

**EXECUTIVE MINUTE**  
**on**  
**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**  
**REPORT No. 461**  
**COMMONWEALTH RISK MANAGEMENT INQUIRY BASED ON**  
**AUDITOR-GENERAL'S REPORT 18 (2015-16)**

**General comments**

The Department of Human Services (the Department) notes the letter from the Joint Committee of Public Accounts and Audit (the Committee) dated 23 February 2018, seeking clarification of the Government's response to Report 461. The Committee directed this request to both the Department of Social Services and the Department, and has agreed to accept individual responses from each department.

The Committee is seeking additional information in relation to report recommendations 3, 4 and 6 and also in respect to a number of initiatives and activities referenced in the initial response.

The Department's response to the Committee's request for additional information is provided below. This response addresses the requests that are relevant to the Department's role in administering the Disability Support Pension (DSP) programme. The Department of Social Services will provide a separate response to the Committee in regards to report recommendations 3 and 4.

**Request – Recommendations 1 and 5 – Reviews**

The Executive Minute refers to a number of reviews that are planned, ongoing, or completed. The Committee therefore requests that the departments provide further information on whether/how these reviews address each of the recommendations in Report 461 (excluding Recommendation 2 which was directed to the Australian National Audit Office). For each of the reviews, the Committee would appreciate a summary of:

- the scope
- timing
- objectives
- overarching methodology
- frequency of monitoring (if ongoing); and
- internal reporting arrangements (regarding outcomes).

**Response**

The joint response to the Committee's report by the Department of Social Services and the Department explained the Government's regular review of administrative processes for the DSP programme is to identify and evaluate opportunities for improvement. The departments' responses to individual recommendations described, in detail, the transparent stakeholder consultations which inform this comprehensive review of end-to-end processes, and provided relevant examples of significant improvements recently implemented or currently in progress.

The response demonstrated how Recommendation 1 has been implemented by the departments under established administrative arrangements, which underpin a comprehensive and ongoing review of the end-to-end DSP programme. As such, the response sought to explain that the ongoing review of the DSP programme's administrative processes comprises a broad range of complementary activities which fall under each department's legislative and portfolio responsibilities, with the Department being responsible for implementing and delivering government programmes such as DSP.

The scope, timing, objectives, methodology and reporting for individual initiatives and activities vary according to purpose and need. However each of these activities is informed by, and supports the departments' continuing end-to-end review of the DSP programme, in accordance with Recommendation 1. Three specific initiatives/reviews are discussed in more detail below:

- Ongoing Programme Management of Disability Support Pension
- Disability Support Pension Service Delivery Initiatives
- External Consultation, Monitoring and Reporting.

#### *Ongoing Programme Management of Disability Support Pension*

##### Scope, timing, objectives and methodology

The Department monitors a wide range of key metrics used to assess the health of the DSP programme on a fortnightly, monthly, quarterly and annual basis. This includes detailed performance data on claim outcomes, assessment processes, appeals, recipient characteristics, debts, suspensions and cancellations, and customer complaints. This is a continuing activity which forms part of the Department's regular programme management for all payments and services, including DSP. The scope of the activity encompasses all aspects of the Department's role in delivering the DSP programme. Key examples include preparation of regular internal reports which monitor the flow, timeliness and outcomes of DSP claims, and the types of assessment required to support each claim. The Department uses this information to identify potential issues, such as changes in the numbers of claims being lodged affecting demand for Job Capacity Assessments. As such, this work assists the Department to monitor programme performance, pressures and adherence to legislative requirements.

##### Monitoring and reporting

The Department's monitoring of the DSP programme is supported by a range of regular forums which convene key departmental teams involved in assessment of claims, medical eligibility reviews, reviews of decisions, complaints and stakeholder relationships. This includes a regular fortnightly forum which has an operational focus on assessing process issues, and implementation of process improvements.

The scope of these forums includes monitoring, evaluating and improving the end-to-end assessment of DSP for all claimants and recipients.

Reporting of outcomes and issues is presented at the Department's DSP Programme Board meetings, which occur on a monthly basis. The Programme Board, which comprises senior departmental staff and subject matter experts, provides a forum to discuss issues and processes

related to the implementation of DSP projects and administration of the DSP programme generally. The Programme Board's role includes exploring, evaluating and driving process improvements to be delivered across the DSP programme, based on a careful analysis of current evidence and emerging issues.

The Department has a separate Programme Design Board that provides strategic oversight and advice to the Department's Senior Executive, to ensure effective management and delivery of key programme design projects and activities, including the DSP programme.

The Department has a close consultative working relationship with the Department of Social Services, which includes monthly meetings at executive level including the Department's Health Professional Advisory Unit, and quarterly meetings at Senior Executive level. The purpose of these forums is to ensure that the administration of DSP is consistent with legislation and policy. Discussions are informed by evidence and stakeholder consultation, including monitoring of key metrics and supporting data. At the monthly meeting on 26 February 2018, the departments discussed approaches to integrating the recommendations from the Committee's Report 461 into the continual review of the DSP programme.

#### *Disability Support Pension Service Delivery Initiatives*

##### Scope, timing, objectives and methodology

The Department also reviews, on an ongoing basis, opportunities to introduce service delivery improvements to the DSP programme. The scope of these reviews will often be a particular part of the claim process with the objective of improving programme performance and customer experience. These improvements are considered and developed internally, with consultation and collaboration with external stakeholders where beneficial.

The improved DSP claim assessment process implemented in July 2017 is an example of a targeted service delivery initiative developed by the Department based on analysis of issues and opportunities, including learnings from two comprehensive reviews of the DSP end-to-end claim process by a dedicated team of subject matter experts in 2015 and 2016. The Department initiated this work to explore further opportunities for improving the end-to-end claim assessment process within existing policy settings, including the revised claim assessment process implemented in July 2015. These process reviews and development of the further improvements implemented in July 2017, were informed by the Department's continuing monitoring and analysis of DSP data.

In addition, over the course of 2017 the Department introduced a number of significant improvements to the Disability Medical Assessment referral process, to fast-track this assessment stage for claimants following a Job Capacity Assessment.

In January 2018 the Department introduced revisions to the DSP claim form, with improved information for claimants and clearer questions about their medical circumstances and ability to provide medical evidence. The recent improvements to the DSP claim form and updates to DSP eligibility and claim information on the Department's website are consistent with Recommendation 5, which was concerned with improving communication to claimants.

## Monitoring and reporting

Monitoring and reporting for new initiatives is delivered through the forums noted above including the DSP Programme Board, Programme Design Board and meetings with the Department of Social Services.

### *External consultation, monitoring and reporting*

External consultation, monitoring and reporting are also important in ensuring the effectiveness of the DSP programme. The Department evaluates and acts on feedback about the assessment of DSP from independent external stakeholders including the Commonwealth Ombudsman, the Administrative Appeals Tribunal, Members of Parliament, Disability Peak bodies, ministerial correspondence and media reports. The Department carefully monitors these issues and has a regular schedule of meetings with the Ombudsman.

As well as undertaking service recovery for individual cases where required, the Department also takes appropriate action to address any general issues. The Department frequently uses the learnings identified from individual cases and general issues to drive and inform its ongoing improvement to DSP assessment processes and communication with claimants, including those described above. This includes reviews of information on the Department's website, forms, letters, procedural guidelines and staff training.

The Department is committed to regular consultation with the Commonwealth Ombudsman's Office about assessment of DSP claims and payment for recipients. The most recent meeting in March 2018 focused on a range of DSP issues such as the Commonwealth Ombudsman's report 05/2016 - *Accessibility of Disability Support Pension for remote Indigenous Australians*, and claimants' understanding of the medical evidence requirements for DSP.

As part of this program of consultation, the Department has committed to further engagement with health professional organisations to discuss medical evidence for DSP claims. The Department and the Ombudsman's office have agreed to hold these joint meetings every six months. This regular formal consultation on general DSP issues complements the Department's ongoing communication with the Ombudsman in response to specific complaints and investigations.

### **Request – Recommendation 3**

The Department of Social Services will address this request in its response.

### **Request – Recommendation 4**

The Department of Social Services will address this request in its response.

### **Request – Recommendation 6**

Recommendation 6 focuses on the potential merits of formally extending the 21-day timeframes for clients to provide evidence. The Committee would appreciate information on whether such a possibility has been considered and if so, what decision was taken and on what rationale.

## Response

The joint response to the Committee's report explained that the Department's consideration of timeframes for contacting the Department or the provision of medical evidence was informed by previous experience. The response noted the issues affecting the timely completion of reviews of DSP recipients aged under 35 years because of substantial delays in the provision of medical evidence.

The Department considered different possible timeframes for provision of evidence or for contacting the Department as part of the current review measure, before settling on the 21-day timeframe with provision for extensions on a case-by-case basis.

This is longer than the standard 14 day period. In practice, DSP recipients selected for a medical review have 28 days to provide medical evidence or contact the Department before an extension is required. This takes into account the constraints faced by recipients in regional areas.

In addition, as part of the ongoing implementation of the DSP medical eligibility reviews the Department has extensively reviewed and strengthened processes in place to support this measure, including safeguards to support recipients to understand and meet their requirements. For example, the Department will contact a recipient's treating health professionals in certain circumstances.

The Department considers that the 28 day timeframe, when combined with other assistance to DSP recipients and consideration of their personal circumstances and barriers, provides sufficient time for contact to be made with the Department or evidence to be provided as part of the measure.

Signed by

A handwritten signature in cursive script, reading "Renée Leon". The signature is written in dark ink and is positioned above a dotted line.

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Renée Leon PSM  
Secretary  
Department of Human Services