Australian Government

Department of Human Services

Incoming Minister Briefing

The Hon Michael Keenan MP

December 2017

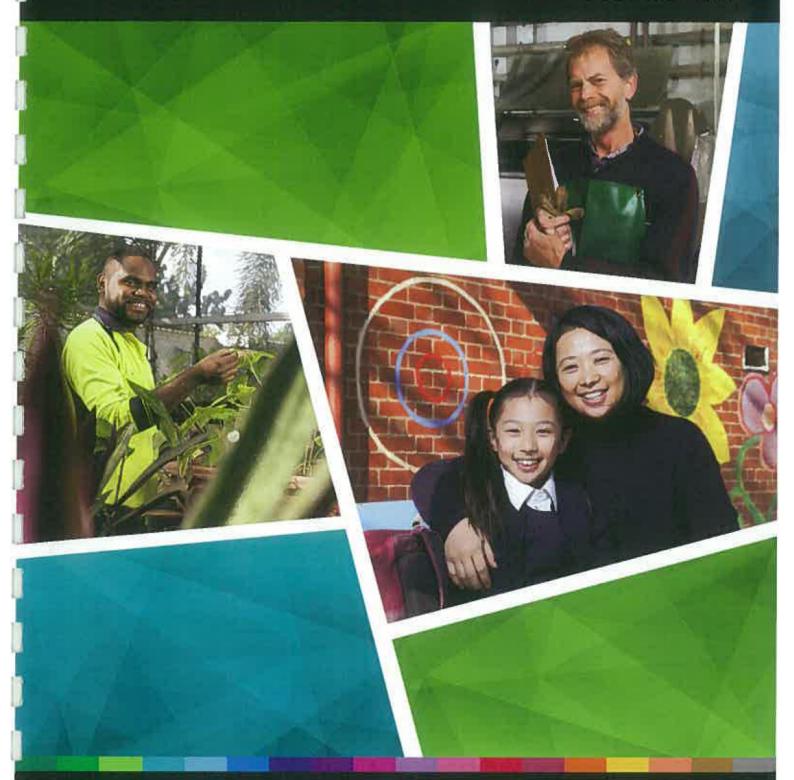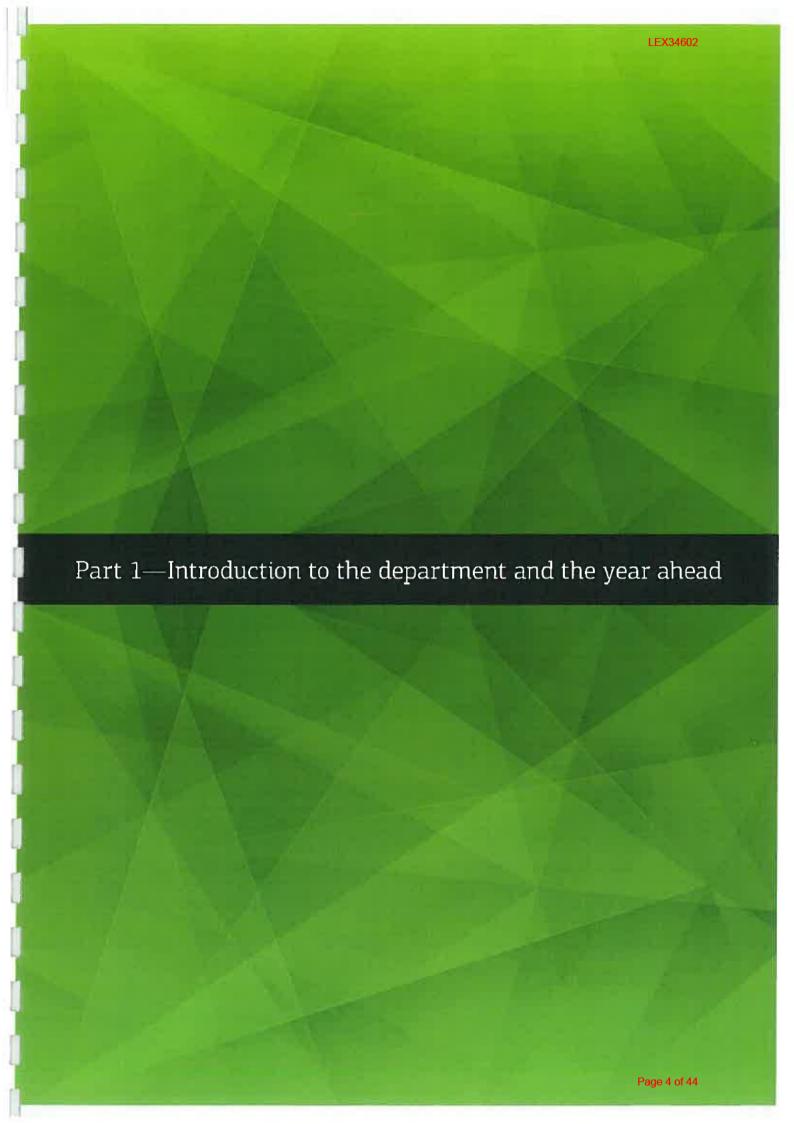humanservices.gov.au

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Part 1—Introduction to the department and the year ahead

Part 1—Introduction

1.1 Overview

The Department of Human Services (the department) is the service delivery arm of the Australian Government. This is reflected in our mission – 'connecting Australians to the services they need.'

The department administers payments and services for multiple government agencies and provides advice to government on the delivery of welfare, health and child support services. To appreciate the complexity of this task, it is important to consider the scale of our operations and the operating environment.

Our scale, expertise, delivery network and digital services are substantial.

The department consists of around 34 000 staff spread across 349 locations throughout Australia. Our work underpins the welfare and health of the nation and its economy. In providing high quality payments and services, the department needs to balance legislative and policy frameworks, geographical spread, large recipient numbers and transaction volumes, accessibility requirements, budget constraints and community expectations.

Each day we interact with hundreds of thousands of people of all ages, backgrounds and demographics. s 47C

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To succeed, we are digitally transforming our services to be easier, faster s 47E(d)
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While the future of service delivery will be built through the transformation work, we cannot lose sight of our immediate core business. The department is committed to achieving the critical balance between delivering day-to-day services and transformation while meeting the policy aims and priorities of government.

1.2 Our services

The department is responsible for providing advice to government on the design, development, delivery, coordination and monitoring of government services.

Our primary focus is on the delivery of Centrelink, Medicare, Aged Care and Child Support payments. We also deliver a wide range of other services in close partnership with various Commonwealth, state and territory agencies.

In 2016–17 the department successfully delivered $174.3 billion in payments to recipients and providers, or 40 per cent of all the annual cash payments made by the Commonwealth. We processed over 3.8 million social security and welfare claims, over 60 000 aged care claims and delivered more than 399 million Medicare services. Working with separated parents the department transferred $3.5 billion to support 1.2 million children.

Over 2016—17 we managed over 700 million digital, online and telephone self-service transactions, some 52 million calls and 19 million visits to our 349 service centres.

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We also provided much needed support to Australians affected by Tropical Cyclone Debbie and, separately, to those affected by the dairy industry downturn. The summer season tends to be a busy time for responding to bushfires, floods and cyclones, and the department has a critical role in providing rapid access to payments and services to those affected by natural disasters.

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As we expand and improve our services, particularly our digital services, we continue to invest in the protection of our data and systems. We have advanced cyber security capabilities and our information technology and communications systems, infrastructure and networks are extensive, complex and critical to the delivery of government services.

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The department also manages a large number of media enquiries and significant social media activity. In 2016—17 our social media team reached an audience of 1.5 million people each month, involving some 10 800 questions and 4000 posts. s 47C
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1.3 Our transformation
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All aspects of our business are undergoing transformation ranging from the opportunities presented by payments reform and the digital age and significant investment across our Information and Communications Technology (ICT) platforms led by the Welfare Payment

Infrastructure Transformation (WPIT) Programme. Our transformation agenda is aimed at ensuring we provide a modern and efficient service delivery offer that harnesses technological change.

The department's WPIT Programme is a major Government initiative to simplify welfare processes, help replace the department's ageing ICT infrastructure and change the way services are delivered by the department,s 47E(d)
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The Programme commenced in 2015 and will run for seven years. Tranche 1 was completed in June 2016 s 47C
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The department is also working with the Digital Transformation Agency (DTA) to improve myGov, to enhance service delivery and reduce demand through its Channel Optimisation programme, and working within government to modernise the department's health and aged care systems.

We have also recently established a new, improved website to make it easier for people to access and understand information and services online, and we are working closely with the DTA to apply the Government's Digital Service Standard to our digital services.

In addition, the department has strong and collaborative partnerships with a large number of agencies to design, build and deliver new digital services in line with government priorities and expectations. This ensures appropriate consideration of the complexities of existing technology systems and design solutions, along with the associated costs and risks of policy implementation.

This also enables the department to build common digital capabilities and approaches into the delivery of government initiatives.

Examples of the department's delivery of platforms and services to assist multiple agencies to meet the requirements of the Government include myGov, National Disability Insurance Agency and the Veteran Centric Reform (VCR) programme. The department is also building a new Integrated Child Care ICT solution which will provide a sustainable platform and programme delivery capability.

The department also supports the delivery of Government outcomes by working with various agencies on a range of activities that include data exchange, shared corporate services, co-location, ICT infrastructure support and utilising shared facilities or ICT platforms.

1.4 Outline of this brief
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Part 3 of the brief provides factual information about the department. This includes information about the department's senior leadership team, their groups and responsibilities and the structure of the department.

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Figure 1- Breakdown of the major payments the department delivers 2016-17 Actual

Department of Social Services
$112.3 billion

- Age Pension and Pension Bonus Scheme
- Wife Pension
- Bereavement Allowance
- Disability Support Pension
- Carer Payment and parenting payments
- Newstart Allowance and Youth Allowance (job seeker)
- Sickness and Mobility Allowance
- Family Tax Benefit and Paid Parental Leave and Schoolkids Bonus
- Austudy/Youth Allowance (student and apprentice)

Department of Health
$55.1 billion

- Medical Benefits Scheme
- Pharmaceutical Benefits Scheme
- Private Health Insurance Rebate
- Aged Care subsidies for home and residential care

Department of Veterans' Affairs
$3.5 billion

- Medicare subsidies
- Aged care subsidies
- Repatriation Pharmaceutical Benefits Scheme

Department of Education and Training
$1.5 billion

- Child Care Benefit
- Child Care Rebate

Department of Immigration and Border Protection
$0.2 billion

- Asylum Seeker Support

Department of Infrastructure and Regional Development
$0.2 billion

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

Department of Agriculture and Water Resources
$61.4 million

- Assistance to individuals and businesses affected by closure of Hunter River and Port Stephens Fisheries

Attorney-General's Department
$26.3 million

- Farm Household Allowance

Department of Employment
$13.6 million

- Job Commitment Bonus
- PaTH Internship Incentive

Department of Defence
$1.5 million

- Australian Victim of Terrorism Overseas payment
- Disaster recovery Allowance
- Disaster Recovery Payment

Actual figures from Page 233 of the 2016-17 Human Services Annual Report

Figure 2- Child support transfers in 2016-17

Child Support
$3.5 billion*
(Private & DHS Collect)

- Manages Child Support transfers for **1.2 million children**
- The department collected and transferred **$1.5 billion**
- **$2.0 billion** was transferred privately between parents and therefore is not included in the total as a government payment.

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

Part 2—Current and emerging key issues

Part 2—Current and emerging key issues
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2.1 Service delivery performance

The scale and scope of work the department manages is significant, extending across the Centrelink, Medicare and Child Support programmes via its face-to-face, call centres, claim processing and digital services.

The department's performance against its core performance measures, as set out in the department's Portfolio Budget Statement and Corporate Plan, is monitored closely with ongoing adjustments to the department's workforce to meet peaks in demand, the delivery of new government initiatives and responses to natural disasters.

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2.2 Welfare Reform

The department is working closely with the Department of Social Services (DSS) to progress the Government's Welfare Reform agenda.

The 2015 McClure report, *A New System for Better Employment and Social Outcomes*, provides a framework for a simpler welfare system with fewer payments and improved incentives to work. This would support the Government's objective of helping people get into work and off welfare payments.

In the 2017–18 Budget the Government announced the new Job Seeker Payment as the foundation income support payment that will allow a more streamlined and consistent approach to interactions between income support and workforce participation.

Debate on the *Social Services Legislation Amendment (Welfare Reform) Bill* commenced on 19 October 2017.

The department will continue to work with DSS and other stakeholders to progress this legislation and the Government's wider welfare reform agenda.

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SERVICE DELIVERY

The department has an extensive service delivery network.

Face-to-face delivery is provided in some 349 service centres across Australia and supported by two mobile service centres and agents in remote areas.

Specialist or outreach services are provided by a number of staff including Multicultural Service Officers, Indigenous Service Officers, Social Workers and Community Engagement Officers.

Smart Centres provide telephony and processing services for Centrelink and Child Support including targeted assistance through the Multilingual Smart Centre Services and Rural and Remote Smart Centre Services.

Medicare hubs provide telephony and processing for patients and providers.

We also provide many of our services through myGov and mobile apps, including online claims and document lodgement, personal circumstances updates, concession confirmation for participating businesses and organisations and online services for health professionals

Social media is used for communication and engagement with recipients, and we also use SMS and email through myGov.

We also engage directly with people living in remote Indigenous communities to shape services that are culturally appropriate, effective and empowering. We recruit local Indigenous staff to work in remote servicing teams wherever possible. We also work in partnership with organisations, agencies and government departments at Commonwealth, state and territory levels to deliver services in remote areas.

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2.5 Digital Transformation

The department is playing a key role in the digital transformation of government services and supporting the Government's Digital Transformation Agenda. 47E(d)
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A key element of this work involves myGov. The department established myGov in 2013, transforming the way people interact with the Australian Government. The DTA is responsible for the myGov service strategy, policy and user experience, and the department is responsible for hosting myGov, including system development, testing, security and operational performance.

There are now some 12 million myGov accounts and around 265 000 people successfully used myGov each day during 2016–17, with myGov being available 99.8 per cent of the year.

The busiest day of this financial year so far was on 12 July 2017 when 760 000 people successfully logged in to myGov.

The myGov service is critical to the effective and secure delivery of Centrelink, Medicare and Child Support digital services. It is highly cyber security resilient and has handled some 100 million digital letters and messages to Australians since it was established, thereby improving the way we communicate with Australians and saving significant postal costs.

The department is continuing to work closely with the DTA on improving myGov and delivering the Government's broader digital agenda. s47C

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CYBER SECURITY- PROTECTING OUR SYSTEMS AND INFORMATION

As cyber threats increase in number and sophistication, we must ensure our information technology is adequately protected. We were rated as 'cyber resilient' by the ANAO Cybersecurity Follow-up Audit and are fully compliant with the Australian Signals Directorate's top four cyber risk mitigation strategies.

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This year we hosted the Cyber War Games – Operation First Wave 2017, the first ever cross agency federal government training exercise for cyber security.

The Games provided staff with the opportunity to 'get into the heads' of a cyber-criminal and test their defence skills. The games are another method to enhance the skills of those protecting our IT and all the public information we hold.

2.6 The Welfare Payment Infrastructure Transformation Programme

The Welfare Payment Infrastructure Transformation (WPIT) Programme is a significant transformation programme to provide faster, more connected and automated welfare services.

The Programme commenced on 1 July 2015 and will run for seven years.

Tranche One was completed in June 2017 and involved scoping and design work for future tranches, improvements to the department's digital services, and the selection of major commercial partners.

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2.7 Health and Aged Care Systems modernisation and My Health Record

In October 2016 the Government announced that it would replace the health and aged care payments systems. s 47E(d)

In the 2017—18 Budget the department received initial funding of $16.6 million (to December 2017) for the first six months of a four year remediation programme. s47C
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In addition, as part of the 2017–18 Budget the Government agreed to the formal transfer of the *My Health Record* support functions (except the Information and Communications Technology (ICT) support functions) from the department to the Australian Digital Health Agency (ADHA). The transfer of functions is being undertaken as a Machinery of Government change, with the full transition due to be completed by 30 June 2018.
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2.8 Independent review of access to Medicare card numbers

The Government established an independent review into health providers' access to Medicare card numbers following media reports in July 2017 alleging a data breach allowing illegal access to Medicare numbers via the dark web.

The review was led by Professor Peter Shergold AC. Other review team members were Dr Bastian Seidel, President of the Royal Australian College of General Practitioners and Dr Kean-Seng Lim, Australian Medical Association (AMA) (representing Dr Michael Gannon, President of the AMA).

The review consulted widely with stakeholders in the health sector including general practitioners, practice managers, nurses, consumers, and state and territory governments.

A discussion paper was publicly released on 18 August 2017. There were 24 submissions received in response to the discussion paper from a broad-range of stakeholder groups and

the panel conducted 16 stakeholder meetings as part of its review and incorporated these into their final report.

The final report was publicly released on 14 October 2017 and identified options to improve the security of Medicare card numbers within the department's Health Professional Online Services system, while continuing to support access to health services without unnecessarily increasing the administrative workload faced by health professionals.

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2.9 Increased Centrelink call centre capacity

As part of the 2017—18 Budget the Government provided additional funding to the department to increase Centrelink call centre capacity by engaging an additional 250 call centre operators through an existing government service provider.

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2.10 Channel Optimisation

The channel optimisation programme focuses on demand reduction through increased digital uptake of government services.

This includes initiatives such as enhancements to the department's website, staff assistance for Newstart Allowance recipients to use self-service to report fortnightly earnings, and using SMS messages to remind job seekers to report their fortnightly income within 14 days.

Through enhanced data analytical capability, the Service Delivery Operations Group is identifying further opportunities to improve service delivery.

This programme will deliver a connected, efficient and personalised experience for people accessing the department's services.

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2.12 Compliance and Integrity Measures

The department places considerable importance on maintaining the integrity of its programmes s 47E(d)
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Taskforce Integrity is a joint operation between the department and the Australian Federal Police (AFP) to target geographic areas which face a high risk of non-compliance and welfare fraud. The Taskforce started work in July 2015 s 47E(d)
s 47E(d)   completed 13 595 compliance activities s 47E(d)
s 47E(d)   and referred 41 matters to the

Commonwealth Director of Public Prosecutions.

The department also has a significant ongoing compliance programme. s 47E(d)
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s 47E(d)   raised some 2.38 million debts valued at $2.84 billion. The department also recovered some $1.64 billion in debts during the year s 47E(d)
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2.15 The New Child Care Subsidy measure

The department is working with the Department of Education and Training (Education) to deliver the Government's New Child Care Subsidy s 47C   rom 1 July 2018.

This is a major initiative to support families by making child care simpler, more affordable, accessible and flexible.

The department is responsible for the development of the supporting ICT system.

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VIRTUAL ASSISTANTS

A range of virtual assistants have been developed by the department as part of a strategy to explore the functionality presented by this emerging technology and determine how best to harness it to support the delivery of services to Australians.