



**Australian Government**  
**Department of Human Services**

**EXECUTIVE MINUTE**

on

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT  
REPORT 452**

Natural Disaster Recovery; Centrelink Telephone Services; and Safer Streets Program,  
Review of Auditor-General Reports Nos 24-50 (2014-15)

**Response to the recommendations**

**Recommendation No. 4**

**paragraph 3.61**

*The Committee recommends that the Department of Human Services report back to the Joint Committee of Public Accounts and Audit, within six months of the tabling of this report, with information on how it has increased training for staff to deliver the Smart Centre concept and the level of training experience.*

**Supported.** The Department of Human Services (the department) has demonstrated a strong commitment to providing an appropriate level of staff development as demonstrated by the volume of training delivered to staff and identifying staff development as a high level strategic priority.

In 2015-16, around 2 600 Smart Centre employees were onboarded and provided with an additional 632 000 hours training. This was on top of the 10 hours learning and development specified for all Smart Centre staff in the department's Enterprise Agreement in each four week period. Most of this additional training took place in the first 12 weeks of employment to ensure that staff have the skills to undertake their allocated duties. This compares favourably with private industry practice.

The department aligns its training initiatives to government and policy priorities and its service transformation agenda. Along with technical and customer service training, the department invests in developing the skills of its staff to meet evolving operational requirements. The department has adapted an agile training approach that is tailored to the circumstances of individual staff to increase their skills and capability to undertake work across service delivery channels and deliver a quality experience for customers. Additional detail is contained in the supporting information below.

**Recommendation No. 5****paragraph 3.64**

*The Committee recommends that the Department of Human Services report back to the Joint Committee of Public Accounts and Audit, within six months of the tabling of this report and then on an annual basis, on the implementation of the Welfare Payment Infrastructure Transformation and the subsequent impact this has had on real time performance measuring, management and service delivery.*

**Supported with qualification.** The Welfare Payment Infrastructure Transformation (WPIT) Programme will create a social welfare system that is sustainable for use by future generations. By increasing digital connectivity, simplifying unnecessary complexity, providing better data matching capabilities, delivering real-time data analysis, and taking advantage of modern technology, significant and lasting benefits will be delivered to government, taxpayers and recipients.

The WPIT Programme will be delivered through multiple tranches over a planned seven year period and benefits will be derived from the individual tranches of the programme. Tranche One commenced on 1 July 2015 and is scheduled to end on 31 December 2016. As the benefits realisation will occur upon deployment of each of the deliverables within the stages of the programme, the department will report back to the JCPAA at the end of each tranche.

**Recommendation No. 6****paragraph 3.69**

*To ensure that internal key performance indicators are relevant and fit for purpose in the Smart Centre environment and for online service delivery, the Committee recommends that the Department of Human Services:*

- *examine the completeness and appropriateness of its existing internal key performance indicators*
- *develop appropriate targets for existing internal key performance indicators wherever practical*
- *investigate, with a view to adopting, additional key performance indicators – including:*
  - *'First Contact Resolution' and 'First Call Resolution' information*
  - *performance information relating to the Interactive Voice Response system – including information relating to the numbers of and reasons for resolved and unresolved calls*
- *report back to the Joint Committee of Public Accounts and Audit, within six months of the tabling of this report, on its progress in implementing this recommendation.*

**Supported.** The department is currently reviewing its existing internal key performance indicators (KPIs).

The department has investigated the potential for adoption of KPIs measuring 'First Contact Resolution', 'First Call Resolution' and relating to the Interactive Voice Response (IVR) system. Due to limitations in data availability it is not possible to do so at this time. When technologies are upgraded, and capability becomes available to report this information, the recommendation will be considered further.

As noted in ANAO Report No.37 2014-15 *Management of Smart Centres' Centrelink Telephone Services*, the department had a proxy measure for First Call Resolution but it has

significant limitations and does not necessarily indicate that an issue was not resolved. Accordingly, the department does not use this proxy measure.

**Recommendation No. 7**

**paragraph 3.75**

*To improve transparency and better inform customer expectations, the Committee recommends that the Department of Human Services publicly report a broader range of key performance indicators (and their associated targets) for Centrelink telephone services—which should at least include all current internal performance indicators and any additional indicators adopted as a result of Recommendation 6.*

**Supported with qualification.** The department will consider whether it would be appropriate to publicly report a broader range of key performance indicators (and their associated targets) for Centrelink telephone services following the completion of the review referred to in recommendation 6 above.

**Recommendation No. 8**

**paragraph 3.78**

*To improve transparency, the Committee recommends that the Department of Human Services publish performance information more frequently against its key performance indicators for Centrelink telephone services.*

**Not supported.** The department currently reports on performance through the annual report and does not support publishing performance more frequently. The existing measure of average speed of answer is an annual measure and factors the operating environment (peak demand periods) into the annual expectation. For example, wait times will vary on a daily, weekly and monthly basis as the department manages its day-to-day business and responds to seasonal peaks such as end of year reconciliations and natural disasters. Accordingly, there will be times in the year where telephony performance will be above the published annual standard and other times at which it will be below the annual standard.

**Supporting information**

Recommendation No. 4

Implementation of the Smart Centre model commenced in 2012–13 and was targeted to delivering the department's telephony and processing capability through a single, virtual, national network. Using this approach, call and processing tasks are directed to staff who have the required skills and are available to complete the work with the priority being first contact resolution wherever possible.

Building the skills and capabilities of departmental staff is recognised as a high level strategic priority in the department's corporate plan and there has been an increase in the volume of training delivered to staff. Specifically, the department provides regular learning and development time to all Smart Centre staff in accordance with the current Enterprise Agreement. The Enterprise Agreement provides staff with access to up to 10 hours of learning and development time in a four week period, or up to 30 hours across a 12 week period (pro-rata for part time staff). This enables staff to maintain and increase their skills and capability to undertake work across telephony and processing.

Training is designed to improve the skills of staff in delivering a quality experience for customers. It is tailored to the individual circumstances of service delivery staff and to operational business needs. The training covers core programme specific technical training, training for new payments and services, customer service training and other general skills development, such as support for people affected by family and domestic violence. The department also invests in the skills of its staff to respond to particular workload pressures.

Training is aligned to the department's service delivery transformation agenda. This involves moving, where appropriate, transactions from a personal service basis (face to face or telephone) to self-managed mechanisms. This allows customer service staff to focus on more complex services and to help those in need rather than dealing with simple transactions. The department regularly reviews its training products to ensure that they are fit for purpose and aligned to the service delivery transformation agenda. This is designed to build on the Smart Centre model and deliver a consistent customer experience across service delivery channels.

The department has also implemented the One Smart Centre Workforce Management Tool which is the next phase in formalising the "One Smart Centre" model. It is delivering one fully operational scheduling solution for use by all Smart Centre service delivery staff. The outcome is improved visibility of available resources, the ability to schedule training for all Smart Centre staff and the provision of tools that support greater capacity to forecast and meet customer demand.

#### Recommendation No. 5

The WPIT Programme will modernise the delivery of welfare payments and services by simplifying business and ICT processes across face-to-face, phone and digital channels. The new capability will capitalise on digital technology, giving recipients access to more online services. It will create an end-to-end, digital experience for recipients and provide the flexibility for government to implement policy and legislative reforms quickly.

The WPIT Programme is expected to be completed in 2022 with work being implemented through multiple tranches. This will ensure the department can adapt to emerging technology and shifting government priorities, whilst ensuring costs are managed throughout the project to achieve best value for money.

#### *Tranche One progress*

In the 2015 - 16 Budget, government allocated \$60.5 million net expenditure for Tranche One of the programme over four years.

Tranche One is focused on the detailed planning, scoping, and design work that will set up the programme to deliver. It is underpinned by major procurement activities to establish commercial partnerships with suitable providers to help design and deliver the technology solution required to support the programme.

Since its commencement on 1 July 2015, the programme has set up an integrated programme office; established governance arrangements; and worked with policy departments, recipients, staff and other stakeholders on the design of the programme.

Major procurement milestones have been achieved, including the department having:

- issued and evaluated responses to a Request for Expressions of Interest (REOI) for a Core Software Vendor (CSV) to identify tenderers with the capability and experience to supply the technology platform to support the programme;
- issued and evaluated a response to a Request for Tender (RFT) for a CSV to supply the technology platform. Following the REOI process, SAP Australia Pty Ltd (SAP) was the only supplier pre-qualified for and invited to respond to the RFT. SAP has been selected as the preferred CSV supplier, subject to commercial negotiations;
- issued an RFT to establish a panel of Systems Integrators (SIs) with proven capability to deliver complex systems integration services. These services are key to the programme's success.

Towards the end of Tranche One, the department will report back to government. As implementation will be progressed in tranches, the department will report back to the JCPAA at the end of each tranche. This could include information about impacts on real time performance measuring, management and service delivery, where available.



Kathryn Campbell  
Secretary  
Department of Human Services

28 September 2016



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REPORT 452**

Natural Disaster Recovery; Centrelink Telephone Services; and Safer Streets Program,  
Review of Auditor-General Reports Nos 24-50 (2014-15)

**Response to the Clarification of Government Response to JCPAA Report 452**

**Recommendation No. 6**

paragraph 3.69

*To ensure that internal key performance indicators are relevant and fit for purpose in the Smart Centre environment and for online service delivery, the Committee recommends that the Department of Human Services:*

- *examine the completeness and appropriateness of its existing internal key performance indicators*
- *develop appropriate targets for existing internal key performance indicators wherever practical*
- *investigate, with a view to adopting, additional key performance indicators—including:*
  - *'First Contact Resolution' and 'First Call Resolution' information*
  - *performance information relating to the Interactive Voice Response system—including information relating to the numbers of and reasons for resolved and unresolved calls*
- *report back to the Joint Committee of Public Accounts and Audit, within six months of the tabling of this report, on its progress in implementing this recommendation.*

**JCPAA Request for Clarification on Departmental Response to Recommendation 6**

*The Executive Minute notes that DHS is undertaking the review of existing KPIs outlined in Recommendation 6. The Committee is seeking further detail on the planned completion timeframe for this review, and whether it will develop targets for existing KPIs as well as analyse new KPIs that DHS could adopt. Upon completion of the review the Committee requests that DHS make available the key findings and implementation plan to the Committee.*

As noted in the department's response in September 2016, the department is undertaking a review of the department's internal KPIs. This review includes the Smart Centre environment and online service delivery KPIs.

The Executive Committee of the department requested that a review be undertaken to examine areas of potential overlap and/or opportunities to rationalise the number of internal KPIs. The review included a stocktake of all internal KPIs that had a clear



description and measureable target. Phase one of the review has been completed resulting in a reduction in a number of KPIs.

Phase two is looking at the appropriateness of the KPIs. Phase two will consist of two parts. The first working with our partner agencies on the KPIs in our bilateral agreements. The second part will focus on the Smart Centre environment and online service delivery KPIs, and include analysis of potential new measures in this channel.

In September 2017, the department will provide an update to the JCPAA following the completion of phase two of the Smart Centre environment and online service delivery KPI review.

#### **Recommendation No. 7**

paragraph 3.75

*To improve transparency and better inform customer expectations, the Committee recommends that the Department of Human Services publicly report a broader range of key performance indicators (and their associated targets) for Centrelink telephone services—which should at least include all current internal performance indicators and any additional indicators adopted as a result of Recommendation 6.*

#### **Recommendation No. 8**

paragraph 3.78

*To improve transparency, the Committee recommends that the Department of Human Services publish performance information more frequently against its key performance indicators for Centrelink telephone services.*

#### **JCPAA Comment on Departmental Response to Recommendations 7 and 8**

*In response to Recommendation 7, the Executive Minute states that DHS will consider reporting publicly on the KPIs identified by the review noted above following its completion. The Committee understands that it is appropriate that DHS consider increased publication of KPIs as part of the overall review. However, the Committee reiterates that improving transparency and better informing customer expectations should be a standard principle adopted by DHS.*

*The Executive Minute does not support Recommendation 8, but responds to the detail rather than the intent-of the recommendation.*

*The Committee accepts the technical and statistical reasons that DHS provides for not reporting on the particular annual performance measure more frequently in the case of average speed of answer. However, the Committee's recommendation was general for all performance indicators that may be able to be published. Therefore, the Committee requests that DHS provide further information on whether the frequency of publication of KPIs will be considered as part of the review of KPIs underway.*

The department is committed to improving transparency and better informing customer expectations. As noted in the department's response in September 2016, the department is currently undertaking a review of KPIs including telephony measures. As part of the review other options and transparent reporting of performance data will be examined.

The review will examine whether the department's current measures are the most appropriate for telephony services. The review will also consider whether different measures of performance could be used to offer more transparent reporting to the public, and how individuals could be supported to make more informed choices about contacting the department.

The department is currently working to make information on individuals' estimated wait times available to them directly where possible. This capability is being progressively rolled out, currently through changes to the some of our new claims technology that allows claimants to track the progress of their claim, and also offering estimated wait times in telephony channels.



Kathryn Campbell  
Secretary  
Department of Human Services

// 6 March 2017