

## HC Coombs Policy Forum

# Background paper Current reform directions: service delivery reform in the human services portfolio

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## Positioning ourselves for reform

The Government's current service delivery infrastructure has been successfully delivering payments and information services to people since its last reform in the mid 1990s, with the formation of Centrelink. However, elements of the service delivery model are not keeping pace with emerging community expectations around convenient access and quality of services. Processes are centred on programs and on the delivery organisation rather than the person or business receiving the service. As a result services are often fragmented and lack coordination across government agencies. In addition, many basic transactions are more labour and time intensive than they need to be, increasing government and community costs.

Service delivery is also facing a number of macro-challenges which require a move from the current organisation-based processes to processes that focus on people. These challenges include:

- > Developments in technology, driving community expectations of how they want to deal with the public and private sector. Currently, the private sector is ahead of the Government in using technology for day-to-day transactions such as online banking
- > A growing and ageing population, which will place greater pressure on existing service delivery mechanisms. Relying on labour intensive or inefficient processes for routine services will be unsustainable due to cost and a smaller labour force
- > More demands from an ageing population for assistance to help them deal with significant life events such as the death of a partner or the need for aged care. The number of transactions per person, in particular relating to health, is likely to increase.

Service delivery has been an increasing focus for governments in the last decade. In 2004, the previous government created the Department of Human Services to place greater emphasis on the way government delivers services to Australians. In 2007, the department's role was expanded to reflect responsibility for the development, delivery and coordination of government services and the development of service delivery policy.

In December 2009, the Government announced the development of a new service delivery approach that would significantly improve the efficiency and effectiveness of service delivery to the Australian people, and transform Human Services portfolio services into more coordinated, integrated and tailored solutions.

## Service delivery reform

Service Delivery Reform aims to significantly improve the way services are delivered by the Human Services portfolio. The progressive rollout of co-located offices will extend the portfolio's reach by providing one stop shops in more places. Increased self-service options will allow people to manage their own affairs, including through expanded online services. People facing significant disadvantage or multiple complex challenges will be offered more intensive support through coordinated assistance, for example, with a case coordinator.

The future business model is designed to ensure that by 2015, people will be able to complete more transactions automatically through third parties (eg Australian Taxation Office, health service providers, financial institutions and employers) or in a self-service model through a range of communication options. Staff will complete more of the work 'behind the scenes' in order to ensure entitlements are settled and paid to people without their involvement. Efficiencies generated will free up resources to help provide services to those people requiring assistance or those with complex needs requiring multiple services.

The Government is conscious of the need to protect customer data, therefore only existing customer data sharing arrangements supported by legislation will continue. Importantly, any new sharing of customer data within the integrated Department of Human Services will occur only with customer consent. A Memorandum of Understanding has been signed with the Office of the Australian Information Commissioner (formerly the Office of the Privacy Commissioner) to support work on privacy protections. A Customer Privacy Framework has been developed to ensure that privacy considerations are consistent across the reform.

Several reform initiatives have already been successfully implemented. By the end of 2010, 33 portfolio agency sites had been co-located, offering more convenient access to multiple portfolio services. These sites were in addition to more than 20 existing Centrelink and Child Support program co-located sites. Additionally, since December 2010, customers have been able to use a single telephone number and website for consolidated portfolio information.

## Portfolio integration

In order to support Service Delivery Reform, the major agencies of the Human Services portfolio are being progressively integrated. In March 2010, the enabling services of the portfolio were integrated, including ICT infrastructure and legal services. In July 2010, all portfolio SES came under the same employment conditions.

Legislation to integrate the Human Services portfolio into a single department of state was introduced to Parliament on 25 November 2010. The legislation seeks to amend the *Medicare Australia Act 1973* and the *Commonwealth Services Delivery Agency Act 1997*. Passage of the legislation will mean that the statutory offices of the Chief Executive Officer of Medicare Australia and Chief Executive Officer of Centrelink will be replaced with new statutory positions, the Chief Executive Medicare and Chief Executive Centrelink respectively. These Chief Executives will be Senior Executive Service officers in the Department of Human Services who will have broad service delivery functions and will maintain statutory powers.

Integration will enable back office functions to be brought together to reduce the cost of service delivery and free up staff for more front-line customer service delivery. It will also ensure appropriate corporate and support functions are provided to enable the reform.

## DHS and policy departments

The Secretaries Committee on Service Delivery links the Service Delivery Reform agenda with the Government's broader work on improving whole-of-government service delivery. The Secretary of the Department of Human Services sits on this committee and provides updates on progress.

A Service Delivery Reform Interdepartmental Committee (IDC) has been established. This committee is chaired by the Department of Human Services (DHS) and includes membership from central agencies, key policy departments, service delivery organisations and the Office of the Australian Information Commissioner. The IDC provides advice to the Secretary of DHS on the alignment between Service Delivery Reform and the Government's broader reform agenda. It also monitors and evaluates Service Delivery Reform via quarterly performance reports.

To reinforce the interdependence between policy formulation, design and implementation, a number of specific policy department IDCs have been established, such as the Health and Human Services Chief Executive Officer Forum with the Department of Health and Ageing. An existing Strategic Partnership IDC with the Secretaries of the Department of Education, Employment and Workplace Relations and the Department of Families, Housing, Community Services and Indigenous Affairs forums further assist in developing the reform.

## Reform structure

Service Delivery Reform is a long term journey which is being approached through a phased implementation, starting with the reform of the Human Services portfolio. The phased implementation will be structured as follows:

**Phase One: 2010-11 – Planning and design.** The focus in the first year of the reform involves the planning and design of Service Delivery Reform. Throughout 2010, detailed business cases and proposals were developed for the Government to consider. Key elements of the reform are being implemented to lay the platform for future phases.

**Phase Two: 2011-12 to 2014-15 – Integrating, simplifying and automating frontline services.** The majority of reform activity will occur in this phase. Frontline services and delivery will be further improved and will benefit people according to their needs. This will include deliverables enabling people to self-manage their affairs or receive coordinated support, depending on their circumstances.

**Phase Three: 2015-16 to 2019-20 – Coordinating service delivery across government.** In this phase, it is proposed that the reform will be expanded from the Human Services portfolio to include service delivery across government, including at the state and local government level. Further opportunities to partner with third-party service providers and the community sector, will be explored, building on informal arrangements already in place in earlier phases. During this phase, consideration will be given to the role of other Australian and State Government programs and third party providers, such as in the employment services sector where services are outsourced to employment service providers. Consideration will be also be given to co-location opportunities involving other Commonwealth agencies, particularly in rural and regional Australia.