Australian Government

Department of Human Services

Better Dealings with Government:
Innovation in Payments and Information Services

Discussion Paper for Industry Consultation

Contact officer

Minister's foreword

Each year the Australian Government delivers more than $100 billion in payments through the Human Services Portfolio.

As highlighted by the Prime Minister in November 2007 when announcing his Ministry, the Government recognises the potential savings associated with providing those payments and related information services more efficiently.

However, this discussion paper goes beyond the dollar. It is about how we move to the next generation of service delivery and customer engagement.

Communication and social developments are changing customer expectations. We need something more than simply making the right payment to the right person at the right time. Customers increasingly want governments and the commercial sector to deliver more immediate, more interactive and more accessible services.

To manage and deliver services, government agencies must regularly gather information from customers and their employers, other government agencies and non-government organisations. There are opportunities to streamline and improve the way we collect and share such information.

In responding to these challenges, governments are in a similar position to the traditional financial sector as it seeks new ways of providing more advanced and differentiated products in response to competitive pressures associated with payment services becoming commodities.

The rising expectation for services to be tailored to customer needs rather than administrative requirements suggests there are opportunities for governments and industry to work together to realise the benefits of technological and service developments in the payment and information services arena.

This discussion paper is about engaging with industry on better ways of providing payment and information services. It is not about any immediate service requirement or procurement activity. Rather, we want to establish an information base to inform possible future initiatives that support the Government's broader agenda for more citizen-centred services, including standardised business reporting, reform of the tax system, and other activities to minimise red tape and simplify government-community engagement, while managing risk and privacy considerations.

Governments in other countries are beginning to see mutual benefits from new ways of engaging with their citizens. There is a real opportunity for Australia to be at the forefront of improvements in delivering payment and information services, with significant flow-on benefits for wider government operations.

The aim of this discussion paper is to prompt creative thinking about how industry can help the Government achieve these goals.

The Hon Chris Bowen MP
Minister for Human Services

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About this paper

Purpose

The purpose of this discussion paper is to invite comment from industry on innovative ways of delivering government payments and collecting and sharing required information such as customer income details. Feedback will inform the Government's thinking about how to improve future payment and information services in the Human Services Portfolio.

This paper does not canvass policy issues, nor foreshadow any changes to the eligibility rules or types of benefits on offer; nor does it directly relate to any current or planned procurement activity.

The outcomes from this consultation with industry may inform future procurement within the Human Services Portfolio. The portfolio will also continue to operate and deliver current business and services and therefore, a number of procurement activities may occur during the industry consultation process.

Target audience

This paper is primarily directed to commercial organisations in various sectors that facilitate or participate in payment and related information services and to the peak bodies that represent them. These sectors may include finance, retail, employment, and information and communication services. Responses are also welcome from broader industry and community groups, other Australian and state/territory departments, and the general public.

Structure

This discussion paper comprises five major sections:

1. **Introduction—**describes the context, summarises key areas of interest and existing challenges

2. **Consultation questions—**provides the consolidated list of questions along with references to the sections in this document to which they apply

3. **Strategic setting—**highlights drivers for change and where the Government is seeking improvements in service delivery

4. **Current situation—**describes how payment and information services are currently delivered and seeks ideas for improvement

5. **Customer perspective—**presents scenarios about customer experiences at different life stages and invites suggestions for improving services for the customer

6. **Other considerations—**describes innovative solutions from around the world and seeks comment on how these and other initiatives may contribute to service provision in Australia.

Consultation questions

The paper poses consultation questions which are highlighted throughout, for example:

- What options could industry offer to help improve access for the Australian public to government payments at the point of sale?

Respondents to the discussion paper may address all or some of these questions. Some questions are presented as multi-part questions. In the main, the first question is the primary question and the others are related questions. If responding to these questions, please address the primary question first.

Comments need not be limited to the questions posed, and may also provide further suggestions for improving the delivery of government payment and information services. Respondents are encourages to frame their responses having regard to the Underpinning principles on page 1 and to outline the value-add to customers, government and industry from any solutions proposed. Where presenting any new service capabilities, potential challenges, impediments and privacy/security considerations should be addressed.

Responses

The closing date for submission of responses is **Friday 30 October 2009**.
Please send responses to:

By mail:	Payment and Information Delivery Reform Taskforce Division of the Chief Technology Architect Department of Human Services GPO Box 3959 MANUKA ACT 2603
By email:	discussion@humanservices.gov.au
By fax:	02 6223 4699

A *Response Guide and Proforma* template is available on the Department's website at the following address:

www.humanservices.gov.au/dhs/publications/discussion.html

Responses should include:

- name of the party making the response

- organisation they represent (if relevant)

- contact details

- question/s responded to (please identify the question by its number, or preferably include the question in your response).

The Department of Human Services may publish responses on its website. The Department reserves the right not to publish any response, or part of a response.

All responses will be treated as non-confidential. Any response provided to the Department on a confidential basis will not be accepted. Any application for access to a response under the *Freedom of Information Act 1982* will be dealt with in accordance with that Act.

Enquiries

For enquiries about any aspect of this paper, please email **- discussion@humanservices.gov.au**

Next steps

The following staged approach is designed to maximise the value of feedback received:

- **Stage 1—Discussion paper**
  Develop and release this discussion paper.

- **Stage 2—Industry consultation**
  Commence consultation and meetings with industry.
  Receive responses to this discussion paper.

- **Stage 3—Findings**
  Compile findings report for consideration by the portfolio.

- **Stage 4—Future Options**
  Identify future options.

Ongoing collaboration

The delivery options identified through this consultation process will inform the portfolio's delivery of payment and information services over the next five to ten years.

The initial consultation process will invite suggestions or arrangements for ongoing dialogue with industry to maintain the currency of the information. This will also be used to identify future opportunities for government and industry to collaborate on improved service arrangements.

The Government will continue to welcome feedback from industry on current and future directions or new developments.

Snapshot of the Human Services Portfolio

The Australian Government's Human Services Portfolio:

- was formed in 2005 by bringing together social service and health-related agencies across Government

- is staffed by 40,000 public servants

- coordinates more than 304 million health and welfare outbound payment transactions with a total value in excess of $100 billion each year

- consists of:

  o the Portfolio Department of Human Services—including the Child Support Agency (CSA) and CRS Australia (formerly the Commonwealth Rehabilitation Service)

  o the Human Services agencies—Centrelink, Medicare Australia and Australian Hearing

- delivers more than 200 different services for more than 20 federal and state agencies and departments, through a network of over 1,000 outlets Australia-wide

- processes nearly 280 million health services each year through Medicare Australia

- processes 6.6 billion transactions against customer records each year through Centrelink.

Each working day the portfolio:

- sends out 400,000 letters

- provides 361,000 face-to-face services

- answers 222,000 phone calls

- supports at least 70,000 online transactions by customers.

In 2006–07 portfolio customers used the following service delivery channels:

- face-to-face (42 per cent)

- incoming mail (30 per cent)

- telephone (24 per cent)

- online (four per cent).

There are:

- at least 65 million items of inbound mail each year

- 25 Centrelink call centres

- six Medicare Australia call centres

- 45 Child Support Agency sites that take calls.

1. Introduction

Social, financial and policy developments and changing customer expectations are driving a growing need for more citizen-centric, efficient and cost effective service delivery options within the Human Services Portfolio.

Advances in technologies and evolution in the private sector may well present opportunities to collaborate with industry to deliver better government services.

The Government must find new and improved ways to deliver payments and associated information services that support the intent of government policy and meet customer needs.

Underpinning principles

The business principles upon which new ways of delivering payments and associated information services will be determined include:

- decisions about service provision involve government, individuals, households and businesses

- burden on the customer, business and government is minimised

- service improvements ensure ongoing access to appropriate services for customer groups and do not compromise core business

- government leverages existing commercial capabilities and infrastructure

- investments drive broader innovation rather than just internal capability

- new service models expand customer choice and avoid creation of monopolies.

These business principles are supported by the following enabling principles:

- a flexible and efficient network

- ability to add services in a modular way

- solutions sourced from the most efficient and effective means whether it be government and/or industry

- timely information sharing and re-use that follows good privacy practices

- appropriate use of the information that customers and businesses are already providing (perhaps for other purposes, subject to privacy considerations).

Existing challenges

The portfolio also acknowledges the need to address emerging demographic and financial pressures:

- increasing and changing demographic demand, such as the challenge of more baby boomers entering retirement, many without adequate superannuation or savings

- increasing cost pressure, with demands for government to do more with less

- changing customer expectations for the delivery of government services, reflecting their experiences with new forms of services in the financial and retail sectors.

To address these, the portfolio will need to remedy limitations in existing services. For example:

- Most portfolio service systems have developed as stand-alone solutions to address the needs of a specific program or group of programs. In the main, these offer limited options for customers to receive payments and report back to government

- The lack of integration of government systems results in a large support overhead to both the customer and government resulting in situations where multiple transactions are needed when one should be enough

- The current arrangements for income reporting are largely manual. This places an unnecessary burden on all parties—customer, employer and government. It also increases the risk of error and potential for customers to incur a debt to the Government.

Manual processes can lead to duplication of effort for customers and portfolio staff. Customers may have to report their details to many agencies instead of reporting just once and allowing this information to be shared by all those who need it.

These shortcomings are likely to be reflected in other areas of government and the improved service delivery options identified through the current consultation process may include options appropriate for whole of government service delivery.

Key areas of interest

The Government invites suggestions on the following key areas of interest:

- new payment and information service delivery methods made possible by technical and industry developments

- new forms of private-public partnership for delivering payment and information services

- ways to facilitate ongoing government and industry engagement

- ways industry could assist the Government to establish standardised, modular and re-usable components for both the public and private sector to use in payment and information service delivery

- the scope for developing current services, such as the voluntary bill paying service offered to Centrelink customers, into more widely available commodity services

- ways to improve access to government services and make customer interaction with government easier and for the intended purpose
- ways to improve the collection and re-use of customer information, including by customers themselves to assist them with their own decision-making, while following good privacy practice
- ways to improve payment and information service delivery in emergency response situations.

Specific consultation questions related to these areas of interest are highlighted throughout the paper.

Scope for consultation

Payment delivery

Payments made by the Human Services Portfolio cover a large variety of customer groups and businesses, for example payments for health services, welfare payments for students, pensioners and families, and payments in disaster situations. These payments are delivered through different methods including cash, direct credit, pre-paid cards, stored value cards and cheques.

Despite the variety of payment types and delivery methods, factors often come into play that effectively reduce the range of 'options' to one.

It is an ongoing challenge for the Human Services Portfolio to ensure that:

- services are available to deliver payments in the most timely, accurate and cost effective manner
- intended recipients can easily access services
- payments are used for the intended purpose
- there is an appropriate balance between convenience, reliability, security and efficiency in delivering payment services, recognising there can be some trade-offs in these areas.

This discussion paper does not aim to comprehensively describe the many different government payment and information services in Australia. Nor does it cover all such services in the Human Services Portfolio. Rather, it focuses on a sub-set of portfolio services which present opportunities for innovation.

Background on portfolio agencies is included in the Appendices to this paper.

Information services

Effective service delivery depends on reliable and up-to-date information. Governments need to gather information regularly from customers, their employers, other government agencies, non-government organisations (NGOs) and others.

In enhancing effective payment and information service delivery, there is a potential for individuals to hesitate or avoid contributing where they sense that the technology does not adequately protect their privacy. For example, people may worry that information about them will fall outside their control or they may avoid accessing services where their personal information will be disclosed to a large number of unknown agencies or organisations. In this regard, embedding good privacy practice into new technologies will play an important role in earning the trust and confidence of individuals who wish to participate.

Information is collected through a number of channels including face-to-face, paper forms, telephone, online, and data transfers between organisations. Many different government agencies need similar information such as a person's address or employment status.

Some of the key objectives in effective payment and information service delivery are to:

- ensure all those who need to know are informed
- reduce the effort required to collect and share this information
- maintain good privacy practice in delivering government services to customers.

This discussion paper uses the term 'information services' in the context of payments and other benefits provided to Human Services Portfolio customers. This includes information such as change of address notifications, updates on financial data, and entitlement assessment notifications, which are needed to ensure that customers receive government payments and services to which they are entitled.

The term 'information services', as used in this paper, does **not** encompass health records of individuals.

Consultation process

The dialogue with industry, established through consultation on this discussion paper, will give industry a clearer picture of how public sector needs are developing, and provoke thinking about new ways industry can help the Government to enhance payment capability and broader information transactions with the wider community.

The Human Service Portfolio will also consult widely across government to ensure its strategic directions for payment and information services are aligned with broader Australian Government and Council of Australian Governments (COAG) reform agendas, and to draw on the considerable work already underway to improve the management of government information, including sensitive personal information.

2. Consultation questions

Below are the questions that are presented in the following chapters of this discussion paper. Please refer to the relevant pages to understand the context of each question.

Questions from Chapter 4. Current situation

Overview of payment services (Refer page 11)

1. (a) What additional payment methods, not covered in the 'Overview of payment services', may provide capabilities for government?
(b) For example, what additional capabilities could industry add to a payment transaction that would help eliminate related manual or paper processes?

2. (a) How can government take advantage of industry capability and customer relationships (such as banks and their 'know your customer' requirements)? For example, could government make use of the identity checking undertaken in the private sector, or could information derived from existing private sector customer relationships be used by government?
(b) What are the challenges and how would they be addressed?
(c) How would security and privacy be assured?

3. (a) How can government ensure equitable access to payment and information services to those without ready access to the Internet?
(b) What alternative channels could be used for the delivery of these services? For example, could use be made of ATMs, point of sale kiosks, mobile services?
(c) What are the key inhibitors to people using online systems and how can industry help to overcome them?

Emergency payments (Refer page 13)

4. (a) What payment services can industry provide in short timeframes to allow customers to purchase goods and services in situations where essential services such as power and telecommunication services are not available or are limited, for example following natural disasters?
(b) What challenges would need to be addressed?

5. (a) How could the private sector work with government to assist in helping people re-establish their identity in emergency situations?
(b) What impediments does industry see for such an activity?

Shared payments (Refer page 14)

6. (a) How could the infrastructure used for PBS online be used to deliver other payment services?
(b) From industry's perspective, what challenges would need to be addressed?

7. (a) What options could industry offer to help improve access for the Australian public to government payments at the point of sale?
(b) Where payment is dependent on the customer's circumstances, what mechanisms and approaches could be used to establish eligibility for the payment at the point of sale?

Electronic claiming (Refer page 15)

8. Medicare Easyclaim is an example of government-industry collaboration that delivers commoditised solutions.
(a) What other services or transactions could be procured by government under arrangements similar to Medicare Easyclaim?
(b) How could government go about commoditising and bundling a range of such services?

9. What other uses might the Government and/or industry have for the Medicare Easyclaim infrastructure?

Helping customers manage their finances (Refer page 16)

10. (a) How could industry help government deliver payment deduction services, similar to Centrepay, to customers?
(b) In particular, how could such a service be designed to make it more widely available to all Australians, and be delivered by private sector organisations and not just government?

11. How can service offerings between industry and government be structured so that people can access better financial management advice and budgeting tools before they come into financial difficulty?

Income management (Refer page 18)

12. (a) How readily can product compliance in line with government policy be achieved at the point of sale?
(b) Are there any privacy concerns with product compliance at point of sale and if so, how can these be addressed?

13. What additional services could be provided to enhance product compliance at the point of sale? For example, what intelligence could be gained from capture and analysis of the transaction data?

Information collection and sharing (Refer page 20)

14. How could industry take on the role of data interchange broker for the purpose of collecting and distributing information relating to the customer, where appropriate?

15. (a) What enhancements to data interchange standards would be needed as a precursor to improved payment and information service delivery? For example, what standards would need to be established to facilitate the electronic exchange of data needed to meet mandatory reporting obligations such as reporting of an employee's income?
(b) How can industry be encouraged to adopt such standards?
(c) How quickly could this occur and what are the potential challenges in achieving such a transition?

16. (a) In looking for alternate ways for customers to provide their information to government and facilitate sharing across agencies, what scope is there for customer data to be stored securely outside government systems?
(b) For example, is there a role for third parties to provide secure storage and qualified access to government and/or the private sector on an opt-in basis, where appropriate?
(c) How can customers be provided access to their personal data that is held by government or by third parties, so they can use it for other purposes?

17. How might advances in technologies, based on Web 2.0 concepts, be used to provide some of the Government's information and referral services?

Questions from Chapter 5. Customer perspective

Scenario: Bill moves house (Refer page 24)

18. (a) What options could industry offer on behalf of individuals to readily notify all appropriate government and private sector organisations about the individual's change of address?
(b) How would such services be established so as to maximise participation and ensure customer confidence in privacy?

Scenario: Vijay becomes unemployed (Refer page 25)

19. How could an employer automatically notify multiple agencies when an employee is terminated or voluntarily leaves their employment?

20. How could individuals notify multiple agencies when they become unemployed?

Scenario: Sally juggles part-time work and study (Refer page 25)

21. (a) What current or planned commercial services could allow organisations, such as employers and financial institutions, to report earnings electronically to government? For example, could the reporting of earnings information be done via the payments system?
(b) What services does industry envisage could allow employees to reuse this information in an electronic form, for example an electronic payslip, for activities such as applying for a loan?

22. Are there options to better reconcile income derived in payment periods that differ from the Government assessment periods?

Scenario: Angelo can no longer fund his own retirement (Refer page 26)

23. How would industry see service offerings structured so that people have better access to financial advice and budgeting tools which could be accessed in a number of ways?

Scenario: Lucy has a baby (Refer page 26)

24. How might a life event, such as a birth, trigger notifications to multiple organisations while still complying with privacy requirements? These organisations would include:
(a) agencies across all tiers of government
(b) relevant private organisations?

25. (a) How could industry provide a trusted service to identify individuals on behalf of government?
(b) How would confidence in such a service be assured?

Questions from Chapter 6. Other considerations

Belgium: Crossroads Bank for Social Security (Refer page 28)

26. (a) How could key features of the CBSS model, such as collecting information once at a single point, be adapted for service delivery in Australia?
(b) How could such a model ensure the customer is in control of their own information?
(c) With such a model, how would privacy be protected?

27. Given there is no proposal to introduce national identification arrangements similar to CBSS within Australia, are there alternative methods for individuals to identify themselves to government, to ensure they can access the services to which they are entitled?

USA: Supplemental Nutrition Assistance Program (Refer page 29)

28. (a) How does industry see future government services operating with electronic benefit cards?
(b) What industry developments may assist with these sorts of implementations?

29. Are there other services, similar to SNAP? If so, what elements of these are applicable to Australia?

Italy: Lombardia Health (Refer page 29)

30. (a) What does industry consider are the key aspects of the Lombardia financial investment model that could be adapted in Australia to commoditise services such as customer registration and the exchange of customer information?
(b) From an industry's perspective, what safeguards and/or incentives would be required to implement such a model?

31. (a) How could a contracting model, similar to the Lombardia model, be adopted in Australia to accelerate roll-out or take-up of electronic solutions?
(b) How could such a model be adopted that works in the context of non-exclusive arrangements (open to many providers) and spurs competition and adds value for customers?

UK: Post Office Card Account (Refer page 30)

32. (a) What current or planned networks, such as the example presented in the UK Post scenario, could be used to deliver services on behalf of government?
(b) What capabilities would these networks need to deliver government services?
(c) How could this be done without unintended consequences for the customer? For example, how could reducing access to services for particular groups or demographics be avoided?

Other innovative ideas (Refer page 30)

33. How could industry assist government to rapidly implement new payment and information solutions and keep pace with technical and commercial developments?

Partnership with industry (Refer page 32)

34. (a) How can government and industry engage to establish new payment and information services?
(b) What form of ongoing dialogue with government would industry prefer? For example, what type of forums or processes would industry like to see established?
(c) What type of feedback mechanisms and information from government would industry like, and how often would industry like to receive such feedback?

35. (a) How could new industry capabilities be adapted to deliver government services in line with the current broader reform agendas in the payments industry?
(b) How can government, as a key user of payments systems and infrastructure, help drive innovation in the payments industry to support broader economic development?

36. (a) How can industry assist government to establish standardised payments infrastructure with reusable, modular components which can be readily adapted and deployed for different payment services as and when they are introduced?
(b) What impediments does industry see for such a partnership with government?

37. Medicare Easyclaim creates a link between the customer, government and service providers in the health sector. How could industry work with government to identify where existing capabilities such as Medicare Easyclaim could be used to deliver payment services for other sectors in the economy?

38. What kind of funding/investment models and procurement arrangements would industry see as being needed to establish new payment and information services?

3. Strategic setting

All governments are challenged to constantly improve the way they do business.

This chapter expands on the Australian Government's particular interests in improving payment and information services and presents some of the drivers which have prompted this approach to industry.

Drivers for change

Technological and commercial developments

Technological and commercial developments are expanding the range of service delivery mechanisms and changing customers' expectations about the way in which public services are delivered.

The Australian Government, like other governments around the world, recognises that payment and information services need to be provided in a way which keeps pace with these changes and which responds to customers' needs rather than particular administrative arrangements.

The private sector is facing new competitive pressures from the increasing commoditisation of payment services and also needs to be more responsive to customer needs.

The Government expects there may be ways that the public and private sectors can work together to achieve common goals.

Need for planned investment

The Australian Government invests significantly in service delivery. It spends almost $4 billion a year running the largest human services networks: Centrelink, Medicare Australia and the Child Support Agency. In future the cost of services will be absorbed by a relatively smaller taxpayer base which, in turn, will necessitate more efficient service delivery.

The Government needs to deliver a wide range of services proficiently on a day-to-day basis. It also needs to bring new payment services on stream quickly to implement new policy developments and deliver assistance promptly in times of emergency.

Governments have introduced many new payment services over the years. The development of individually-tailored payment systems as stand-alone or one-off solutions has resulted in some duplication of effort, administrative inefficiencies, and increased operating costs. It has also limited opportunities to use common systems for a range of payment services and impeded the ability to deploy new payment services as the need arises.

A more strategic approach is needed to technology investments which:

- reduces competition for scarce, highly skilled and costly resources

- articulates for industry the current and anticipated needs for government payment and information services

- takes advantage of new technological and commercial developments

- identifies opportunities for building more efficient and robust systems with standardised and/or modular components which can be deployed quickly to provide a range of payment services as the need arises

- identifies opportunities for industry-lead payment capabilities or public-private partnerships

- reduces the cost to government of compliance, service delivery and system support

- has the potential to reduce the burden on the customer in terms of sourcing and providing information.

A more strategic approach to investment in payment and information services will also enable the Government to align payments reform with other key elements of the Government's agenda, including its review of the tax and welfare payment systems, and social inclusion.

Linking payments to policy outcomes

The policy landscape for benefit payments has changed significantly over past decades. There is an increasing need for more sophisticated payment and information services which are better aligned with policy goals and more responsive to the evolution of social welfare policy.

There is a general trend away from unrestricted payments towards payments which are in some way targeted or conditioned—for example by the eligibility of the recipient, the range of purposes for which the payment can be used, or the time the payment can be claimed.

Conditional payments are a way of targeting priority needs and better managing the way recipients spend their payments. Recently, the concept has expanded to include direct income management of a customer's benefit payment via the BasicsCard, which can only be used at approved merchants and cannot be used to purchase excluded goods and services.

It has also been extended to include targeted payments such as those made to particular groups on income managed payments or for specific purposes, for example rebates linked to specific educational, environmental or other policy goals.

Currently, many payments intended for specific purposes are delivered as an unrestricted payment to eligible customers. The Government needs to be able to link payments and benefits to achieving policy outcomes.

Changes such as delivering a rebate or payment at the time of purchase provide the convenience of instant support for the customer while maintaining control of outlays for program outcomes.

The information available from conditional payment systems also enables governments to review policy implementation without the need for costly and time-consuming surveys so that programs can be quickly adjusted to better deliver the policy goal.

Change agenda for information collection and sharing

The Government has to collect and use customer information to ensure customers are aware of, understand and receive the payments and services they are entitled to.

Customers are also obliged to keep government informed of changes in their circumstances that could affect their existing entitlement.

The process and supporting policy for such information transactions are typically stand-alone and agency or program specific.

The manual nature of many current information gathering processes can be onerous and prone to error. For example, if a customer overlooks advising a particular agency, or their information is recorded incorrectly, it could affect their entitlements or result in penalties or fines.

It will be important to ensure that future payment systems identified by industry provide maximum opportunity for timely information sharing and re-use and achieve good privacy practice. The benefits are:

- reducing the need for customers to provide the same information more than once

- improving the efficiency of service delivery by reducing the need to process the same information more than once

- generating the community trust and confidence needed to support broad take-up of any new proposal

- enabling 'pro-active' service delivery, via the identification of appropriate services for an individual and where their eligibility for benefits is initiated by the agency rather than the customer.

At the same time, privacy protections set out in the *Privacy Act 1988* provide some general limits around the extent to which individuals' personal information may be shared. This reflects individuals' legitimate interest in controlling the dissemination of information about them. Also, individuals may usually expect that where they provide their personal information to different agencies and organisations for one purpose, this information will not be used or disclosed for another purpose. Some individuals might equally expect that having provided government with information once, they shouldn't have to provide it again.

For this reason it is important to consider appropriate ways of ensuring individuals know how their personal information will be handled and where possible, allowing them to control where their personal information is used.

Citizen-centric service delivery

All jurisdictions, in Australia and overseas, increasingly wish to simplify the citizen's experience of dealing with government.

A more citizen-centred approach would simplify the experience for individuals, making it easier for them to understand and comply with their obligations and access their entitlements. It would also provide them with more control in their interactions with government, enabling them to better understand their financial dealings with government and draw on the information for their own use when they need to. Other key requirements for more citizen-centred service delivery which have emerged over the past decade are consistent with the change directions outlined above and include integration, self service, collaboration, and the customisation of service delivery to suit specific customer groups.

The move to more citizen-centric services is directed to helping people to better understand their financial relationship with government, informing their decision-making and reducing the number of contacts they need to make with agencies, thereby reducing the costs and risks of engaging with government.

Responsive to emergencies

Since 1994, the Australian Government has provided disaster assistance emergency payments via Human Services agencies. Responses to emergencies range from assisting victims of the Bali bombings in 2002 to those affected by the Victorian bushfires in 2009. Relief packages are normally provided as emergency payments and Australian Government Disaster Relief Payments.

An area of concern is the sometimes complex and time consuming process for customers to re-establish their identity, determine that they are entitled to payments and services, and finally access assistance.

All special purpose or emergency services require some level of manual processing by all tiers of government. These processes often operate independently, resulting in duplicated effort, increased risk of error, and unnecessary delay in delivery.

The COAG Working Group on Disaster Management was recently established to address these issues. The Department of Human Services has been working closely with the Department of the Prime Minister and Cabinet on the forward agenda for the Working Group. Among other topics, the Working Group is expected to consider protocols to streamline cross-jurisdictional service delivery.

Social inclusion

The Australian Government's social inclusion agenda is an important part of the move to more citizen-centric services.

It is a whole-of-government approach directed to enabling all Australians to participate in their local community and Australian society.

This social inclusion agenda recognises the importance of allowing all Australians:

- the opportunity to work
- to access the services they need
- to connect with their family and friends
- to become involved in their local community
- to have the skills to deal with crises when they might arise
- to have the chance to make their voices heard. It is also about recognising there are barriers that prevent participation in society.

In the context of payment and information service delivery, social inclusion means ensuring that all people have appropriate and adequate access to the Government services to which they are entitled.

In practice, this means that in proposing innovative payment systems, industry should consider ways of optimising access to payment systems and ways of ensuring that service users have the capability and skills to use the services.

The Digital Economy

The Minister for Broadband, Communications, and the Digital Economy released a discussion paper, *Australia's Digital Economy: Future Directions* in July 2009. This paper identifies two key roles and responsibilities for the Australian Government in facilitating a successful digital economy:

- promotion of the digital economy to ensure citizens are digitally aware and able to take advantage of the benefits of a digital economy

- responsibility for ensuring inclusive digital participation among those citizens where there is otherwise potential for digital exclusion.

The development of innovative payment and information services solutions that make greater use of online capability is likely to be an enabler for citizens to benefit from the digital economy. Greater use of online capabilities with payment and information services (and in collaboration with citizens – as mentioned in Government 2.0 Taskforce on page 32) has the potential to provide efficiencies for government and business and enable the Government to lead by example in developing the digital economy.

At the same time, any proposed solutions must not disadvantage those currently excluded from the digital economy, and should be accompanied by measures to engage and include those groups and individuals. There is potential, for example, for the reforms to drive digital economy engagement, skills and confidence, among those not yet able to take advantage of online service and information delivery.

Summary

In looking for innovative ways to deliver payment and information services, key drivers for the Government include:

- taking better advantage of technology and commercial developments
- more strategic investment in multi-purpose payment systems which can be readily adapted to meet new service requirements
- improving responsiveness in emergency situations
- greater capacity to link government spending to service delivery outcomes
- providing more citizen-centric services which meet changing customer expectations while introducing service efficiencies
- aligning payment services with broader government agendas including social inclusion and the development of the digital economy
- maintaining good privacy practice to build confidence in service improvements
- maintaining an ongoing dialogue with industry to ensure the delivery of payment and information services keeps pace with technological and commercial developments.

4. Current situation

Agencies in the Human Services Portfolio deliver a range of services to individuals, businesses and organisations including community groups and NGOs.

This chapter describes how portfolio agencies currently deliver payment and information services and seeks comment on how industry may assist the Government to improve service delivery, reduce red tape and service delivery costs.

Overview of the existing environment

Scale of services

The Australian Government provides services, gathers information, and makes millions of payments each year to various customer groups, through different methods and agencies.

The Human Services Portfolio is responsible for many of these payments and for collecting and sharing the large volume of information necessary to make the payments. For example in 2007–08:

- Centrelink had 6.52 million customers and processed more than 229 million outbound payment transactions worth over $70 billion

- Medicare Australia had 21.4 million customers and processed more than 70 million outbound payment transactions worth over $32 billion

- Child Support Agency (CSA) supported 1.4 million separated parents and processed more than seven million inbound and outbound payment transactions worth approximately $2 billion.

The Human Services Portfolio processed more than:

- 9 million address change notifications

- 27.3 million income notifications

- 2 million proof of identify checks.

Other Australian Government agencies, state and local governments and some NGOs also deliver payments and collect relevant information.

Portfolio stakeholders

Customers

The portfolio provides health and social services to a wide variety of customers, representative of the diverse Australian community.

Centrelink assists people to become self-sufficient and supports those in need at all stages of life, from parents with new children, youths and students to those of working age and people in retirement.

Nearly a third of the Australian population are customers of Centrelink. The largest group is working age customers who receive Family Tax Benefit, plus income from existing employment. Other significant customer groups include older Australians, those looking for work, young students and people with a disability, and those living in rural or remote areas.

Medicare Australia works to improve the health and wellbeing of all Australians. There are 21.4 million people enrolled with Medicare. The agency delivers a broad range of health programs on behalf of the Government, to an equally broad range of customers.

Customers of the Child Support Agency are separated parents with responsibilities for the financial and emotional support of their children. Approximately 1.4 million parents participate in this program.

As well as individuals, the Human Services Portfolio deals with customers which may be organisations, such as child care providers, pharmacies, health providers, registered service providers and third party agents. The Human Services agencies also deliver services to these organisations on behalf of other government agencies. For example, Homeowner Insulation Program rebates are paid to approved service providers by Medicare Australia under the *Energy Efficient Homes Package* administered by the Department of the Environment, Water, Heritage and the Arts.

Customers across the portfolio face a range of barriers when accessing services, including physical location, language and access to, or ability to use, technology. A challenge for the Government is to ensure services are inclusive, and that people have appropriate and equitable adequate access to services.

Table 1 provides a snapshot of the Australian population's profile in a number of relevant areas for the Portfolio. The figures have been sourced from a number of government agencies including the Australian Bureau of Statistics, Department of Veterans' Affairs, Australian Institute of Family Studies and the Australian Institute of Health & Welfare.

The figures used are the latest statistics available. Some of the figures, such as people identifying as Aboriginal and Torres Strait Islanders, come from Census 2006 data while other figures are more recent, such as the number of registered marriages in one year (August 2009).

Population segments	Life event	Geographical profile	Vulnerable
4.1 million Australians under 15 years	285,200 babies born in Australia	14.7 million Australians living in major cities	105,000 homeless
2.8 million Australians over the age of 65	137,900 deaths	4.2 million Australians living in inner regional areas	31,166 children in foster care
10.79 million people in the workforce	180,000 permanent migrants	2.0 million Australians living in outer regional areas	13,500 participants in the humanitarian settlement program
1.4 million separated parents using Child Support Agency	118,756 registered marriages in one year	319,900 Australians living in remote areas	
5.22 million families	47,209 granted divorces in one year	171,660 Australians living in very remote areas	
429,418 veterans and their dependents	170,000 in nursing homes		
517,200 identify as Aboriginal and Torres Strait Islanders			

Table 1: Australian population profile

Service providers

Portfolio agencies work with various financial institutions regarding financial transactions.

The Reserve Bank of Australia is a service provider in some contexts while also promoting the safety, security, efficiency and competitiveness of the payments system.

Centrelink maintains relationships with a broad range of service providers and other organisations, for example aged care facilities, financial institutions, employers, merchants, Job Services Australia providers, the Reserve Bank of Australia and the Australian Tax Office. Service providers such as telecommunications, utilities, providers of housing, commercial merchants and issuers of electronic payment cards are particularly relevant to this paper.

Medicare Australia's stakeholders include health professionals (such as doctors, pharmacists, optometrists, allied health professionals and aged care providers), private health organisations, state and territory governments and other Australian Government departments and agencies. Medicare Australia has an electronic connection with almost all doctors, pharmacists and many other health sector providers.

Child Support maintains service provider partnerships with diverse organisations that provide the infrastructure to transfer child support payments between parents as efficiently as possible.

Other government agencies

The portfolio has close relationships with other government agencies regarding policy direction, some service delivery functions and compliance activities. For example:

- Centrelink provides services on behalf of more than 20 Australian Government and state agencies—the most significant being the Department of Family, Housing, Community Services and Indigenous Affairs, and the Department of Education, Employment and Workplace Relations

- in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*, the Portfolio routinely carries out data matching with the Australian Tax Office and the Department of Immigration and Citizenship (by accessing earnings and residency information of mutual customers) to ensure payments are correct

- the Portfolio liaises regularly with the Office of the Privacy Commissioner to ensure privacy considerations are understood and appropriately applied in service delivery activities.

Overview of payment services

The majority (82 per cent) of the 304 million payment transactions made by Human Services Portfolio agencies annually are Low Value Payments (LVP) delivered via direct credit to customers' bank accounts. These largely automated processes require little human intervention, and are delivered at very low transaction cost. However, there are manual processes involved with preparing these payments and as part of follow-up compliance checks. There may be opportunities to improve the efficiencies of these processes.

There are many ways recipients of government payments (customers, merchants, service providers and nominated third parties) receive payments, including regular and one-off payments, refunds, grants, rebates and payments at point of sale.

In some cases these payments are delivered through individually-tailored payment methods such as stored value cards, pre-paid cards and vouchers, all which attract substantially higher transaction costs than direct credit. In emergency situations, where rapid payment delivery is required, the real-time gross settlement (RTGS) system is used. However, RTGS payments are primarily designed for wholesale market participants and can generate higher transaction costs compared with payment instruments specifically designed for LVPs.

A considerable amount of outlay is still delivered via cash and cheque. Given the high costs associated with these types of payment methods it is likely that other, less expensive methods will be considered in the future. Figure 1 shows the current breakdown of outbound payment transactions in terms of dollar value and volume.

Human Services Portfolio outbound payments by payment method [1]

By Value

$101 billion
$100 million
$1 billion
$3 billion
$2 billion
$39 million

Legend:
- Direct Credit
- Cash
- BasicsCard [2]
- Cheque
- Centrelink ATM Cashcard [3]

By Volume

249 million
55 million
3.0 million
18 million
34 million
206 k

1) Data is for 2007-08 financial year (except for BasicsCard)
2) BasicsCard was implemented in September 2008 - the figure displayed is the total outlay to end of August 2009
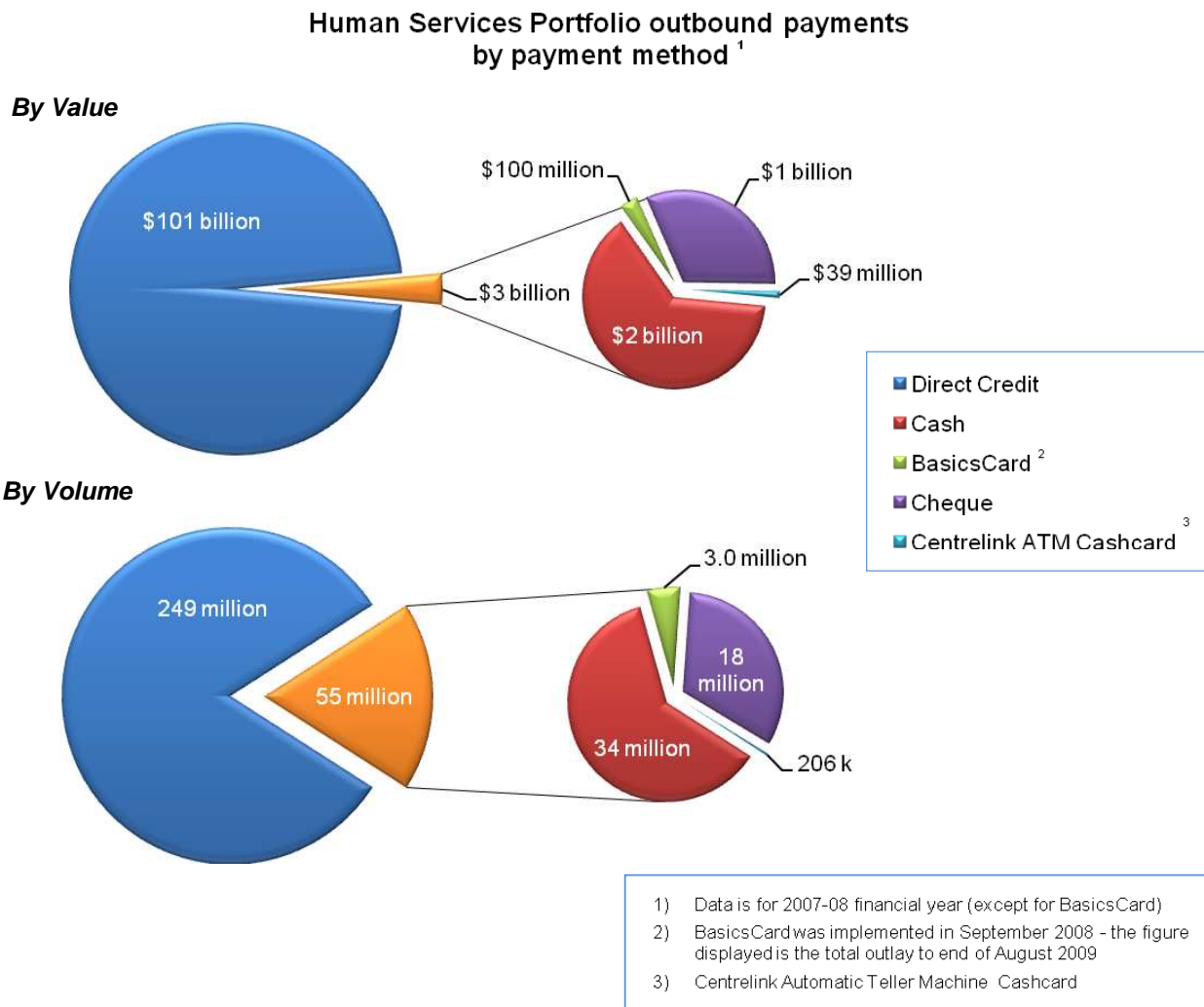3) Centrelink Automatic Teller Machine Cashcard

Figure 1 Value and volume of outbound payments

Government policy influences the types of payments and payment options available to customers, as well as any associated eligibility or entitlement criteria. Customers however, are generally driven by choice and flexibility, so their influence is more centred on methods of payment.

Figure 2 summarises the flow of payments from the Government to intended recipients and there are many possible combinations. This consultation exercise seeks comment on the payment timing, method and recipient parts of Figure 2. It is in this space that government is seeking ideas from industry on new and improved solutions.
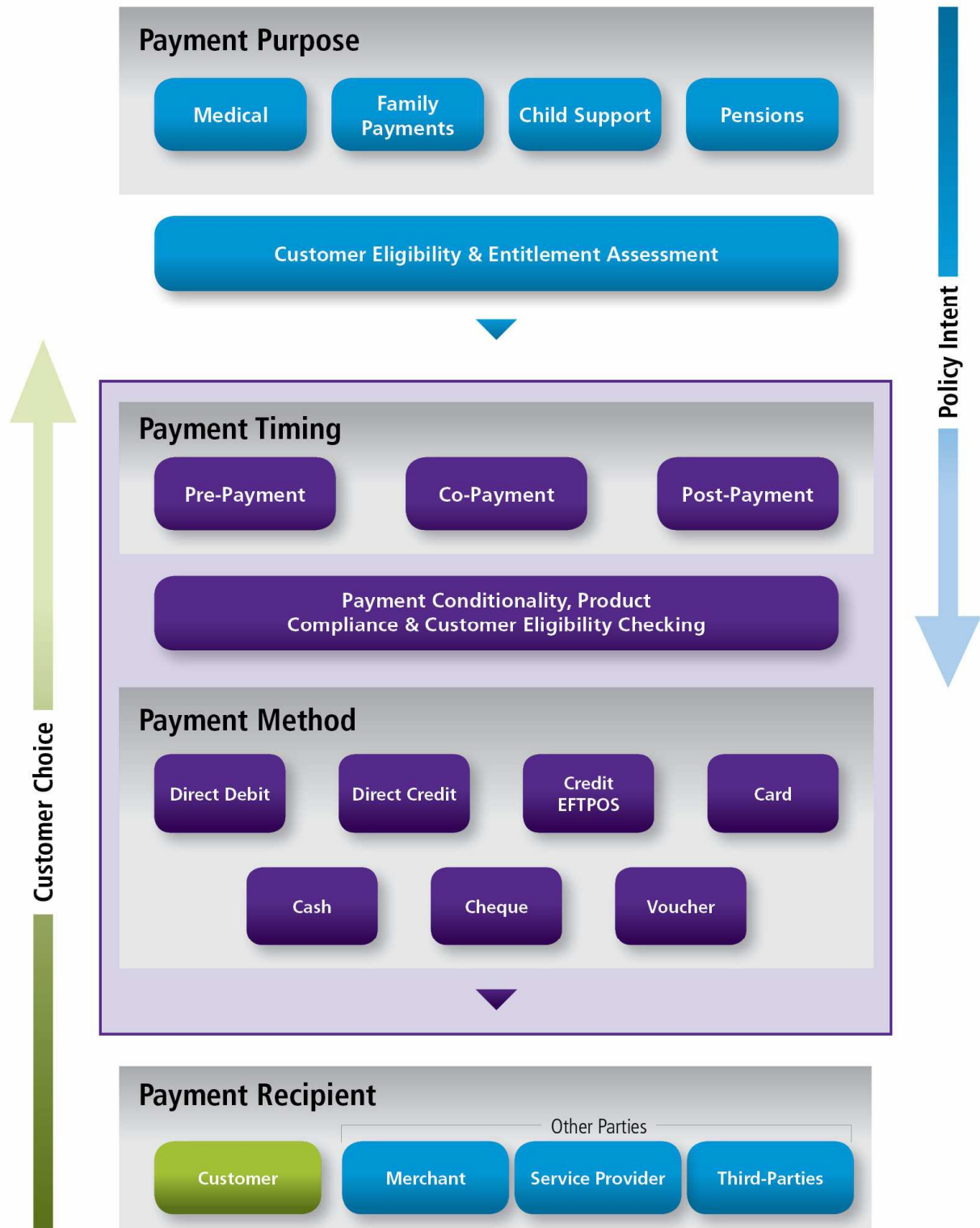

Figure 2 Portfolio payments

Australian Government - Department of Human Services

Figure 2 also shows that payment services extend to third parties such as NGOs, commercial merchants and private landlords, for goods and services purchased by customers. These payments are made direct to third parties on behalf of the customers.

Payment delivery methods vary depending on the situation. For example, a regular payment schedule may deliver funds directly to the customer's bank account. However, if the customer has an immediate and urgent need for the funds, they may be given a pre-paid card or a voucher to access a capped cash amount. Centrelink uses pre-paid cards as its preferred method to distribute funds to customers in emergency situations.

Some payment methods are more adaptable to emerging social, financial and policy trends. Others are limited (for example, not capable of targeting specific goods or services) or present a high security risk (for example, physical cash handling or cheque issuing).

As previously mentioned the portfolio is increasingly delivering payments in a targeted way. This includes direct income management of the customer's payment or situations where the customer can only use payments with accredited merchants to purchase specific goods or services. There may be a number of benefits that could be realised if this facility were to be made available at point of sale. These include:

- the most vulnerable and disadvantaged benefit from the entitlements at the point of expenditure

- rebates, subsidies or other targeted payments are spent on the goods or service intended by policy

- information on take-up and effectiveness of payments is available to policy makers

- the administration of and access to the financial support available is streamlined.

Any new arrangements for services involving point of sale should:

- be easy for retailers/business to use

- be available 24/7

- not shift costs or administrative impost to retailers

- not impose unnecessary or onerous red tape.

The Government faces the challenge of providing customers with payment services that are as secure, cost effective and efficient as direct credit, and as highly accessible as cash. Depending on the policy setting for a particular payment, there may also be a need to ensure appropriate use of the payment. It is unlikely that a single payment service will fulfil all of these criteria but there should be a combination of services that collectively deliver on those requirements.

Questions

1. (a) What additional payment methods, not covered in the 'Overview of payment services', may provide capabilities for government?
   (b) For example, what additional capabilities could industry add to a payment transaction that would help eliminate related manual or paper processes?

2. (a) How can government take advantage of industry capability and customer relationships (such as banks and their 'know your customer' requirements)? For example, could government make use of the identity checking undertaken in the private sector, or could information derived from existing private sector customer relationships be used by government?
   (b) What are the challenges and how would they be addressed?
   (c) How would security and privacy be assured?

3. (a) How can government ensure equitable access to payment and information services to those without ready access to the Internet?
   (b) What alternative channels could be used for the delivery of these services? For example, could use be made of ATMs, point of sale kiosks, mobile services?
   (c) What are the key inhibitors to people using online systems and how can industry help to overcome them?

Emergency payments

When assisting people affected by disasters, government agencies must deliver payments and services rapidly, in a very difficult operational environment. A great degree of flexibility is required to operate efficiently and effectively in these situations.

Emergency payments administered by Centrelink on behalf of government include:

- Australian Government Disaster Recovery Payment to provide immediate financial assistance

- ex gratia payments such as:
  - Income Recovery Subsidy payment for those who experience loss of income as a direct result of the disaster
  - Funeral/Memorial Assistance for funeral, memorial and related costs incurred by the immediate family of those who died.

In addition, support services provided often include counselling, case management and assistance with the re-issue of identity documents.

On occasion, payments initially provided as part of an emergency response package may also be required to be administered or available over a period of many months. This could be for pandemic situations or for sustained support of individuals or businesses during community recovery and rebuilding phases. These payments could include regular fortnightly payments as well as one-off or lump sum payments.

Case study: Victorian bushfires

Objective

The Victorian Bushfires in February 2009 adversely affected a large number of people, resulting in loss of life and the damage or destruction of many homes. The scale of the disaster required a prompt and effective response from government to minimise the impact of the disaster on those affected.

How government responded

There was a coordinated response to the disaster by many agencies at all tiers of government. Within the Human Services Portfolio:

- Centrelink quickly delivered payments and services to those affected

- Medicare Australia organised the issue of temporary Medicare cards and ensured that affected residents had streamlined access to health services

- Child Support Agency established a Bushfire Response Team to manage all Child Support customers within the areas affected by bushfires

- the Portfolio made proactive customer contact to determine customers affected (highlighting the importance of the portfolio being able to identify customers by geographic localities).

Working with other government agencies, a process was implemented to re-establish identity documentation for affected individuals, including relaxing proof of identity requirements, to allow customers quick access to payments. An emergency declaration was made in relation to the Victorian bushfires under the *Privacy Act 1988*. This clarified that government agencies and other entities had authority to collect, use and disclose an individual's personal information for particular permitted purposes, which included assisting individuals involved in the emergency to obtain government services.

The portfolio provided initial cash payments, and then sought to make alternative arrangements with customers for the balance of their entitlement using alternative methods of payments such as cheque or direct credit. Working with the Reserve Bank of Australia, the portfolio ensured that payments were made to customers rapidly. Centrelink adjusted reporting arrangements for customers, who normally lodge paper income declarations or forms detailing their job seeking efforts, to allow telephone lodgements.

Key features of the response

- More than 54,000 claims for Australian Government Disaster Recovery Payment, 160 claims for Funeral Assistance and 5,300 claims for Income Recovery Subsidy were granted in the period to 29 May 2009. The total value of these claims exceeded $69 million.

- Three hotlines were set up for Victorians to access support. One of these received over 42,600 calls to 29 May 2009.

- Deployment of more than 1,000 portfolio staff at over 35 recovery centres and Customer Service Centres at various points in time.

- More than 100 federal government Case Managers.

- Up to 400 staff in processing centres to enable fast processing of payments at various points in time.

- Two mobile service units deployed to various locations as the needs changed.

Questions

4. (a) What payment services can industry provide in short timeframes to allow customers to purchase goods and services in situations where essential services such as power and telecommunication services are not available or are limited, for example following natural disasters?
(b) What challenges would need to be addressed?

5. (a) How could the private sector work with government to assist in helping people re-establish their identity in emergency situations?
(b) What impediments does industry see for such an activity?

Shared payments

Government delivers payment benefits to customers in a number of ways. In some cases, government will pay for part of the good or service purchased by the customer. This can be in the form of a rebate or a payment at point of sale.

These shared payments involve a contribution from government, calculated according to customer's eligibility and entitlement, and direct contribution from the customer provided to the merchant in exchange for the goods or services.

A rebate is a benefit paid to eligible customers after the good or service has been purchased. In most cases, the customer will need to submit a claim for the rebate.

A government payment at point of sale allows customers to purchase specific types of goods or services without having to make a full payment and then claim a rebate.

Where government payments are provided at the point of sale, there remains a need to ensure the customer is eligible for this benefit while ensuring there is no additional burden on businesses to undertake assessments or handle customer queries relating to eligibility.

Case study: Online claiming for PBS

Objective

The Pharmaceutical Benefits Scheme (PBS) provides all Australians and eligible overseas visitors with access to subsidised prescription medicines at the point of sale.

Online claiming was developed to provide pharmacists with a more efficient way to claim PBS payments. In addition, pharmacies can validate a customer's eligibility and entitlement to concession in real-time through this service.

Similarly, the Repatriation Pharmaceutical Benefits Scheme (RPBS) provides eligible veterans and war widows and widowers, with access to a wider range of subsidised medicines and related items.

How online claiming for PBS operates

To claim benefits under the PBS scheme, customers present their prescription at an approved pharmacy. The pharmacy enters the prescription details in the prescription dispensing software and this information is sent to Medicare Australia via online claiming for PBS. Medicare Australia validates the supplied details and returns an approval or rejection to the pharmacy along with the customer's concession entitlement status.

Under the PBS, consumers only pay part of the cost of the medicine, known as the patient co-payment, plus some minor additional charges in some circumstances. The amount paid by the patient is deducted from the amount paid to the pharmacist.

To gain access to the scheme, pharmacies must be approved under the *National Health Act 1953*. Once approved, pharmacies receive incentives for using online claiming as opposed to paper channels.

Key features

- In 2007–08 a total of 185.3 million services were processed under the PBS and RPBS, representing more than $7 billion in benefits paid.

- In May 2009, 5,077 pharmacies were using online claiming for PBS.

- Up to 850,000 prescriptions are claimed on average each day and this can increase to around 1.2 million prescriptions at peak periods, such as the end of the year.

- Nearly all prescriptions (98 per cent) are sent to Medicare Australia via online claiming for PBS.

- Pharmacies are paid an incentive of 40 cents per transaction.

- On average, transactions are processed in under two seconds.

- The system uses Public Key infrastructure (PKI) to digitally validate the pharmacist making the claim, then sign and encrypt the message so that customer information remains confidential.

- The system operates 24/7 with back-up helpdesk services, and when links are down, claims are stored until links resume.

Questions

6. (a) How could the infrastructure used for PBS online be used to deliver other payment services?
    (b) From industry's perspective, what challenges would need to be addressed?

7. (a) What options could industry offer to help improve access for the Australian public to government payments at the point of sale?
    (b) Where payment is dependent on the customer's circumstances, what mechanisms and approaches could be used to establish eligibility for the payment at the point of sale?

Electronic claiming

There are differences between the way PBS Online claiming and Medicare electronic claiming operate, because of fundamental differences in the policy and design of these government programs.

Under the Pharmaceutical Benefits Scheme (PBS), the Government determines the price it is willing to pay for pharmaceuticals, and makes payments directly to pharmacies. The Government also determines the level of patient co-payment.

Under Medicare, medical practitioners register to participate in Medicare. Commonwealth law does not restrict the level of fees charged by medical practitioners, unless a service is bulk billed. Through the Medicare Benefits Schedule (MBS), the Government sets out Schedule Fees and patient rebates. The Medicare rebate is a patient rebate, not a payment to the doctor. There are two types of billing arrangements; either bulk billing or patient claiming.

Case study: Medicare electronic claiming

Objective

The Government's objectives in implementing Medicare electronic claiming were to:

- provide increased convenience to medical service providers and customers

- provide cost savings for government and medical services providers

- improve the speed and quality of claims processing.

How Medicare electronic claiming operates

Medicare electronic claiming does not operate as a traditional co payment model where the customer pays the difference between the price charged above the level of Government subsidy provided.

Under Medicare electronic claiming, the Medicare rebate is still a patient benefit. It is not paid directly to the doctor or allied health provider unless the service is bulk billed. In most cases, the patient pays the full fee charged for the service, and then the practice submits the claim electronically to Medicare Australia on the patient's behalf.

Medicare electronic claiming is a secure service that allows Medicare claiming at a medical practice, providing an easier alternative to visiting Medicare Australia offices or posting claim forms.

Medicare electronic claiming was developed and implemented through collaboration with peak medical bodies and service providers, such as banks and software developers.

There are three channels for Medicare electronic claiming:

- Medicare Online—this feature of most practice management software systems allows practice staff to lodge Medicare claims on the patients behalf through a secure Internet connection. It can be used to process bulk bill, patient and Department of Veterans' Affairs claims, and to transfer immunisation data. Medicare Online uses the bank account details provided by the patient to deposit their Medicare rebate into their bank account. Payment is received within two to three working days.

- Medicare Easyclaim—this electronic claiming system can be stand-alone or integrated with practice management software. Medicare Easyclaim allows electronic lodging of bulk bill and patient claims. For a patient claim, the patient's electronic payment card is swiped through the EFTPOS terminal or details are entered via the practice management software. The Medicare rebate is paid into their bank account almost immediately. Several financial institutions have contractual arrangements to provide Medicare Easyclaim services through the EFTPOS network.

- ECLIPSE—The Electronic Claim Lodgement and Information Processing Service Environment (ECLIPSE) system offers health professionals and hospitals direct communication with Medicare Australia, private health funds and the Department of Veterans Affairs (DVA) all in one transaction.

While the Medicare Easyclaim service provides a more immediate transfer of funds to the customer, the lessons learnt demonstrate how important it is to streamline the EFTPOS transaction with existing business processes and integrate with the practice management software used in medical practices.

To improve take-up the Australian Government has established a taskforce that is looking at a community education program to address poor awareness levels of electronic claiming. In particular, the taskforce is looking at how to best support industry to further develop practice management software to integrate the Medicare Easyclaim service with practice management software.

Key features

- At the end of June 2009, approximately 10,000 practices were using the Medicare Online service. These practices produce approximately 70 per cent of payment transactions received by Medicare Australia each year.

- Until 31 December 2009, medical practices/providers may be eligible to receive a transitional incentive payment for each electronic Bulk Bill and Patient Claim successfully transmitted to Medicare Australia and up-front incentives for taking up electronic claiming.

- A transaction fee of 23 cents is paid to financial institutions for all Medicare Easyclaim transactions transmitted through the EFTPOS network.

Questions

8. Medicare Easyclaim is an example of government-industry collaboration that delivers commoditised solutions.
   (a) What other services or transactions could be procured by government under arrangements similar to Medicare Easyclaim?
   (b) How could government go about commoditising and bundling a range of such services?

9. What other uses might the Government and/or industry have for the Medicare Easyclaim infrastructure?

Helping customers manage their finances

The Government has a number of policy measures to assist vulnerable and disadvantaged individuals, families and communities through appropriate intervention, service and support.

Effective, efficient delivery of money is not always enough. Providing the capability to manage finances can be just as important. Financial capability is about being able to manage money, keeping track of personal finances, planning ahead, choosing the right financial products and services, and staying informed about financial matters.

The Government provides tools, for example budgeting tools that facilitate the deduction of non-discretionary expenditure items, to help some customers avoid debt and build financial stability through understanding and management of income and expenses.

Another example is the Income Management program which directs a portion of some customer's welfare benefits to meeting the customer's priority needs.

Figure 3 shows that deductions may be *recurring* to pay anticipated expenses to government or service providers, or *flexible* to pay merchants for goods and services at the point of sale. Deductions may be voluntary, managed or mandatory.

Voluntary deductions are established based on instructions from customers. Managed deductions are established by mutual agreement between the customer and the Government and made available at point of sale or on a recurring basis. Mandatory deductions are imposed by the Government.
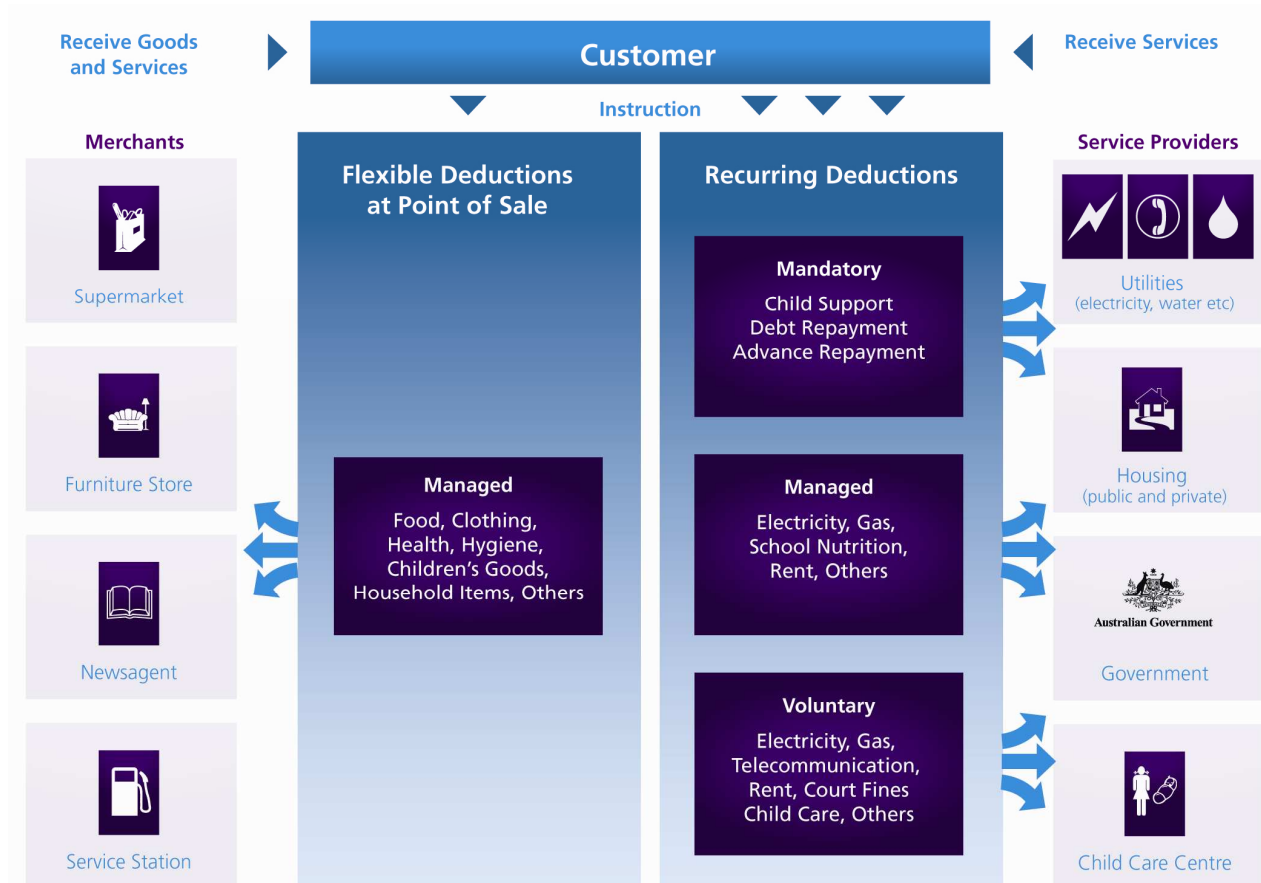

Figure 3 Current deductions

Payment deductions

The Government offers deductions under five main arrangements:

- Centrepay is a voluntary service providing customers with the ability to schedule regular deductions as recurring payments for items such as utility bills, private rent, and payment of court fines by instalment, and household goods rental.

- The Rent Deduction Scheme is for customers living in public housing. Deductions are made to meet rent obligations with state/territory housing authorities. At present this service is voluntary for Centrelink customers. However, the Government's White Paper on homelessness - *The Road Home: A National Approach to Reducing Homelessness* (published in 2008) recommends making this scheme compulsory for Centrelink customers who are at risk of eviction. This service processes more than 7.5 million transactions annually.

- Deductions of child support payments are made from paying parents who receive a Centrelink benefit. The payment is either transferred to Child Support Agency or to the receiving parents' nominated bank account.

- Pay as you earn (PAYE) taxation deductions are paid to the Australian Taxation Office.

- Deductions are made to repay debts owed to the Government and recover advances from applicable payments and allowances.

Case study: Centrepay

Objective

Centrepay is a voluntary bill paying service that aims to assist customers to better manage their finances and avoid compounding debt situations caused through charges associated with direct debit arrangements.

How Centrepay operates

Centrepay was introduced in December 1998. The initial success with rent collection, and subsequent requests from customers, community organisations and businesses to extend the facility, provided the catalyst for expanding Centrepay to include other essential services such as electricity, water, gas and telecommunications. Centrepay now includes other areas where customers wish to pay bills such as rental of household goods, education fees, and medical services and equipment.

Customers participate voluntarily in Centrepay and do not pay any fees. Recipients of deducted funds are charged a transaction fee for this service. The minimum deduction a customer can authorise is $10, although some organisations impose a higher minimum.

Centrepay will only make payments to third parties when there are sufficient funds available in the customers' entitlement, with the balance being released to the customer via their normal payment method.

Customers can temporarily suspend their deductions for up to 13 weeks. They may also set a target amount, with deductions automatically ceasing when that amount is reached.

The service is only available to Centrelink customers and deductions are allowed from most Centrelink payments.

Key industry regulators are engaged to assist with compliance and assessment processes, as well as to provide advice on program improvements.

Key features of Centrepay

- Centrepay processed more than 13 million transactions in FY 08/09, facilitating payments to organisations on behalf of customers worth more than $1 billion.

- There are 42 approved reasons for which deductions can be made, classified into nine categories: accommodation; education; employment; financial; health; professional services; social and recreational; travel and transport; and utilities.

- Currently there are about 13,000 third parties receiving deductions and providing services to 350,000 Centrelink customers. Third parties go through a comprehensive assessment process before entering into a contract with Centrelink.

- The contracts require that the third parties seek deductions only for approved reasons.

- Centrepay operates on a cost recovery basis.

Questions

10. (a) How could industry help government deliver payment deduction services, similar to Centrepay, to customers?
(b) In particular, how could such a service be designed to make it more widely available to all Australians, and be delivered by private sector organisations and not just government?

11. How can service offerings between industry and government be structured so that people can access better financial management advice and budgeting tools before they come into financial difficulty?

Income management

Income Management directs a portion of some customer's welfare benefits to meeting the customer's priority needs. Income managed funds are dispersed through a variety of means with the main methods being:

- direct payments to merchants for large or ongoing expenses

- a payment card (the BasicsCard) for the purchase of priority goods and services at approved merchants.

The case study below is just one example of Income Management in practice.
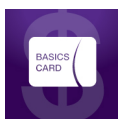
Case study: BasicsCard

Objective

As part of the Government's response to the *'Little Children Are Sacred'* report, the concept of Income Management was introduced into the Northern Territory in 2007. To improve the effectiveness and efficiency of the program, the BasicsCard was launched in September 2008, which allowed customers to access their managed income at the point of sale.

A key benefit of the BasicsCard facility is that it directs managed income towards priority needs and seeks to prevent expenditure of income managed funds on excluded goods and services such as tobacco, alcohol, gambling or pornographic products.

How the BasicsCard operates

Initially, store cards, which could only be used at major retail outlets, were used to enable customers to spend income managed funds on the purchase of priority goods and services, such as food and clothing. For smaller retailers, paper and phone based eligibility checking was used as an alternative. Both methods were obviously labour intensive for both business and Government.

The BasicsCard is an electronic payment card accepted at approved merchants operating over the existing EFTPOS network. Cash-out is not available from the merchant or ATMs. The account operates on the basis of 'notional funds', which can be topped up in accordance with the customer's income management arrangements or at anytime the customer chooses.

When the customer makes a purchase from a merchant the notional BasicsCard account balance is reduced and the funds are then transferred from Centrelink to the card transaction provider, as part of a daily clearing and settlement process.

However some challenges remain, such as the need for additional balance checking options and the need for merchants to ensure product compliance due to the absence of an automated solution. Refer to the description of product compliance in the break-out box on the next page. It discusses some issues with product compliance and provides suggestions on steps that could be taken to start to address these issues.

The Government recently announced the procurement of the next phase of BasicsCard development. Tenders have now closed and submissions are being evaluated.

Key features of the BasicsCard

(Figures are as at end of August 2009)

- Over 18,000 customers have been issued with cards to date.

- Over $100 million has been expended through the BasicsCard facility to date.

- 900 retail outlets are now approved to accept BasicsCard.

- Adapting an off-the-shelf product allowed the Government to quickly implement the initial solution.

- It took just seven weeks from contract signing to the first transaction.

Questions

12. (a) How readily can product compliance in line with government policy be achieved at the point of sale? (b) Are there any privacy concerns with product compliance at point of sale and if so, how can these be addressed?

13. What additional services could be provided to enhance product compliance at the point of sale? For example, what intelligence could be gained from capture and analysis of the transaction data?

Product compliance

Merchants are required to enforce the requirements surrounding the purchase of excluded goods because automated product level compliance is not available in Australia at this stage; excluding some specialist solutions for specific products such as Fuel Cards. This presents a burden to merchants, is not scaleable to national application and requires Centrelink to conduct random audits to ensure merchant compliance with the program intent.

The Government is interested in exploring the potential use of barcode technology to achieve product level compliance in the future.

GS1 Australia is responsible for managing and administering barcode standards in Australia. It operates a database and communication network known as 'GS1net' allowing manufacturers to synchronise their product and pricing data with multiple retailers, distributors and transport companies. GS1 Australia has suggested that the Government could upload lists of either proscribed or prescribed goods to the GS1net database and approved merchants could then download the data to their point of sale systems. A revised form of the product message may be suitable for this purpose. Changes to this message format would be coordinated by a group drawn from government, retail, point of sale software suppliers and GS1 Australia.

In addition, if the Government wished to collect details of products purchased using government-issued cards at the point of sale (for example, for merchant compliance purposes), it could explore the potential for defining a new message format to collect this data from retailers. Once these standards were agreed, suppliers providing point of sale software to retailers could build support for these message types into their products.

Information collection and sharing

Governments need to collect and share information about customers to provide the correct payments and services.

Information comes from customers, their employers, other government agencies and NGOs. It is collected face-to-face, through paper forms, over the telephone or online. The same information, such as a person's address or employment status, may be needed for services provided by many government agencies.

The challenge is to reduce the effort required to collect and share this information with all those who need to know, within the appropriate privacy frameworks and in a timely manner.

The aim is to collect information once and use it many times, while ensuring that an individual maintains an appropriate degree of control over their personal information. In terms of privacy, this might be achieved by informing individuals about the uses and obtaining their consent when necessary. Legislation provides for many information exchanges while others require specific or implied consent from the customer.

Exchanging information electronically has many advantages over paper and fax-based interactions. Advantages of electronic interaction may include:

- for customers—reduces the need to complete and present paper forms, and increases payment integrity by enabling government to collect information about changes in customer circumstances direct from relevant sources (such as employers) and closer to the date of change. This reduces the potential for under or over payments

- for businesses—makes compliance with government requests for information less intrusive on core business operations by providing the ability to fully automate requests for information and reduce 'red tape'

- for the Government—increases efficiency in business processes through automation and process convergence.

Figure 4 and Figure 5 show the volume of major outbound and inbound information transactions and the interest of these types of transactions by various organisations, both public and private.

	Human Services Portfolio				Other interested organisations		
	Centrelink	Medicare Australia	Child Support Agency	Total	Other Government Agencies	Financial Institutions	Utilities
Annual payment summary	4.6 million	153k	3.3 million	**8 million**	✓	✓	✗
Request for verification of earnings	783k	NA	19k	**802k**	✓	✓	✗

Figure 4 Outbound information transactions in a 12 month period

	Human Services Portfolio				Other interested organisations		
	Centrelink	Medicare Australia	Child Support Agency	Total	Other Government Agencies	Financial Institutions	Utilities
Income declaration	25.8 million	NA	1.5 million	**27.3 million**	✓	✓	✗
Change of address notification	2.9 million	5.6 million	544k	**9 million**	✓	✓	✓
Bank account details declaration	1.9 million	622k	76k	**2.6 million**	✓	✓	✓
Initial proof of identify check	1.4 million	558k	90k	**2 million**	✓	✓	✓
Notification of death	119k	134k	5k	**257k**	✓	✓	✓
Notification of relationship status change	403k	4.2 million	79k	**4.7 million**	✓	✓	✓
Notification of birth	246k	281k	157k	**684k**	✓	✗	✗

Figure 5 Inbound information transactions in a 12 month period

Case study: Information exchange with financial institutions

Objective

The government gathers information from financial institutions to more effectively identify customers who have not disclosed their financial assets.

How this data exchange operates

Human Services Portfolio agencies make daily requests, under a range of legislation, to many financial institutions regarding financial assets of mutual customers. The financial institutions are required to provide financial information which is used to ensure accuracy of government payments to customers. For example, the Child Support Agency issues various notices to financial institutions to ensure child support payments are made. Centrelink also issue notices to ensure accuracy of income support payments.

Most requests and responses use paper-based processes. In recent years, initiatives set up by the Child Support Agency and Centrelink have partly automated these processes with selected financial institutions.

A Child Support Agency pilot system with the Commonwealth Bank allowed some automation of data transfer. A newer data transfer facility is close to completion that allows financial institutions to securely receive and respond to Child Support Agency notices electronically.

Centrelink also conducted a pilot with the Commonwealth Bank, with the result being to enhance current processing and plans to expand it to additional banks.

Key features of this data exchange

- Electronic channels enable quicker turnaround times to meet compliance review requirements, delivering significant benefits for government.

- The workload on financial institutions is significantly reduced when they can respond electronically to government.

- There is the potential for three million financial institution data matching checks and 150,000 notices for individuals being issued per year by Centrelink to be handled electronically.

- The Child Support Agency issues approximately 120,000 notices to financial institutions per year.

Case study: Employer data exchange

Objective

The Child Support Agency (CSA) and Centrelink require information from employers to ensure that correct child support and income support payments are made.

How the employer data exchange operates

Employers have to deal with a range of government agencies regarding compliance information for their employees.

CSA has developed an online service that enables electronic exchange of data with small employers (less than 15 employees that are child support customers). A newer data transfer facility is close to completion that will allow employers of all sizes to electronically receive and respond to CSA notices.

Many Centrelink customers receive income tested payments, with the onus on the customer to advise all earnings to Centrelink. Even so, Centrelink makes a significant number of requests to employers to verify wages and employment information.

A range of measures ensure accurate earnings information is provided for Centrelink customers. Any identified, or suspected discrepancy in earnings results in a discussion with the customer to try to reconcile the anomaly. Centrelink only asks employers for earnings information if these attempts fail, and source data is needed to resolve the issue.

Centrelink operates a Business Hotline to make it easier to liaise with the Australian business community. Most of these requests are via a letter to the employer with responses faxed back to the Business Hotline for processing. A pilot is underway with a large Australian retailer to conduct this process electronically. Centrelink is investigating the feasibility of expanding electronic reporting to a wider range of employers. Moving away from manual paper-based information exchange to electronic data exchange should reduce the effort required by employers to meet their reporting obligations.

Employer Reporting for Business Services, which provide work-like activities for people with a disability, allows for the reporting of employee earnings electronically to Centrelink on a regular basis. The information is sent electronically by participating Business Services on a set schedule for consenting customers. These customers have high support needs and are likely to find it difficult to meet their income reporting obligations though other means.

Key features of this data exchange

- CSA exchanges 300,000 notices and pieces of information per year with 30,000 employers who deduct from the salaries of 71,000 paying parents on behalf of CSA.

- Income-tested Centrelink customers advise their earnings more than 25 million times per year.

- Centrelink lodges nearly 800,000 requests per year with employers for verification of earnings information.

- Centrelink's Business Hotline receives more than 32,000 contacts per month and makes over 2,100 outbound calls in the same period.

- Approximately 19,000 customers across 148 businesses participate in electronic earnings reporting, representing 75 per cent of customers working in such businesses.

The Human Services Portfolio intends to adopt a common approach to developing such data exchange facilities with employers and financial institutions. This has begun with the Child Support Agency and Centrelink collaborating on a common data model which defines the information to be reported by employers and financial institutions.

In moving towards this goal, the portfolio is working with the Treasury-led Standard Business Reporting initiative which sets standards and provides technology for streamlined financial reporting by Australian businesses. The portfolio also liaises with the Australian Government Information Management Office (AGIMO) in the Department of Finance and Deregulation. AGIMO provides guidance and a framework for interoperability across government.

Other examples of information collection and sharing

- Employers are often required to provide ex-employees with a 'separation certificate' which assists Centrelink to assess the customers' eligibility to income support. Centrelink is exploring options to make these exchanges electronic.

- Centrelink Confirmation eServices—this suite of capabilities enables organisations to determine the eligibility of their customers for the services and concessions they provide. Approximately 38 million confirmation enquiries were performed electronically in FY 08/09.

- Centrelink provides reconciliation reporting to organisations receiving payment from customers with a deduction instruction in place, such as Centrepay, Income Management and Rent Deduction Scheme. More than 21 million payment reporting transactions are performed each year. Approximately three quarters (9,500) of Centrepay organisations receive their reconciliations electronically.

- Centrelink has electronic enrolment checking with some education institutions to determine study status for customers claiming student payments.

- Centrelink maintains a database of 15,000 local community service providers, listing in excess of 27,400 services. Records are updated as changes are notified.

- The Child Support Agency hosts an online directory containing information about organisations that provide services to assist parents on family related issues. Customers are encouraged to provide feedback on the usefulness and content of the directory and may also advise of changes to the directory via an online form.

- To support reciprocal social security agreements Centrelink has negotiated an international data exchange program with all 23 current Agreement partners. An effective exchange of data has occurred with 13 countries and exchange protocols are being developed with the remaining Agreement partners. It is a fundamental principle of international agreements that there is free transmission of social security payments between countries and bilateral assistance in the delivery of social security entitlements.

Various information collected by agencies outside the Human Services Portfolio, is also needed by agencies within the portfolio. For example, the ATO receives the following information which is of benefit to the portfolio:

- Tax File Declarations, when an employee commences employment

- Payment Summaries, showing annual income

- Employment Termination Declaration, when an employee ceases employment.

A challenge is to define better ways to have this information shared with those agencies which need it. This would reduce the effort required for all parties.

Questions

14. How could industry take on the role of data interchange broker for the purpose of collecting and distributing information relating to the customer, where appropriate?

15. (a) What enhancements to data interchange standards would be needed as a precursor to improved payment and information service delivery? For example, what standards would need to be established to facilitate the electronic exchange of data needed to meet mandatory reporting obligations such as reporting of an employee's income?
    (b) How can industry be encouraged to adopt such standards?
    (c) How quickly could this occur and what are the potential challenges in achieving such a transition?

16. (a) In looking for alternate ways for customers to provide their information to government and facilitate sharing across agencies, what scope is there for customer data to be stored securely outside government systems?
    (b) For example, is there a role for third parties to provide secure storage and qualified access to government and/or the private sector on an opt-in basis, where appropriate?
    (c) How can customers be provided access to their personal data that is held by government or by third parties, so they can use it for other purposes?

17. How might advances in technologies, based on Web 2.0 concepts, be used to provide some of the Government's information and referral services?

Summary

Human Services Portfolio agencies provide a wide range of payment and information services. While there has been some innovation, the Government is looking for opportunities to create additional options, especially by leveraging relevant commercial service.

5. Customer perspective

The Government provides services to help people transition through various life events. Most customers don't perceive government services in the context of a particular program or agency when their focus is on their own situation and the impact on themselves and their family.

Government delivery channels reflect legal separation of powers and historical growth of services. Consequently most customers are unlikely to know which of the myriad of government agencies they need to contact to receive services relevant to their situation.

As service providers, governments need to understand the customer situations and direct them to the appropriate services. The customer should be able to inform government, not necessarily a particular agency, and receive the services and benefits they are entitled to. The Government needs to ensure the right agencies are aware of the customer's situation so the right services and information are delivered in a timely and efficient manner.

While the previous chapter focused on ways to improve service delivery from a government perspective, this chapter provides a customer perspective. It presents scenarios that reflect customers' experiences in dealing with government and seeks comment on possible improvements.

The challenge is to identify ways to improve services in terms of what is important to the customer, such as:

- availability
- accessibility
- ease of use
- reduced effort in understanding and meeting obligations
- integrity of personal information.

Customers reporting to government

Continued eligibility for many benefits is conditional on meeting tests for income and/or assets. Customers are obliged to inform government of changes in their circumstances that could affect their entitlement to payments and services.

As previously mentioned, there are a number of important objectives which need to be met in improving information services which include minimising the effort required to collect and share this information, ensuring everyone who needs to know is informed in a timely manner, and maintaining good privacy practices.

Scenario: Bill moves house

Bill is moving house, as one in five Australians do each year. He needs to provide his new address to a lot of organisations.

Situation

- Bill set up a temporary redirection of his mail for the short-term, but in the coming weeks he must ensure that all the organisations he deals with are aware of his new address. In some cases, particularly with government agencies, he has a legal obligation to do so.

Current approach

- Bill uses the free service offered by Australia Post to update his details with organisations participating in that scheme. Not all organisations participate, so he has to contact the remaining organisations directly.

- He should also advise Centrelink and Medicare Australia of his change of address. He also has to advise the Child Support Agency if he is involved in the Child Support Program.

- To find out what other organisations to contact, Bill waits until he receives mail from each organisation (redirected from his previous address). After about six months, he thinks that he has notified all the organisations he needs to, but he's not totally sure.

- Unfortunately, Bill does not remember some organisations that he only contacts infrequently such as Australian Electoral Commission or when a document expires such as a Driver License.

Questions

18. (a) What options could industry offer on behalf of individuals to readily notify all appropriate government and private sector organisations about the individual's change of address?
(b) How would such services be established so as to maximise participation and ensure customer confidence in privacy?

Scenario: Vijay becomes unemployed

Vijay, who had been employed full-time, becomes unemployed. He is now receiving Newstart Allowance.

Situation

- Vijay needs to find another job, and support his family while he looks for work.

- Vijay needs to receive his payments regularly to help his family manage their cash flow.

Current approach

- Vijay needs to provide information about himself, including his circumstances, to enable an assessment of his entitlement for Newstart Allowance.

- Vijay needs his former employer to confirm the circumstances around him losing his job. This can be done via an electronic form available on government websites or by letter. Vijay can take the completed form (or letter) to Centrelink himself, or Vijay's employer can fax it to Centrelink.

- If Vijay is a Child Support customer, and his former employer had been making child support payments on his behalf, then they are also obliged to inform the Child Support Agency about Vijay's new circumstances.

- In claiming Newstart Allowance, Vijay has to provide information confirming identity, living arrangements and so on. He also has to provide a range of information by paper and/or phone, to regularly inform Centrelink of changes to his circumstances and meet other participation obligations.

- Newstart Allowance is currently paid as a direct credit into Vijay's bank account.

- Vijay's Job Services Australia provider updates government on what Vijay is doing to find a new job.

Questions

19. How could an employer automatically notify multiple agencies when an employee is terminated or voluntarily leaves their employment?

20. How could individuals notify multiple agencies when they become unemployed?

Scenario: Sally juggles part-time work and study

Sally is in her early twenties and has decided to return to university studies. She is one of 260,000 students receiving Youth Allowance from the Government as at end of March 2009.

Situation

- Sally has two part-time jobs to supplement the assistance she receives from government.

- Sally, like many Australians her age, is familiar with the latest technology, such as social networking sites which she uses in her everyday life. She is also comfortable with sharing information over the Internet.

- Sally is independent—she moved out of her parents' house some years ago.

- Sally has a job at the local supermarket and nearby café. Her hours vary considerably based on how much time she can spend away from her studies at different times of the year.

- Sally can increase her hours during the holiday period and reduce them in the lead up to her exam period. Her income fluctuates considerably over the course of a year, something that is difficult to predict more than a week or two ahead.

- Sally is paid monthly by the supermarket and weekly by the café. Her Youth Allowance payments are made fortnightly.

- Sally needs her assistance payments regularly to help her manage her cash flow, particularly during the exam period when she doesn't work many hours.

Current approach

- Sally has to report to government every fortnight, detailing her income and hours worked to receive the correct Youth Allowance payment. This is difficult because the timing of her payments and paid employment does not match the Youth Allowance entitlement period.

- The Government calculates the entitlement due to Sally by considering the information provided and making fortnightly direct credits to Sally's bank account.

Questions

Customers accessing information

To ensure customers are aware of, understand and receive government services they are entitled to, they need to know about the services and their entitlements. The onus rests with government service departments to deliver this information.

Scenario: Angelo can no longer fund his own retirement

Angelo is a 71-year-old self-funded retiree. Due to the global recession, the value of Angelo's superannuation falls to the point that he can no longer fund his retirement on his own and will join the two million other Australians receiving Age Pension entitlements at the start of 2009. It has been forecast that the number of people retiring each year could increase from 70,000 to 140,000 in the next five years.

Situation

- Angelo has worked hard during his life and accumulated a considerable amount of superannuation that will go towards funding his retirement.

- Angelo's superannuation is invested across a range of assets that have lost value in recent times. This has reduced the amount of income available to meet his living expenses.

- Angelo wants to find out if the Government offers any assistance for people in his situation, and what payments he might be eligible for.

- Angelo doesn't understand the financial complexities surrounding superannuation or the implications of his situation and how this affects his entitlement to government services. Therefore, Angelo would prefer to deal with government through his trusted financial adviser.

- If Angelo must deal directly with government, he would prefer to do this face-to-face and would like to have his financial adviser present. However, under current arrangements there is limited scope for Angelo's financial adviser to manage his Centrelink affairs.

Current approach

- Information about assistance, including financial assistance for retired people, is available online. Some elements of claims processes can be downloaded from government websites and some elements can be submitted online. Claimants still need to provide proof of identity and other supporting documentation in person. Not all eligible Australians have easy access or are willing to use online services even where such services are available.

- Angelo can obtain assistance through Centrelink Customer Service Centres.

- Angelo needs to provide information about his circumstances to help the Government decide if he is eligible for assistance—this information includes details of his financial position.

- He attends a Centrelink seminar to better understand how the pension works and what options are available.

- Following the seminar Angelo makes an appointment to see a Centrelink Financial Information Service Officer in person to go through his situation in detail so he can make the right decisions about his options.

Questions

Scenario: Lucy has a baby

Lucy and Alex become new parents. Their child is one of 269,000 babies born each year. Lucy is on paid maternity leave.

Situation

- Lucy does not currently claim any benefits from the Government, but she has already completed a proof of identity process when she applied for her passport.

- Lucy is unsure which benefits she is entitled to, so she relies on information provided by the hospital. The hospital staff gives her an information pack which outlines government assistance which may be available.

Current approach

- While in hospital, Lucy receives forms to register her baby's birth and claim payments she may be entitled to.

- Lucy is required to return the forms to a variety of government agencies. She can submit some forms online but needs to return other forms to submit proof of the birth of her child.

- Lucy has already used her passport and several other items of identification to establish a bank account to the standard required under anti-money laundering legislation.

- Common information such as bank account and address information must be submitted multiple times, generally once per form.

- Family payments which Lucy and Alex may be entitled to are made in a variety of ways including regular payments, reduced fees (third party claims, such as the child care benefit) or lump sum payments.

- Government agencies such as Medicare Australia and the state or territory registrar of births, deaths and marriages all need to be informed of the birth.

Questions

24. How might a life event, such as a birth, trigger notifications to multiple organisations while still complying with privacy requirements? These organisations would include:
(a) agencies across all tiers of government
(b) relevant private organisations?

25. (a) How could industry provide a trusted service to identify individuals on behalf of government?
(b) How would confidence in such a service be assured?

Summary

These scenarios raise questions around how industry can assist the Government to:

- provide a range of services that is appropriate to the customers' situations and needs

- ensure the services provided are more accessible to the customer

- minimise the effort required by customers to apply for government services and meet reporting obligations

- ensure customers are aware of, understand and receive the services they are entitled to whether provided by any tier of government or other service providers.

6. Other considerations

Governments around the world are taking steps to improve the way their services are delivered. In many cases, governments are collaborating with industry and building on existing frameworks to improve service provision and reduce overall cost to the taxpayer.

This chapter describes innovative solutions from around the world and seeks comment on how these and other initiatives may improve service provision in Australia. The challenge is to consider ways government and industry can collaborate on new and improved service delivery solutions that are well adapted to the Australian system of government.

Note, the Government's focus is on the services and implementation methodologies used in the following overseas examples rather than the underlying policies.

Overseas examples

The case studies below are examples of how overseas governments are developing innovative service delivery solutions.

Belgium: Crossroads Bank for Social Security

Purpose

Crossroads Bank for Social Security (CBSS) is an information broker for the Belgian social services sector. It facilitates the collection of data from employers and the exchange of data between social security organisations, employers and citizens.

CBSS was developed to address the Belgian social services sector's struggle to deliver timely services to its customers and the system's susceptibility to fraud. CBSS provided innovation in the delivery of social services to Belgian citizens.

Operational model

Customers access the system using an integrated Internet portal and a chip card. Three thousand federal, regional and local public and private organisations are networked with secure connections to the Internet, the federal Metropolitan Area Network (FedMAN), regional extranets, extranets between local authorities and the banking network. Employers submit information via electronic message exchange or an integrated portal, and this information is then made available to social security officers to assist in the calculation and delivery of social security benefits.

How this interests the Human Services Portfolio

CBSS considerably rationalised forms, process and information exchange. It also resulted in an agreed division of tasks between institutions with regard to the collection, validation, management and storage of information. This reduced red tape for citizens.

The Belgian system is based on a different social security regime to Australia, and is facilitated by the use of a social security number and identity card. There is no proposal to introduce identification arrangements similar to CBSS within Australia.

Also, CBSS is insurance based rather than financed through general revenue. Even though there are differences, a number of the key outcomes from the CBSS initiative may be applicable to future Australian Government initiatives, these include:

- *the customer controls their own information.* The customer decides how they will submit their information and to whom

- *information is collected once at a single point* and shared as needed with other social sector organisations. All access authorisations are logged and published

- *there is strict governance.* There is an independent committee of the Privacy Commission and specific legislation to support data security and privacy

- the development *focused on delivery of business services* and then how technology would meet the requirement using the ITIL Service Management Framework.

See: www.ksz.fgov.be

Questions

26. (a) How could key features of the CBSS model, such as collecting information once at a single point, be adapted for service delivery in Australia?
(b) How could such a model ensure the customer is in control of their own information?
(c) With such a model, how would privacy be protected?

27. Given there is no proposal to introduce national identification arrangements similar to CBSS within Australia, are there alternative methods for individuals to identify themselves to government, to ensure they can access the services to which they are entitled?

USA: Supplemental Nutrition Assistance Program

Purpose

The Supplemental Nutrition Assistance Program (SNAP) is a federal program administered by states in the USA. Formerly known as the Food Stamp Program, it helps those on low incomes buy food. The SNAP program currently provides benefits to 32 million people every month, and annually distributes approximately US$60 billion in benefits.

Operational model

SNAP recipients receive assistance in the form of an Electronic Benefit Transfer (EBT) card which can be used for purchases at approximately 180,000 stores across the USA. The EBT card operates like a debit card, where the customer swipes the card in a point of sale device and enters a personal identification number (PIN) to complete the transaction. The amount of the purchase is immediately deducted from the EBT SNAP account. The same amount is then credited to the food retailer's bank account each bank working day through the Automated Clearinghouse (ACH) process. Many SNAP participants do not have a bank account.

Retailers must be authorised to accept SNAP benefits and are given the option of receiving free state-supplied point of sale devices, which only accept EBT cards. Retailers may choose to integrate EBT transaction processing into their commercial credit and debit card processing equipment at their own expense. Some retailers, those without electricity or telecommunications or with very low benefit redemption amounts, use manual vouchers to accept food stamps. Manual vouchers are also used as a back-up system for SNAP transactions when EBT communications are disrupted.

Administration costs for the SNAP program are shared between the federal government and the states. The Federal Food and Nutrition Service pay for half the administration costs. The states engage in end-to-end contracts with services providers (also known as EBT processors) who supply terminals, settlement services and network infrastructure to the program. The federal government approves these contracts, as well as any retailer arrangements or conversion plans. The federal government also manages the approved list of merchants and ensures this information is distributed to all EBT processors who enforce restrictions.

How this interests the Human Services Portfolio

The SNAP program, through the use of the EBT card, enables the US Government to limit the types of items purchased without needing to administer an end-to-end payment service.

One interesting feature of SNAP is the approach adopted to provide customers with balances on receipts at the point-of-sale. This demonstrates how service improvements can have a 'low tech' option. SNAP believed balance on receipts would be more beneficial to customers than statements as a convenient way of making account balances readily available to them.

It was also acknowledged that providing customers with a current running balance via a receipt would be more beneficial than issuing monthly customer statements, which would in the majority of cases, display a zero balance as this customer group tends to spend all their SNAP funds within the first two weeks of the month. Such low technology options are important as they also support social inclusion outcomes.

See: www.fns.usda.gov/fsp/Default.htm

Questions

28. (a) How does industry see future government services operating with electronic benefit cards?
    (b) What industry developments may assist with these sorts of implementations?

29. Are there other services, similar to SNAP? If so, what elements of these are applicable to Australia?

Italy: Lombardia Health

Purpose

The Lombardia region of Italy launched an ambitious and successful public private partnership in the health services sector in the mid-1990s. The program resulted in the delivery and operation of a central system that records details of patient treatment and offers value-added services to nine million citizens and more than 160,000 healthcare providers.

Operational model

A private company was established and given responsibility for rolling out and activating accounts. Payments were based on deliverables and outcomes: the more people the company registered and the faster it did so, the greater its revenue under the contract.

There are three main components at the heart of the project:

- health data processing system—a regional network linking all participants from the social-health field in the region, and offering e-health services to ensure health care continuity

- for citizens—the Regional Services Card, a personal chip card offering each citizen access to public administration services as well as private providers' services

- for health professionals—the health professional card, or Health Care Information System card, which also facilitates identification and authentication, digital signature and access to the regional data processing system.

How this interests the Human Services Portfolio

While this discussion paper is not about e-health, and Australia already has its own promising e-health initiatives in the planning, the Lombardia health project is worth noting because its development and financial investment model was based on commoditising the service, and the Government paid for the service delivery outcomes not for infrastructure.

The project is the most successful e-government project in Italy to date and one of the major smart card projects worldwide. It was the first-time a Public Private Partnership (PPP) was used for an IT Build program in Europe, and was delivered ahead of time and budget.

See: www.inco-health.org/docs/relazioni_26022007/Beretta_RegioneLombardia.pdf

Alternatively visit the (Italian language) Lombardia region site: www.regione.lombardia.it

Questions

30. (a) What does industry consider are the key aspects of the Lombardia financial investment model that could be adapted in Australia to commoditise services such as customer registration and the exchange of customer information?
(b) From an industry's perspective, what safeguards and/or incentives would be required to implement such a model?

31. (a) How could a contracting model, similar to the Lombardia model, be adopted in Australia to accelerate roll-out or take-up of electronic solutions?
(b) How could such a model be adopted that works in the context of non-exclusive arrangements (open to many providers) and spurs competition and adds value for customers?

UK: Post Office Card Account (POCA)

Purpose

The UK makes the majority of welfare payments electronically by direct credit to recipients' bank accounts. To ensure that customers without bank accounts can still access their entitlements, the UK offers an alternative facility in the form of a Post Office Card Account (POCA). A POCA can only be used for certain pensions, welfare benefits and tax credit payments. No other funds can be deposited into the account.

Operational model

The customer is issued with a card and a personal identification number (PIN) but the card is very restricted in its use. It can only be used at a post office and only for balance checking or withdrawing cash. It cannot be used for purchases at a merchant nor can it be used at an ATM. The account does not attract any fees or charges, nor does it accrue any interest on accumulated funds.

How this interests the Human Services Portfolio

Around 23 per cent of welfare recipients in the UK have their funds deposited into a POCA. Providing this service through post offices is convenient, as the UK has 3,000 more post offices than its combined total of banks and building societies.

See: www.postoffice.co.uk/portal/po/content1?catId=19400181&mediaId=19900206

Questions

32. (a) What current or planned networks, such as the example presented in the UK Post scenario, could be used to deliver services on behalf of government?
(b) What capabilities would these networks need to deliver government services?
(c) How could this be done without unintended consequences for the customer? For example, how could reducing access to services for particular groups or demographics be avoided?

Other innovative ideas

Recent innovations demonstrate considerable ongoing investment in the payments industry, and show that thinking need not be constrained around current service delivery methods.

For example, 'contactless' payments are an emerging category of non-cash payments. This solution doesn't require a physical connection between the consumer payment device (for example, a card) and the point of sale device (the card reader).

A trial recently conducted in Melbourne aimed to eliminate cash transactions for small, frequent purchases such as lunch or coffee. Key observations on this trial include:

- the use of familiar devices is likely to improve the level of engagement by customers

- adoption of commercial technologies minimises the costs associated with developing, testing and implementing custom technology or payment devices

- these initiatives limit the customer's need to carry cash and reduces the cost of cash handling

- 95 per cent of customers said they were likely to use the technology in the future.

Several different devices are being trialled in Australia and internationally including mobile phones, watches and key fobs.

Questions

> 33. How could industry assist government to rapidly implement new payment and information solutions and keep pace with technical and commercial developments?

Other government initiatives

Review of Australia's tax system

Objective

To examine the current tax system and make recommendations to position Australia to deal with the demographic, social, economic and environmental challenges of the 21st century.

Background

On 13 May 2008 the Australian Government announced a comprehensive review of Australia's tax system. The review will encompass Australian Government and State taxes, except the GST, and interactions with the transfer system for which a large responsibility to deliver rests with the Human Services Portfolio.

Amongst its considerations, the review is likely to take into account the relationships of the tax system with the transfer payments system and other social support payments, rules and concessions, with a view to improving incentives to work, reducing complexity and maintaining cohesion.

How this interests the Human Services Portfolio

Currently the Australian tax and transfer systems are separate systems. There are different bases of assessment between and within the two systems, including the definition of income, the unit of assessment, the period of assessment and the basis of eligibility. These differences largely exist to achieve a targeted system, but a result the system as a whole is complex.

Future directions for payment and information services that stem from the feedback to this discussion paper will need to be consistent with future directions of the tax system and consider impacts these separate reforms may have for stakeholders.

See: www.taxreview.treasury.gov.au

AGOSP – Australian Government Online Service Point

Objective

Provide customers with simple, convenient access to government information and services.

Background

The AGOSP Program will enhance the www.australia.gov.au website, considerably advancing the Government's ambitious information technology agenda set in the 2006 e-Government strategy, *Responsive Government: A New Service Agenda.*

In the last two government satisfaction surveys, *Australians' Use of and Satisfaction with e-Government Services* (undertaken by the Australian Government Information Management Office), people repeatedly requested simple access to government information and services, as well as more personalised services through a principal online entry point. They are frustrated by the need to visit multiple websites to get information and services relevant to them.

The AGOSP Program enhancements to www.australia.gov.au will include a single sign-on service, allowing people to visit multiple government websites without repeatedly signing in at each; an advanced online forms capability; a multi-agency change of address notification service; and a National Government Services Directory, providing a comprehensive list of government services, both online and offline.

How this interests the Human Services Portfolio

The single online entry point for customers could potentially be used to allow customers to interact with agencies of the Human Services Portfolio.

See: www.finance.gov.au/e-government/service-improvement-and-delivery/agosp.html

SBR – Standard Business Reporting

Objective

Simplify current reporting requirements to ease the burden on business.

Background

SBR is a project of the Department of the Treasury. It is a multi-agency initiative that will simplify business-to-government reporting by:

- making forms easier to understand

- adopting a common reporting language, based on international standards and best practices (XBRL)

- using accounting/record keeping software to automatically pre-fill government forms

- introducing a single secure way to interact online with participating agencies.

As a result, businesses and their intermediaries will have a faster, more efficient reporting mechanism.

SBR is expected to save Australian businesses $795 million per year on an ongoing basis by reducing the time and effort in the assembly and analysis of information required to meet reporting obligations to government.

In addition, businesses, accountants, bookkeepers, tax professionals and software developers will be implementing XBRL as a standard for reporting to government, and will have access to a powerful system for improving service delivery and productivity.

How this interests the Human Services Portfolio

The Human Services Portfolio is seeking to simplify how businesses report to the agencies within the portfolio. Standards or guidelines implemented by the SBR project will be adopted as part of any initiative to improve this reporting. This will also present a unified government approach on adoption of standards.

See: www.sbr.gov.au

Government 2.0 Taskforce

Objective

Through online tools such as blogs, wikis and social networking sites, governments can use the knowledge and experience of its citizens to continuously improve laws, policies and services. A Government 2.0 Taskforce has been established to explore ways Web 2.0 technologies can be harnessed to improve collaboration between government and citizens.

Background

On 22 June 2009, in launching the Government 2.0 Taskforce, the Hon Lindsay Tanner MP, Minister for Finance and Deregulation, spoke on how the Australian Government plans to harness the power of the World Wide Web to advance open, transparent government. The Taskforce will advise the Government on how to:

- make government information more accessible and usable

- establish a pro-disclosure culture around non-sensitive public sector information

- maximise the extent to which government utilises the views, knowledge and resources of the general community

- build a culture of online innovation within Government to ensure that it is open to the possibilities created by new collaborative technologies, and uses them to advance its ambition to continually improve the way it operates.

The Taskforce will also be able to fund initiatives and incentives that will show how the Government can achieve its 2.0 objectives.

How this interests the Human Services Portfolio

Initiatives such as the Government 2.0 Taskforce will assist and inform the development and improvement of the Portfolio's business capabilities. The Portfolio is committed to its architectural principles, including:

- aiming for a single face of government

- high standards of customer service

- being responsive to business needs.

Along with this, the Portfolio is committed to the principle of good privacy practice to ensure the protection and confidentiality of customer information.

The Government 2.0 Taskforce will assist the Portfolio's architects to make the most appropriate choices in areas such as recognised authorship, user authentication, privacy and provenance of information. The Government Information Licensing Framework (GILF) will also provide guidance in the selective adoption of Web 2.0 technologies.

Partnership with industry

A key intent of this discussion paper is to establish ongoing dialogue between the Government and industry. A broader aim is to seek collaborative solutions to deliver innovative payment and information services.

Questions

34. (a) How can government and industry engage to establish new payment and information services?
(b) What form of ongoing dialogue with government would industry prefer? For example, what type of forums or processes would industry like to see established?
(c) What type of feedback mechanisms and information from government would industry like, and how often would industry like to receive such feedback?

35. (a) How could new industry capabilities be adapted to deliver government services in line with the current broader reform agendas in the payments industry?
(b) How can government, as a key user of payments systems and infrastructure, help drive innovation in the payments industry to support broader economic development?

36. (a) How can industry assist government to establish standardised payments infrastructure with reusable, modular components which can be readily adapted and deployed for different payment services as and when they are introduced?
(b) What impediments does industry see for such a partnership with government?

37. Medicare Easyclaim creates a link between the customer, government and service providers in the health sector. How could industry work with government to identify where existing capabilities such as Medicare Easyclaim could be used to deliver payment services for other sectors in the economy?

38. What kind of funding/investment models and procurement arrangements would industry see as being needed to establish new payment and information services?
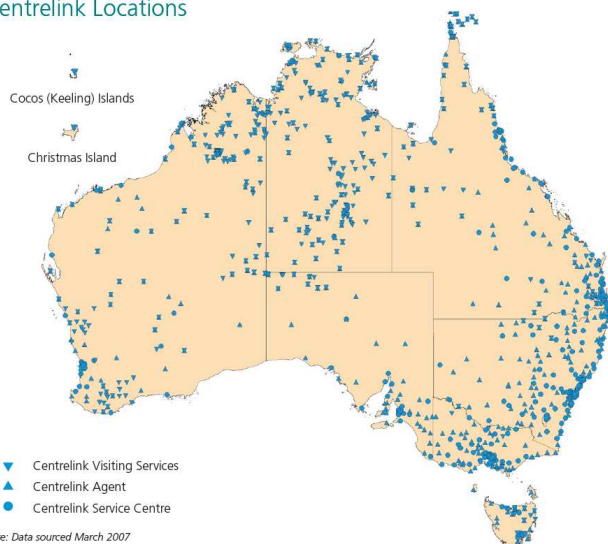
![Australian Government | Centrelink — giving you options]

Centrelink at a glance

**Serving Australia by assisting people to become self-sufficient and supporting those in need.**

- Approximately $66.3 billion paid on behalf of Australian Government Policy Departments.
- 1000+ service delivery points.
- 89 million+ letters.
- Approximately 6 billion+ mainframe online transactions.
- 6.5 million customers.
- 9.87 million individual entitlements.

Centrelink Locations

▼ Centrelink Visiting Services
▲ Centrelink Agent
● Centrelink Service Centre

Note: Data sourced March 2007

Cocos (Keeling) Islands
Christmas Island

Customers

Centrelink has approximately 6.5 million customers, including retired people, families, sole parents, people looking for work, people with disabilities, illnesses or injuries, carers, widows, primary producers, students, young people, Indigenous people, and people from diverse cultural and linguistic backgrounds.
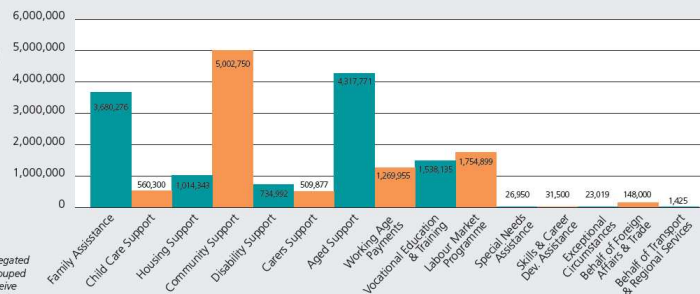
* As at 30 June 2007 - The figures are the aggregated totals of a number of services or payments grouped by program area. As such, a customer can receive more than one payment or service under a single program area, or across multiple programs.

Chart values: Family Assistance 3,680,276; Child Care Support 560,300; Housing Support 1,014,342; Community Support 5,002,750; Disability Support 734,952; Carers Support 509,877; Aged Support 4,317,771; Working Age Payments 1,269,955; Vocational Education & Training 1,538,135; Labour Market Programme 1,754,899; Special Needs Assistance 26,950; Skills & Career Dev. Assistance 31,500; Exceptional Circumstances 23,019; Behalf of Foreign Affairs & Trade 148,000; Behalf of Transport & Regional Services 1,425

Governance

- Centrelink operates under the *Financial Management and Accountability Act 1997* (FMA Act) and the *Commonwealth Services Delivery Agency Act 1997* (CSDA Act).
- Centrelink's Board was abolished in October 2005 and replaced with a Strategic Committee Framework.

Major Initiatives

- Welfare Payment Reform including:
  - National school attendance and enrolment,
  - National child protection,
  - Northern Territory Emergency Response and stabilisation, and
  - Cape York Institute Project.
- Fraud and compliance.
- Disaster relief and recovery.
- Murray-Darling Basin service delivery coordination.
- Integrated Service Delivery Network.
- Improved services to Indigenous Australians.
- Drought Assistance strategy.

Strategic Priorities 2008–09

- Build capability and support our people to deliver the Government's priorities.
- Improve the customer experience.
- Support the Minister and the Department of Human Services to improve service delivery.
- Demonstrate united leadership.
- Prepare for increasing integration with Human Services agencies.
- Strengthen relationships with local communities.
- Ensure effective and efficient delivery of services.

Key services

Centrelink helps people of working age with a capacity to work to:

- Access appropriate employment assistance,
- Find suitable work, and
- Participate as fully as possible in their local communities.

Centrelink also delivers a range of payments and services on behalf of a number of Government Departments, and other entities.

Revenue to Centrelink for services 2006–07

Source of revenue(a)	$'000
Department of Employment and Workplace Relations	909 965
Department of Families, Community Services and Indigenous Affairs	776 080
Department of Agriculture, Fisheries and Forestry	20 350
Department of Health and Ageing	11 961
Other departments	90 906
Total revenue for services	**1 939 350**

(a) Excludes other revenue ($2.7 million), gains from sale of assets ($0.6 million), software received free of charge ($1.7 million), resources received free of charge ($3 million) and direct appropriations received from government ($563.7 million).

For more information

Visit our website
www.centrelink.gov.au

Content current July 2008

Australian Government

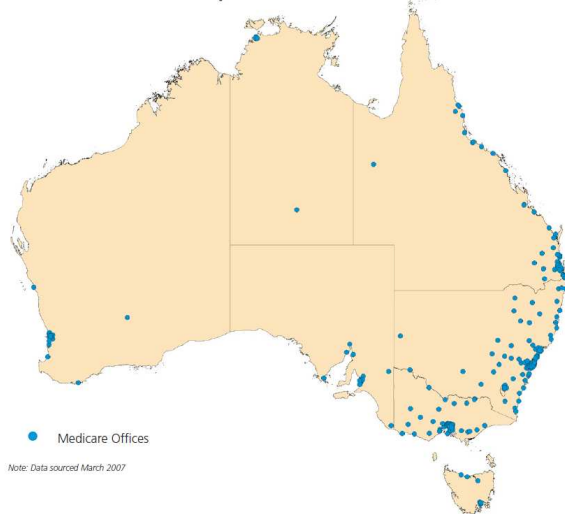**Medicare Australia**

Medicare Australia at a glance

Working together to improve the health and wellbeing of Australians by delivering information and payment services.

During 2007–08:

- 21.4 million registered Medicare customers.
- 278.7 million Medicare services processed.
- 203.1 million Medicare services claimed electronically (63.6 million claimed online).
- 98.6% of PBS claims transmitted electronically.
- 13 million calls received.

Medicare Locations

All Medicare offices offer Family Assistance services

● Medicare Offices

Note: Data sourced March 2007

Governance

- Medicare Australia is a prescribed agency under the *Financial Management and Accountability Act 1997* and a statutory agency under the *Public Service Act 1999*.
- During 2007-08, Medicare Australia's executive management team consisted of the Chief Executive Officer (CEO), two deputy CEOs, three executive general managers, four general managers and the Chief Financial Officer.

Major Initiatives

- Electronic Medicare claiming.
- Unique Healthcare Identifiers.
- Increasing MBS compliance.
- Implementing the Teen Dental Plan.
- Provider and public strategies.
- Aged Care.

Key Services

- Delivering programs and services including:
  - Medicare,
  - Pharmaceutical Benefits Scheme,
  - Australian Organ Donor Register,
  - Australian Childhood Immunisation Register,
  - Family Assistance
  - 30% private health insurance rebate, and
  - Aged Care Payments
- Assuring program integrity.
- Education and information on programs administered by Medicare Australia.

Customers

- 21.1 million registered Medicare customers.
- Health Care Providers (active providers by major speciality who made claims greater than $1000 in 2007-08):
  - 22 998 general practitioners,
  - 20 667 specialists,
  - 5300 pharmacies,
 - 11 143 allied health professionals, and
  - 3503 optometrists.

Office and Staff Numbers - as at 31 December 2008

	NT	QLD	ACT	WA	NSW	SA	VIC	TAS
State Offices	-	1	-	1	1	1	1	1
Regional Offices	1 (Darwin)	1 (Cairns)	-	1 (Broome)	-	-	-	-
Medicare Offices	4	48	5	17	88	13	56	7
National Office	-	-	1	-	-	-	-	-
Access Point Sites	3	210	-	118	307	93	231	65
Contact Centre	-	1 (2 sites)	-	1	1 (2 sites)	1	1	1
Staff	refer SA	976	1183	546	1387	407	1099	317

Revenue – Departmental $691 million in 2008–09
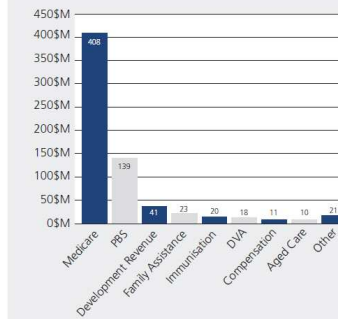
More than $33 billion of benefits administered in 2007–08
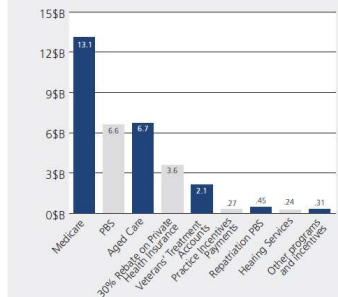
For More Information

Visit our website
www.medicareaustralia.gov.au

Content current June 2008

Australian Government
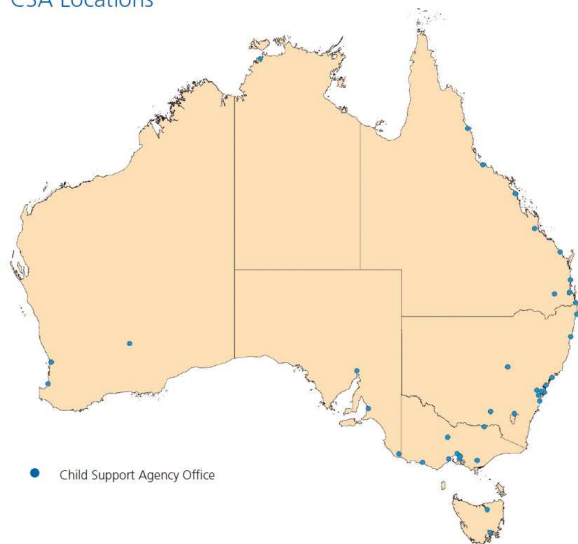**Child Support Agency**

Child Support Agency at a glance

The Child Support Agency's (CSA) purpose is to support separated parents to transfer payments for the benefit of their children.

In 2007-08, CSA:

- Transferred approx $235 million in child support per month
- Issued over 1, 000, 000 letters/statements per month.
- Handled over 550 000 calls per month.
- Answered 78% of calls within 30 seconds

CSA Locations

● Child Support Agency Office

Governance

- The CSA administers the Child Support Scheme introduced by the *Child Support (Registration and Collection) Act 1988* and *Child Support (Assessment) Act 1989*.
- The General Manager of CSA is accountable to the Secretary of the Department of Human Services for the overall performance of the agency, including its financial and risk management. The CSA GM is the "Registrar" of Child Support.
- The CSA Executive team consists of the General Manager and three Deputy General Managers under the Child Support Program.

CSA's Strategic Plan: 2008–12

- Improved collection (of child support)
- Customer service excellence.
- Effective stakeholder relations and engagement.
- Informed customers and community.
- Excellence in service delivery capability.

Major Initiatives

- Child Support Scheme Reforms.
- New service delivery model with increased face-to-face service.
- Customer focus cultural change program.
- Increase compliance targeting serious avoiders.
- Expand and enhance online services.
- Increase customer understanding of child support and connection to the broader Family Law system.
- Engage and collaborate with key stakeholders.
- Review and improve all procedures to ensure procedural fairness.

## Metropolitan and Regional Service Centre (RSC) Sites

NT:	Darwin office
WA:	Perth office and 2 RSCs
SA:	Adelaide office and 2 RSCs
TAS:	Hobart office and 1 RSC
NSW/ACT:	Sydney, Canberra, Newcastle, Wollongong, Parramatta and Albury offices and 9 RSCs
VIC:	Melbourne, Dandenong and Geelong and 5 RSCs

Key Services

- **Customer Services:** Responsive to individual customer issues, promoting the use of online services & contact centres.
- **Specialised Services:** Managing newly registered customers and supporting those with more complex assessments, issues and changes.
- **Personalised Services:** For small proportion of customers with complex and challenging circumstances, escalated and multiple issues.
- **International:** Working with overseas jurisdictions to register and collect child support for Australians here and overseas, and internationals coming to Australia with child support debt to collect.
- **Parental Support Products:** Me and My Guides, The Parent's Guide to Child Support, Separation CD-Rom, Family Separation: A Teen's Guide, Community Services Directory. – Online free or order via 1800 040 972
- **Proactive Referrals to Community Service Providers:** who support separated families.
- **Outreach program:** held in regional and rural areas around Australia..

Customers

- Approximately 1.5 million parents.
- More than 1.1 million children.

More than half of CSA customers chose to pay/receive child support in a private collect arrangement.

52.1% of CSA's customers are in a 'private collect' arrangement
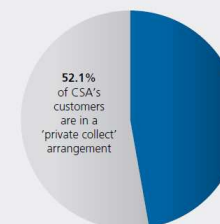
- 56% of CSA customers receive a Centrelink benefit other than the Family Tax Benefit (active cases; as at 30 June 2008).

Revenue

Money Transferred

	2007-08
Money Transferred	$2.82bn
Collection Performance (Scheme)	
- Domestic	93.1%
- International	65.4%
Parental Self Reliance (Private Transfers)	52.1%
Total Child Support Debt (formally GMD)	$1013.8 m
- Domestic	$778.4 m
- International	$235.4 m
Parents paying at least 75% of their liability on time (rolling 12-month)	65.4%

Value for Money

Cost Effectiveness	
- CSA costs to collect each dollar	10.7 cents
- Dollars collected for each dollar spent	$9.35

For More Information

Visit our website
www.csa.gov.au

Content current June 2008

Appendix—Glossary of terms

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ACH Automated Clearing House—an electronic funds transfer and interbank clearing system in the USA. Each participant connects only to the ACH.

AGIMO Australian Government Information Management Office

See www.finance.gov.au/agimo

AGOSP The Australian Government Online Service Point (AGOSP) Program—a Budget initiative that will enhance the www.australia.gov.au website to provide simple, convenient access to government information, messages and services.

APCA Australian Payments Clearing Association

See www.apca.com.au

ATO Australian Taxation Office

See www.ato.gov.au

BasicsCard The BasicsCard is a re-usable, PIN-encoded card accepted at approved merchants to enable customers to access income managed funds at point of sale. It operates on the EFTPOS network.

See www.centrelink.gov.au/internet/internet.nsf/publications/co514.htm

Clearing The process of collecting, collating, exchanging and controlling payments instructions between participants in the payments system.

Credit EFTPOS Transactions made using debit cards through the proprietary EFTPOS network to transfer funds from government to customers' accounts in real-time. Currently, this facility uses the EFTPOS refund message type but there are plans to introduce a specific message type for this transaction.

CRS Australia formerly the Commonwealth Rehabilitation Service (CRS)

See www.crsaustralia.gov.au

CSA Child Support Agency

See www.csa.gov.au

DEEWR Department of Education, Employment and Workplace Relations.

See www.deewr.gov.au

DHS Department of Human Services

See www.humanservices.gov.au

ECLIPSE The Electronic Claim Lodgement and Information Processing Service Environment system—allows private patients seeking treatment in hospitals to get an estimate of their out-of-pocket costs. ECLIPSE is an extension of Medicare Online. ECLIPSE offers providers direct communications with Medicare Australia and private health funds, all in one transaction through a secure Internet connection between practices, public and private hospitals, billing agents, Medicare Australia, the Department of Veterans' Affairs and private health funds.

See www.medicareaustralia.gov.au/provider/business/online/eclipse/index.jsp

Electronic Benefit Transfer (EBT) Card An electronic payment card that allows a recipient to authorise transfer of their government benefit from a government account to a merchant account to pay for goods or services received.

Electronic payment cards (EPC) A generic category of payments cards that typically display the marks of commercial payment networks, such as Visa or MasterCard. Some EPCs are debit cards tied to a cardholder-owned account, while others are prepaid or stored-value cards that can be used to purchase goods or services.

GS1 GS1 is a not-for-profit organisation that locally administers the global multi-industry system of identification and communication for products, services, assets and locations - the GS1 System.

See www.gs1au.org/index.asp

ITIL Information Technology Infrastructure Library

See www.itil-officialsite.com/home/home.asp

Low Value Payments (LVP) 'Low Value' is an industry term applied generally to bulk payments and cheques. Excludes cash, cards and real-time gross settlement payments. Includes direct credit and direct debit.

Medicare Easyclaim Medicare Easyclaim allows lodgement of Medicare claims using an EFTPOS terminal. Payments are usually made almost immediately, straight into a nominated cheque or savings account.

See www.medicareaustralia.gov.au/provider/medicare/claiming/easyclaim/index.jsp#N1003C

Medicare electronic claiming Medicare electronic claiming channels make it easier for practices to help their patients claim a Medicare rebate. Medicare Australia offers three electronic Medicare claiming channels, Medicare Online, Medicare Easyclaim, and ECLIPSE. Instead of filling in a form, practices can send Medicare claim information to Medicare Australia through their EFTPOS terminal or their computer.

See www.medicareaustralia.gov.au/provider/medicare/claiming/index.jsp

Medicare Online Medicare Online (previously HIC online) is a feature of many practice management software systems. It lets practices lodge Medicare claims through a secure Internet connection. It can be used to process Medicare bulk bill claims, patient claims, and Department of Veterans' Affairs claims and can also transfer Australian Childhood Immunisation Register (ACIR) information. Medicare Online can be used by most health care professionals, including eligible allied health professionals and dentists able to claim Medicare benefits.

See www.medicareaustralia.gov.au/provider/pubs/program/online.jsp

NGO An NGO is a not-for-profit, legally constituted, non-governmental organisation with no participation or representation of any government. In the cases in which NGOs are funded totally or partially by governments, the NGO maintains its non-governmental status and excludes government representatives from membership in the organisation.

OPC Office of the Privacy Commissioner

See www.privacy.gov.au

PBS Online Online claiming for PBS provides pharmacists with a 'Business to Business' (B2B) channel to claim their PBS benefits. It provides better and faster ways for pharmacies to claim PBS benefits including more frequent payments. It also enables pharmacies to receive an online assessment of a prescription, including a patient's entitlement to the PBS, allowing errors to be corrected by the pharmacist at the time of dispensing the medication.

See www.medicareaustralia.gov.au/provider/pbs/online/index.jsp

PKI Public Key Infrastructure is a set of hardware, software, people, policies, and procedures needed to manage digital certificates. PKI is an arrangement that binds public keys with respective user identities by means of a certificate authority (CA).

Medicare Australia is a Registration Authority providing PKI certificates to health providers. It is one of the seven Registration Authorities in Australia.

See www.medicareaustralia.gov.au/provider/vendors/pki/index.jsp

Pre-paid Card An electronic payment card that can be used to access a capped amount of cash funds. An example of a pre-paid card is the Centrelink ATM Cashcard, which is provided to Centrelink customers in emergency situations.

RBA Reserve Bank of Australia

See www.rba.gov.au

RTGS Real-time gross settlement—Australia's High Value Clearing System (HVCS or CS4) is a real-time gross settlement system.

SBR Standard Business Reporting—a multi-agency initiative led by the Treasury that will simplify business-to-government reporting by making forms easier to understand, using accounting/record keeping software to automatically pre-fill government forms, and introducing a single secure way to interact online with participating agencies.

See www.sbr.gov.au

Settlement The process of adjusting values held in the exchange settlement accounts of Tier 1 participants in order to meet the obligations of 'who owes whom how much'. For the Australian Paper Clearing System, Bulk Electronic Clearing System and Consumer Electronic Clearing System this is done on a multilateral net basis across all clearing streams. These net obligations are held and entered into the Reserve Bank Information and Transfer System by the Collator and settled in the 9am Batch on the business day following exchange.

Stored-value Card A card which is capable of storing monetary value in a form other than physical currency.

XBRL eXtensible Business Reporting Language is a widely adopted standard geared towards the capture, processing, validation and exchange of business data, primarily financial data. It was developed primarily by people from the business side, finance professionals by origin. XBRL is based on XML and XML Schema and keeps the definitions, structural information and requirements separated (in the taxonomy) from the data facts to be exchanged.

XML Extensible Markup Language—a means of structuring and describing data fields in conjunction with the field itself, rather than outside the field. Its primary purpose is to facilitate the sharing of structured data across different information systems, particularly via the Internet.

Appendix—Further reading

The following publications provide additional information on some of the concepts and material presented within this paper:

Senator the Hon Joe Ludwig (2009). 'Address to the Cards and Payments Australasia conference' [online]. Available:

www.humanservices.gov.au/dhs/media/archives/ludwig/speeches/090325-address-cards-payments-australasia-conf.html

Australian Payments Clearing Association (2008). *Low Value Payments: An Australian Roadmap—A vision for the evolution of Australia's electronic payment systems* [online]. Available:
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Department of Families, Housing, Community Services and Indigenous Affairs (2008) *The Road Home: A National Approach to Reducing Homelessness* [online]. Available:
www.fahcsia.gov.au/sa/housing/progserv/homelessness/whitepaper/Documents/background.htm

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Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse (2007). *Little Children are Sacred: Report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse* [online]. Available:
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www.socialinclusion.gov.au/Documents/PMC%20AIFS%20report.pdf

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Department of Finance and Deregulation, 2006 e-Government Strategy, Responsive Government: A New Service Agenda, [online]. Available: www.finance.gov.au/publications/2006-e-government-strategy/index.html