

Senate Community Affairs Legislation Committee

BUDGET ESTIMATES - 4 JUNE 2013 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Budget Measure – Simplify and Automate

Question reference number: HS 8

Senator: Fifield

Type of question: Hansard page 63-64

Date set by the committee for the return of answer: 26 July 2013

Number of pages: 2

Question:

- a) Senator FIFIELD: Have you averaged it out across the organisation that on average each person who registers online saves the Department of Human Services X dollars?

Ms Golightly: I do not think that we have done the average. We have done it by letter. We can take it on notice whether we can get you an average.

- b) Senator FIFIELD: Can you give me a few examples by letter?

Ms Golightly: Yes.

Senator FIFIELD: You say that you have done it by letter. Can you give me a few examples of where you have done it by letter?

Ms Golightly: I do not have the figures with me but, for example, the Centrelink statement was one of the examples that we put online, but there are other routine letters that we have also put online.

Mr Rimmer: I do not have the cost per letter. It depends on the number of sheets in the letters, the size of the envelope and so on. We can probably get some of that information for you on notice with perhaps a couple of examples of different kinds of letters.

- c) Senator FIFIELD: For the 23 per cent of people who have elected to receive their letters online do you have a figure for what that saves the Department of Human Services?

Ms Golightly: We have a figure for the simplifying and automating online services. One bit of that is letters. I would have to take on notice whether we could take it down to the letter component for you.

Senator FIFIELD: Or letters.

Ms Golightly: Yes, letters.

- d) Senator FIFIELD: What is the saving for the simplifying and automating program?

Ms Golightly: Over the four years of service delivery reform it was meant to be a net benefit of \$140.4 million, but as I said that was more than just the letters.

Senator FIFIELD: What percentage of that do you think the letters might be?

Ms Golightly: I would have to take that on notice for you.

Senator FIFIELD: Would it be half, less than half or 25 per cent?

Ms Golightly: I am sorry, but I really would have to check for you.

Answer:

- a) At a minimum the Department saves 52.3 cents per letter for customers registered for online letters. This includes the cost of notifying the customer that new mail has been delivered.
- b) For example, the recent Clean Energy letters can save about 63 cents when they are delivered to the Department's secure online letter service. The 63 cents takes into account print, production and postage but not the cost of notifying the customer that new mail has been delivered.

The Centrelink Statement, which is now available online but also available to be posted on request, saves the Department a slightly higher amount per item. This is because the numbers of pages of the Centrelink Statement is higher, therefore the cost to print and produce is slightly greater.

- c) It is not possible to calculate the net savings associated with the online letters component of the initiative as there is considerable complexity associated with incorporating all the variables that impact this figure, such as postage price changes and other production costs. It can be said, however, that if all letters sent through the Department's online letters service in 2012-13 were sent via post, it would have cost the Department approximately \$15.3 million (including GST).
- d) Simplify and Automate is projecting \$140.4 million in net savings over four years. Of this, the Simplify and Reduce Letters project represents 45 per cent (\$63.4 million) over four years. Currently the Simplify and Reduce Letters project is on track to realise these commitments.