, easy-to-access, coordinated services from a single location. People who visit a co-located office can choose from a range of Centrelink, Medicare, Child Support, CRS Australia and other government services.

#### Commonwealth Procurement Rules

The Commonwealth Procurement Rules establish the core procurement policy framework and articulate the government’s expectations for government agencies and their officials when performing duties related to procurement.

#### Corporate governance

The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.

#### Data centres

The department’s data centres comprise a large network of computers used for remote storage, processing, matching and distribution of large amounts of data, including for other Australian Government departments.

#### Ecologically sustainable development

The National Strategy for Ecologically Sustainable Development defines ecologically sustainable development as ‘using, conserving and enhancing the community’s resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased’.

#### eLearning

Web-based training is anywhere, any-time instruction delivered over the internet or a corporate intranet to browser-equipped learners.

#### International standards

The ISO (International Organization for Standardization) is an independent, non-governmental membership organisation and the world's largest developer of voluntary International Standards. The standards give world-class specifications for products, services and systems, to ensure quality, safety and efficiency.

#### Key performance indicators

These are financial and non-financial measures used to help define and evaluate an organisation’s success. An indicator is usually selected on the basis of relevance as a measure of some aspect of a specific project or operation.

#### Mobile apps

A mobile app is a software application designed to run on smartphones, tablet computers and other mobile devices. Usually, they are downloaded from a platform to a target device, such as an iPhone, BlackBerry, Android phone or Windows Phone, tablets such as iPads, and laptops or desktops.

#### Online services

These provide subscribers with a wide variety of data transmitted over telecommunications lines, that is, via the internet. The department offers a range of online services to customers and other subscribers, such as doctors. The department’s online services include sending electronic messages and online letters, accepting payment and benefit claims and low income card renewals online and offering health professionals secure access to Medicare electronic services.

#### Outcomes and outputs structure

This structure reflects an agency’s business and enables sound performance reporting to parliament. Outcomes are the results, impacts or consequences of actions by the Australian Government affecting the Australian community. Outputs contribute to outcomes. They are the goods or services produced by agencies on behalf of the government.

#### Policy departments

Australian Government policy departments are responsible for developing and implementing policies and programmes for the Australian community. The department delivers payments and services on behalf of a number of Australian Government policy departments and agencies.

#### Portfolio Additional Estimates Statements

Statements that inform senators, members of parliament, government departments and agencies, and the public, of changes to the proposed allocation of resources to government outcomes since the Budget.

#### Portfolio Budget Statements

Budget-related statements which explain how monies included in the Appropriation Bills (Budget Bills) are to be spent.

#### Programmes

Australian Government programmes deliver benefits, services or transfer payments to individuals, industry, business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements. Amounts stated may differ to those reported by other client agencies due to accounting adjustments and treatments adopted by these agencies.

#### Service transformation

To achieve our goal of ‘excellence in the provision of government services’ the department is always looking for new ways to transform service delivery. Our approach is collaborative and wide-ranging and includes fundamental reviews of business processes and the way we manage work, as well as implementing new approaches and techniques in our interactions with customers.

#### Smart centres

Smart centres are virtual centres located within the department, which carry out phone and processing work across the department’s programmes, including Centrelink, Medicare and Child Support. In practical terms smart centres mean customers have better experiences, more personalised phone calls from staff, and access to department-wide assistance tailored to their individual circumstances.

# SHORTENED FORMS

AAT Administrative Appeals Tribunal

ACC Australian Crime Commission

ACIR Australian Childhood Immunisation Register

ACPA Australian Community Pharmacy Authority

AFP Australian Federal Police

A/g Acting

AGDRP Australian Government Disaster Recovery Payment

AGIL Australian Government Indigenous Locations

AIS Aboriginal Interpreting Service

ANAO Australian National Audit Office

APS Australian Public Service

APSC Australian Public Service Commission

ASD Autism Spectrum Disorder

AS/NZS Australian Standard/New Zealand Standard

ATO Australian Taxation Office

AVTOP Australian Victim of Terrorism Overseas Payment

AWP Audit Work Programme

BCPs Business Continuity Plans

CALD culturally and linguistically diverse

CC Chief Counsel

CDDS Chronic Disease Dental Scheme

CDEP Community Development Employment Projects

CDPP Commonwealth Director of Public Prosecutions

CFO Chief Financial Officer

CIO Chief Information Officer

CPRs Commonwealth Procurement Rules

CRS Commonwealth Rehabilitation Services

CSC Conspicuous Service Cross

CSHC Commonwealth Seniors Health Card

DHS Department of Human Services

DIBP Department of Immigration and Border Protection

DMA Data Matching Agency

DRA Disaster Recovery Allowance

DSP Disability Support Pension

DSS Department of Social Services

DTO Digital Transformation Office

DTA Digital Transformation Agenda

DVA Department of Veterans’ Affairs

ECLIPSE Electronic Claim Lodgement and Information Processing Service Environment

EFT Electronic Funds Transfer

EFTPOS Electronic Funds Transfer Point of Sale

EL Executive Level

EMS environmental management system

ESAt Employment Services Assessment

ESD ecologically sustainable development

FIS Financial Information Service

FOI Freedom of Information

FTB Family Tax Benefit

FTE full-time equivalent

GC General Counsel

GFM Group Finance Manager

GM General Manager

GP general practitioner

GST goods and services tax

HECS Higher Education Contribution Scheme

HI Healthcare Identifiers

HOME Household Organisational Management Expenses

Hon. Honourable

HPOS Health Professional Online Services

ICSOs Indigenous Customer Service Officers

ICT information and communications technology

IPS Information Publication Scheme

IPSM Indigenous Programme Support Managers

ISO International Organisation for Standardisation

ISOs Indigenous Service Officers

ISS Indigenous Servicing Strategy

JCA Job Capacity Assessment

KIS Kimberley Interpreter Service

LGBTI lesbian, gay, bisexual, transgender and intersex

MBS Medicare Benefits Schedule

MOU memorandum of understanding

MP Member of Parliament

MPRC Medicare Participation Review Committee

MSO Multicultural Service Officer

NA not applicable

NABERS National Australian Built Environment Rating System

NAIDOC National Aboriginal and Islander Day Observance Committee

NASH National Authentication Solution for Health

NDIA National Disability Insurance Agency

NDIS National Disability Insurance Scheme

NECCSC National Emergency Call Centre Surge Capability

NESB non-English speaking background

NIC National Indigenous Coalition

NJCN National Jobseeker Claims Network

NM National Manager

NWRN National Welfare Rights Network

OAIC Office of the Australian Information Commissioner

PBS Portfolio Budget Statements

PBS Pharmaceutical Benefits Scheme

PCs personal computers

PGPA Act Public Governance, Performance and Accountability Act 2013

PIP Practice Incentives Program

PKI Public Key Infrastructure

PM&C Department of the Prime Minister and Cabinet

PSM Public Service Medal

RJCP Remote Jobs and Communities Program

RPBS Repatriation Pharmaceutical Benefits Scheme

SA Special Adviser

SAP Safety Assurance Programme

SEAM School Enrolment and Attendance Measure

SES Senior Executive Service

SIP Service Incentive Payment

SL Service Leader

SMEs small and medium enterprises

SMS short message service

SMTP Simple Mail Transfer Protocol

SSAT Social Security Appeals Tribunal

TFN Tax File Number

TTY Teletypewriter

**WPIT** Welfare Payment Infrastructure Transformation

# INDEX

## A

Aboriginal Health Services, 50

ABSTUDY, 25, 167

access clauses, 152

access points and agents, 162

accessible of workplaces, 127

accountability see management and accountability

activity tests, 25–26

address and contact details, II

administered items, 177

Administrative Appeals Tribunal reviews, 94, 101–102

Administrative Arrangements Order, 2

administrative errors, 97

Advance Payments, 75

advertising and market research, 276–277

advisory forums and committees, 28, 67, 146–147

Age Pension, 16, 22

aged care see older Australians

Aged Care Education and Training Incentive, 24

Aged Care Reform measures, 24

Agency Multicultural Plan, 75

Apprenticeship Programme, 125–126

appropriations, 174

apps, 78, 156

assets, 176–177

 management of, 148–149

Assurance of Support, 77

asylum seekers see refugees and humanitarian entrants

Audit Committee, 89–90

Auditor-General reports, 92

audits and reviews, 108

 Australian National Audit Office, 92, 264–267

 health compliance, 105

 internal, 94, 111

 parliamentary committee, 92, 111

Australia Day Achievement Awards, departmental, 137

Australian Childhood Immunisation Register, 36, 265

Australian Crime Commission, 113

Australian Federal Police, 114

Australian Government agencies, partnerships with, 9

Australian Government Disaster Recovery Payment, 79, 85

Australian Government Indigenous Locations dataset, 68

Australian Hearing Services Act 1991, 8

Australian National Audit Office

 access clauses, 152

 performance audits, 92, 264–267

Australian Organ Donor Register, 37

Australian Privacy Principles, 96

Australian Transaction Reports and Analysis Centre, 113

Australian Victim of Terrorism Overseas Payment, 63, 79, 84

Austudy, 16, 25

authority-required prescriptions, 51

awards and recognition

 external, 138

 internal, 137, 138

## B

Baby Bonus, 16

Bali terrorism assistance schemes, 84

BasicsCard, 71–72

Bass Strait Passenger Vehicle Equalisation Scheme, 73

bereavement payments, 75

bills management, 69–72

bowel cancer screening, 38

breast prostheses, 38

bulk billing, Medicare, 31–32

bushfires see emergency responses

business continuity, 96

 governance committee, 88–90

business systems integration, 170

## C

Cadetship Programme, 125–126

Campbell, Kathryn (Secretary), 4–55

Capability Review, 126

Carer Allowance, 16, 20

Carer Payment, 16, 20

Carer Recognition Act 2010, 256–257

carers see disability and carers

carers’ leave, staff, 123

case management system, child support, 170

Centrelink, 2

 complaints and feedback, 145

 digital services transformation, 155

 online claiming, 154

Centrepay, 69–70

change management, staff, 122

changes of assessment

 Child Support, 57

 objections to, 118

charitable donations and activities, 139

Child Care Benefit, 16–17

Child Care Rebate, 17

Child Dental Benefits Schedule, 39

Child Support Collect, 56

Child Support National Stakeholder Engagement Group, 146

Child Support, 2–3, 55–57

 case management system, 170

 change of assessment, 57, 118

 complaints and feedback, 144–145

 compliance, 116–117

 debt, 56–57

 decisions review, 118–119

 enforcement actions, 116

 family and domestic violence, 57, 59, 62

 key performance indicators, 14–15

 transfers, 55–56

children

 concession and health care cards, 74

 dental benefits, 39

 immunisation, 36

 payments, 16–18

 see also Child Care Benefit; Child Support

Chronic Disease Dental Scheme compliance, 105–106

citizenship testing, 76

Claiming Medicare Benefits Online, 32, 34

Closing the Gap PBS Co-Payment, 50

co-located services, 163

Comcare, 126

Comcover Risk Management Benchmarking Programme, 98

Commonwealth Director of Public Prosecution referrals, 115

Commonwealth Ombudsman, 92, 267

Commonwealth Seniors Health Card, 74

Community Development Employment Projects, 68

community engagement, 60, 146–147

Community Language Allowance, 76

compensation claims, 126, 134–136

 customer, 97

compensation recipients, 104

complaints and feedback, 75, 140–145

compliance, 63, 104, 112–115

 child support, 116–117

 health, 105–111

 job seekers, 27

 new reviews, 105

 referrals and prosecutions, 114–115

 reviews, new, 105–111

 social security and welfare, 99–102

compliance index, 289–294

Comprehensive Compliance Assessments, 63

concession and health care cards, 74

Confirmation eServices, 159

consultancy contracts, 151, 293

contact details, II, 275

Continence Aids Payment Scheme, 39, 252

corporate governance, 88–91, 291

corporate records management, 96

correction of errors in last year’s report, 288

cross-government forums, 90–91, 291

CRS Australia, 86

culturally and linguistically diverse customers see multicultural services

Customer Committee, 89–90

customer compliance see compliance

Customer First business system, 170

customer records management, 96

customer surveys, 142–143

cyclones see emergency responses

## D

Dad and Partner Pay, 16–17

Dahab Egypt Bombing Health Care Costs Assistance, 85

data centre consolidation, 171, 282

data matching, 100–103, 104, 258–263

debt raising and recovery, 103, 106–107

decisions review, 101–102

 applications, 93

 child support, 118–119

 freedom of information, 93

 internal, 111

Deeming of Account-Based Income Streams, 22, 74

Defence Force Income Support Allowance, 25

dental benefits

 children, 39, 110

 practitioner compliance, 105–106, 110

Department of Veterans’ Affairs, 25, 35, 100, 127, 255

departmental culture, 133

departmental overview, 1–10

deregulation initiatives, 91

digital and online services, 32–35, 154–162

digital record keeping, 96, 283

Digital Transformation Office, 2, 154

Director of Professional Services Review, referrals to, 114

Director of Public Prosecutions, Commonwealth, 115

disability, staff with, 128–129

disability and carers, 19–21

 carer specialist assessments, 63

 payments, 19–20

 work participation, 20

Disability Support Pension, 16, 19, 28, 73, 267

Disaster Recovery Allowance, 81–82, 249

disasters, natural see emergency responses

disconnected people, 61

doctors see health professionals

Document Lodgement Service, 158

domestic violence see family and domestic violence

drought assistance, 64, 278

## E

Early Release of Superannuation Benefits, 2, 58

ECLIPSE service, 31–32

education and training, 24, 106–107

 aged care workers, 24

 compliance, 108

 health professionals, 45, 54

 Indigenous job seekers, 68

 money management, 69

 older Australians, 26

Education Entry Payment, 25

eHealth programme, 52–53

80/20 rule, 110, 114

electronic claims, 32–35, 154–156

electronic document scanning, 157

electronic messaging, 157

electronic rent verification, 159

email address, II

Emergency Call Centre Surge Assist, 84

Emergency Claim Channel, 83

Emergency Reserve, 80

emergency responses, 79–85

 closed disaster events, 85

 current disaster events, 80–81

 recovery assistance, 80, 83

 social services payment continuity, 79

 social work services, 63, 79

 special category visa holders, 82

 telephone services, 84

 terrorism, 63, 79, 84, 85

Employment Services Assessments, 27, 61

Employment Services Model, new, 26

engagement activities, 140–147

enterprise agreements, 121

environmental performance, 152, 278–283

equity, 176–177, 284

ethics and values, 133

Ex-Carer Allowance (Child) Health Care Card, 74

Exceptional Claims Indemnity—Scheme, 45

Executive Committee, 88–90

executive responsibilities, 6–8

exempt contracts, 152, 293

expenses, departmental, 175–176

Express Plus mobile apps, 77, 78, 156, 278

external awards programmes, 138

External Breast Prostheses Reimbursement Program, 38

external scrutiny, 92–94, 111, 264–267, 291

## F

face-to-face services, 163

families, 17–18

 family and domestic violence, 57, 59, 62, 277

 social worker support, 62

Family Tax Benefit payments, 16–17

 advance payments, 75

 concession and health care cards, 74

Farm Household Allowance, 64, 167, 278

feedback to the department, 75, 140–145

Finance and Investment Committee, 89–90

financial compensation for injury and illness, 104

financial hardship payments, 26

Financial Information Service, 69

financial management services, customer see money management services

financial overview, 174–177

financial statements, 178–245

flexibility arrangements, staff, 120, 122

floods see emergency responses

forms and letters, online lodgment of, 160–162

forums, cross-government, 90–91

Foster Child Health Care Card, 74

fraud, customer, 104

 investigations, 112–114

 partner agencies, 113–114

 public tip-offs, 112–114

 referrals and prosecutions, 114–115

fraud, internal, 95

freedom of information, 93–94, 275

full-time equivalent staff, 120

functions see role and functions

fundraising activities, charitable, 139

## G

gender of staff, 270

General Practice Rural Incentives Program, 43–44

general practitioners see health professionals

gold cards, veterans, 35

governance committees, 88–90

Graduate Programme, 125–126

grandparents, 167

grants, 152

## H

Harmony Day activities, 129

health care cards see concession and health care cards

health care centres see hospitals and health care centres

health care providers see health professionals

Health Compliance Professionalism Survey, 107

health insurance rebates, 39–40

Health Professional Advisory Unit, 28

Health Professional Guidelines, 108

Health Professional Online Services, 32–33, 160

health professionals

 bulk billing, 31–32

 compliance, 105–111

 education and training services, 45, 54

 80/20 rule, 110

 HECS reimbursement, 44

 locums, 45

 medical indemnity, 45–47

 midwives, 47

 nurses, 24, 43, 110

 online services, 160

 practice incentives, 43–45, 110

 referrals and prosecutions, 114–115

 rural, regional and remote areas, 43–45, 50

 satisfaction survey, 142–143

 visiting medical practitioners, 48

Health programme, 3, 29–54

 compliance, 105–111

 healthcare identifiers, 52–53

 key performance indicators, 13–14

 payments, 31–32

 programme debt, 106–107

 service centres, 163–164

 see also health professionals; Medicare

Health Provider Survey, 142–143

Healthcare Identifiers Service, 52–53

Hearing Services Program, 40

HECS Reimbursement Scheme, 44

Helping Young Parents programme, 18

High Cost Claims Indemnity Scheme, 45

homelessness, 59–62, 64

hospitals and health care centres

 bulk billing, 31–32, 160

 compliance, 105

 pharmaceutical reforms, 52

 remote, 50

 veterans, 35

Household Organisational Management Expenses Advice Program, 64

human resources management, 120–139

Human Services (Centrelink) Act 1997, 8

Human Services (Medicare) Act 1973, 8

report 2014–15, 248–249

## I

ICT Committee, 89–90

immunisation, childhood, 36

income, departmental, 174, 176

Income Management, 70–72

income stream reviews, online, 159

Incurred-But-Not-Reported Indemnity Claims Scheme, 47

Indigenous Cultural Capability Framework, 131

Indigenous Language Officer, 67

Indigenous Mentoring Programme, 131

Indigenous people, 65–68, 130–132

 interpreting services, 67

 job skills training, 68

 pharmaceutical benefits, 50

 remote locations, 66–68

 service centres, 66–67, 167

 servicing specialists, 65–66

 staff, 65, 130–132

Indigenous Scholarship Programme, 131

Indigenous Servicing Strategy, 65

information and communications technology, 154–162, 171–172

 accessibility arrangements, 127

Information Publication Scheme, 93

internal audits, 94

internal award programmes, 137

internal scrutiny, 92–95

international delegations, 10

international partnerships, 10

interpreting services, 76

 Indigenous, 67

investigations, fraud, 112–113

## J

Job Capacity Assessments, 28

Job Design programme, 125

Job Family Model, 125

Job Placement Services Scheme, 121

job seekers, 25–28, 166

 compliance, 26

 payments, 25–26

judicial decisions and tribunal appeals, 94

## K

key performance indicators, 12–15

## L

languages other than English see multicultural services

learning and development, staff, 132–133

 departmental culture, 133

 disability, 128

 Indigenous cultural awareness, 131

 leadership development, 132

 middle management, 133

 work health and safety, 135

legislative framework, 8

letters and forms, online lodgment of, 160–162

liabilities, departmental, 176–177

low incomes, people with, 18, 26, 62

concession and health care cards, 74

## M

Malaysian Airlines Flight MH17, 63

management and accountability, 88–152, 291

means testing, 24

medical indemnity, 45–47

Medical Participation Review Committees, referral to, 114

medical practitioners see health professionals

Medicare, 29–48

 benefits, 31–32

 bowel cancer screening, 38

 breast prostheses, 38

 bulk billing, 31–32

 claims, 31–34

 complaints and feedback, 144–145

 compliance reviews, 109–110

 continence aids, 39

 dental scheme, 39

 eligibility and enrolments, 29–30

 health insurance rebate, 39–40

 hearing services, 40

 online claims, 32–35, 154

 payment recoveries, 40, 106–107

 resources for health professionals, 54

 specialist advice, 48

 veterans, 35

Medicare Compensation Recovery, 40

Medicare Easyclaim, 32–34

Medicare Entitlement Statements, 30

Medicare Online, 32–34, 288

Medicare Participation Review Committees, 114

Medicare Safety Net, 30

Mental Health Nurse Incentive Programme, 43, 110

merit reviews, 94, 101–102

middle management development, 133

Midwife Professional Indemnity Scheme, 47

migrants, 76–77, 270 see also multicultural services; refugees and humanitarian entrants

Minister for Human Services, 8

Minister for Social Services, 8

mobile service centres, 163, 278

 emergency response, 79

Mobility Allowance, 19, 158

money management services, 69–72

Morrison, the Hon. Scott, 8

multicultural advisory forums and committees, 78, 146–147

multicultural services, 75–78, 166

 multilingual apps, 78

mutual obligation requirements, 27

myGov, 77, 90–91, 155–156

## N

NAIDOC Week activities, 137

National Authentication Service for Health, 52–53

National Bowel Cancer Screening Programme, 38

National Disability Insurance Agency, 20

National Disability Insurance Scheme, 19, 20

National Disability Strategy, 21

National Health Funding Administrator Payments System, 48

National Indigenous Coalition, 67

National Indigenous Employee Network, 132

National Job Seeker Claims Network, 166

National Security Hotline, 84

National Welfare Rights Network, 146

natural disasters see emergency responses

New Zealand visa holders, 82

Newborn Supplement, 17

Newborn Upfront Payment, 17

Newstart Allowance, 16, 25, 26, 166

notifiable incidents, 274

nurse incentives, 24, 43, 110

## O

objections, 57, 118

Office of the Australian Information Commissioner, 93, 259

older Australians, 22–24

 aged care facilities, 22–24, 41

 aged care providers, 23

 aged care reforms, 24

 aged care workers, 24

 assets assessments, 22, 24

 concession and health care cards, 74

 education and training, 24, 26

 payments and subsidies, 22–23, 26

 pension advance payments, 75

Older Australians Working Group, 147

online services see digital and online services

Operational Privacy Policy, 96–97

organ donation, 37

organisational structure, 4–5

outcome and programme structure, 3, 12–15

outlook for 2015–16, X–XI

overview, departmental, 1–10

overview for 2014–15, VIII–XI

## P

Paid Parental Leave Scheme payments, 16–17

Parenting Payment, 16–17

 activity tests, 26

 advance payments, 75

parliamentary committee reviews, 92, 111

participation requirements, 20, 26

partnerships, 9–10

 fraud investigations, 113–114

pathology services, 109

patient records, 52–53

payments

 accuracy, 97, 99

 children, 16–18

 compliance, 99–101

 disability and carers, 19–21

 financial hardship, 26

 health, 31–32

 job seekers and students, 25–26

 reviews, 101–102

 social security and welfare, 16–18, 73

Payne, Senator the Hon. Marise, 8

PBS Safety Net, 50

Pensioner Concession Card, 74

Pensioner Education Supplement, 26

pensioners see Age Pension; older Australians

People and Leadership Committee, 89–90

performance against KPIs, 12–15

performance audits see audits and reviews

performance management, staff, 124

performance report, 12–86

personal information, 94, 96

Personally Controlled Electronic Health Record system, 52

Pharmaceutical Benefits Scheme, 49–52

 approved suppliers, 51–52

 authority-required prescriptions, 51

 claims processing, 51

 compliance reviews, 109

 eligibility, 49

 general rate, 49

 patient contribution, 49

 veterans, 49

pharmacies, 49, 50

 approved suppliers, 51–52

 compliance reviews, 109

portfolio structure, 8

Practice Incentives Programme, 41–42, 110

Practice Nurse Incentives Program, 43, 110

Premium Support Scheme, 45–46

prescription medicines, 49–52

 approved suppliers, 51–52

 authority-required, 51

 travelling with, 50

prisoners, 61

privacy impact assessments, 96, 97

privacy incidents, 97

privacy safeguards, 96–97, 259

Private Collect, 56

Private Health Insurance Rebate, 39–40

procurement, 150

professional development, 132–133

Professional Services Review, 114

programmes see outcome and programme structure

Project Focus pilot, 126

property portfolio, 148

prosecutions, 114–115

Public Governance, Performance and Accountability Act 2013, 2, 88

public hospitals see hospitals and health care centres

public interest disclosure, 123

public tip-offs, 112–114

 contact details for, 112

purchasing, 150

## Q

Quality Framework, 91

## R

Reconciliation Action Plan, 130

records management see corporate records management; customer records management

red tape reduction, 91

referrals and prosecutions, 114–115

refugees and humanitarian entrants, 76, 77

remote communities see rural, regional and remote communities

Remote Jobs and Communities Programme, 67

Rent Assistance, 19

Rent Deduction Scheme, 70

rent verification, electronic, 159

repatriated customers, 63

reporting lines, 4–5

research programme, 147

residential aged care see older Australians

resource statements and expenses for outcomes, 284–287

responsible Minister, 8

revenue, departmental, 174–175

reviews see audits and reviews

Risk, Business Continuity and Security Committee, 89–90

risk management, 98

 governance committee, 89–90

 internal fraud, 95

role and functions, 2

Run-Off Cover Scheme, 46

rural, regional and remote services, 64

 medical practice incentives, 43–45

 pharmaceutical benefits, 50

 service centres, 66–67, 167

 veterans, 25

Rural Locum Education Assistance Program, 45

Rural Procedural Grants Program, 44

## S

scholarships, 131

School Enrolment and Attendance Measure, 18

Schoolkids Bonus, 17

secondment programmes, staff, 131

Secretary

 overview 2014–15, VIII–XI

 reporting lines to, 4–5

 role and responsibilities, 6

security management, 149

self-service facilities, 162

senior executive service remuneration, 273

senior leaders, 4–7, 88–90

seniors see older Australians

separated families see Child Support

serious non-compliance, customer, 104, 112–115

 referrals and prosecutions, 114–115

service centres, 148, 163

Service Charter, 140–142

service delivery framework, 154–172

Service Delivery Operating Model, 169

service delivery reform, 169–170

Service Quality Guidelines, 91

Service Recognition programme, 138

service stability, 171

shared services, 149, 249–255

 ICT support, 172

sick leave, staff, 123

Sickness Allowance, 19

small business procurement, 150

smart centres, 66, 164–168

SMTP, 31–34

social security agreements, international, 10

Social Security and Welfare programme, 3, 16–28

 complaints and feedback, 144–145

 compliance, 99–101

 concession and health care cards, 74

 key performance indicators, 12–13

 online claiming, 154

 payment portability, 73

 payment reviews, 101–102

Social Security Appeals Tribunal reviews, 10, 119

social work services, 61–64

Special Benefit, 26

special category visa holders, 82

staff, 120–139

 accessibility arrangements, 127

 awards and recognition, 138

 bilingual, 76, 166

 carers’ leave, 123

 change management, 122

 consultations, 121

 with disability, 127–128, 270

 diversity, 129, 270–271

 Emergency Reserve, 80

 employment conditions, 122

 enterprise agreements, 121

 flexibility arrangements, 120

 gender, 270

 Indigenous, 65–67, 125, 130–132, 271

 job statements, 125

 learning and development, 132–133

 multicultural awareness, 129

 performance management, 124

 profile, 120, 268–271

 redeployment, 121

 remuneration, 272–273

 secondment programme, 131

 survey, 124

 unscheduled absence, 123

Stakeholder Consultative Group, 147

stakeholder engagement, 146–147

statement of financial position, departmental, 176–177

states and territories

 hospital services payments system, 48

 partnerships with, 9

Status Resolution Support Services, 77

Stillborn Baby Payment, 17

students, 16, 25–26

suicide and mental distress, 61–62

superannuation programmes, 58

Supporting Jobless Families trial, 18

Supporting Leave for Living Organ Doners, 37

surveys

 customer, 142–143

 health compliance professionalism, 107

 staff, 124

## T

Tasmanian transport support scheme, 2, 73

telephone number, II

telephone services, 164–168

 emergency response, 84

 for prisoners, 61

 timeliness benchmarks, 165–166

 travelling with PBS medications, 50

Telstra service contract, 171

terrorism response, 63, 79, 84, 85

timeliness benchmarks

 Pharmaceutical Benefits Scheme, 51

 telephone services, 165–166

tissue donation, 37

training, staff see learning and development, staff

Transformation Committee, 89–90

translation services, 76

Travelling with PBS Medicines inquiry line, 50

tribunals see judicial decisions and tribunal appeals

## U

unscheduled absence, staff, 123

## V

vaccination, 36

veterans, 23, 25

 concession and health care cards, 35

 Pharmaceutical Benefits Scheme, 49

Veterans’ Information Service, 25

video conferencing, 157

visiting medical practitioners, 48

vulnerable people, services for, 59–64

## W

war widowers and widows see veterans

website, II

 resources available on, 54

Welfare Payments Infrastructure Transformation, 155

white cards, veterans’, 35

work health and safety, 134–136, 274

workers compensation claims, 136

workplace diversity, 127–132, 270–271

workplace giving, 139

## Y

year ahead, X–XI

young parents, 18

young people

 homeless, 60

 payments, 16, 18, 25, 26

 unsupported, 62

 see also job seekers; students

Youth Allowance, 16, 25–28

Youth Protocol, 60

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