

# **Meeting People's Needs: The Australian Approach**

Pre-Board Seminar  
10<sup>th</sup> Board Meeting  
ASEAN Social Security Association  
Thursday 1 August 2002  
Ho Chi Minh City  
Socialist Republic of Vietnam

Mr Mark Sullivan  
Secretary  
Department of Family and Community Services

## Meeting people's needs - the Australian approach<sup>1</sup>

Government organisations in Australia must meet new and increasingly higher standards in their interaction with their customers. Recipients of government programs and services are increasingly being recognised as vital contributors to an overall improvement in the conception, development and delivery of those programs and services. Government organisations are responding by looking at their own behaviours, and at the complex set of interactions that result in customer satisfaction.

The Family and Community Services portfolio encompasses several parts, including.

- The Department of Family and Community Services, known as FaCS, which, as the name suggests, is the department of state responsible for the government's social policies and programs that assist individuals, families and communities;
- Centrelink, the government's service delivery agency, which delivers income support payments and other financial benefits on behalf of FaCS, as well as services for other government agencies, and is playing an increasingly important part in implementing major changes to Australia's welfare system;
- the Child Support Agency, which assists separated parents in their responsibility for the financial support of their children; and
- the Australian Institute of Family Studies, Australia's premier research agency in this area.

Each part of the portfolio, but particularly FaCS, Centrelink and the Child Support Agency, is putting considerable effort into developing and maintaining relationships with its customers and partner organisations. Portfolio agencies actively contribute to the development and implementation of good social policy and good social services.

And we are striving to make them satisfied with their interaction with us, as we strive to meet their needs.

This paper describes some of these efforts, and why they are important for the government, for the portfolio agencies, and for our customers, the people of Australia.

This paper will provide some background on how we came into existence, and some information on major changes that we are involved in. I will then discuss the topic of this paper – meeting people's needs. I will do this by describing the service delivery activities of FaCS itself, through its non-government partners, and the parallel activities of Centrelink and, more briefly, the Child Support Agency. If there is time I will cover some of the processes that FaCS and Centrelink use to provide quality control and assurance in their relationship.

You will notice one strong theme running through this paper – that we meet people's needs by treating them with respect, by providing (as much as possible) an individual and direct relationship between government officials and their customers, and that we care very much about keeping our customers satisfied – not by necessarily giving them everything that they might want, but by behaving in a professional, respectful and helpful manner.

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<sup>1</sup> Presented by Mr Mark Sullivan, Secretary, Australian Department of Family and Community Services, at a seminar prior to the 10<sup>th</sup> meeting of the ASEAN Social Security Association, Ho Chi Minh City, Vietnam, 1 August 2002

## **Background**

In order to understand how and why the Family and Community Services portfolio is so concerned with the question of customer service and meeting people's needs, you might like to know some of our history.

In Australia, the overall responsibility for the welfare of our people lies with the Federal government. In 1997 the Department of Social Security within the Federal government was split into two parts. Social policy stayed with the department, but the task of delivering income support to Australians – together with some other government services - went to a new government organisation known as Centrelink.

This was an important change because it made it possible for the policy department to focus on and get better at devising effective social policy, and enabled the service delivery component – Centrelink – to get better at dealing with people and meeting their needs.

A further important step forward was in 1998, when the Australian government merged the Department of Social Security with community services, housing and family and child services from other departments.

The community services and housing elements have linkages with State and Territory governments and thousands of small and large organisations all around Australia.

The Child Support Agency, which assists separated parents to take responsibility for the financial support of their children, came from our Taxation Department.

All of these were brought together to form the Department of Family and Community Services, known as FaCS, and the broader Family and Community Services portfolio.

The Australian government made it very clear that this was done for one central purpose. This was to bring the various elements of government that were involved in the creation of social policy and its delivery together, in the one ministry, to start to build a comprehensive and fully integrated approach to the social policy needs of individuals, families, and communities. To add to this, last year the government transferred the responsibility for youth policy and services to FaCS.

The key responsibility of FaCS is to create and manage government policies, programs and services that contribute to creating stronger families; stronger communities, and greater economic and social participation by all people in our society.

As a result, the nature and scope of our policy interests are changing and broadening. Our broader role requires greater emphasis on preventing social disadvantage by building the capacity of people and communities to deal with their own problems and through government bodies intervening early, where this is needed.

We are ensuring that our programs and policies promote independence, choice and self-reliance, rather than just deal with social symptoms.

And we are continuing to maintain a strong and sustainable income support safety net - one that catches people when they fall, and puts them back on their feet as quickly as possible.

I want now to describe briefly two of the key approaches that underpin our new directions – the initiative called *Australians Working Together*, and the government's Social Coalition

### **Australians Working Together**

In 2001 the Australian government announced major changes to the ways it would encourage and support people to participate economically and socially in community life. This is a new whole of government approach to economic and social participation and is called *Australians Working Together*.

It is part of a broader agenda for welfare reform and represents one of the most fundamental changes in Australian social policy in recent times and has led to further changes in the delivery of government services to the people of Australia.

Helping people get a job is the best way to combat the problem of long-term unemployment. We are therefore putting into place programs that provide a more personalised assessment of needs, and ways to meet those needs.

We are providing more opportunities for training and work experience, better incentives and reasonable requirements for people to find work, increase their earnings or contribute to our society and their community.

There is more assistance for parents, increased help for mature people to update their skills and better assessment of and more employment assistance for people with disabilities.

One example of this new approach is the Personal Support Programme, which began on 1 July 2002, and aims to assist people who are most vulnerable in the community. People with significant or multiple barriers to employment through personal circumstances (like homelessness, mental illness, drug dependency and alcoholism) are assisted through a more flexible and relevant approach.

It goes without saying that the future success of the *Australians Working Together* initiative relies heavily on the ways in which the various parts of the social support 'system' work together. FaCS, as the agency charged with ensuring the achievement of social support policy outcomes, is working closely with its partners to ensure that the overall approach to social policy and service delivery is characterised by collaboration and a focus on the customer.

### **The Social Coalition**

The Australian Government recognises that people, the community and business organisations are all involved in developing good social policy. It also recognises that government does not have all the answers, or all the ways in which people might be helped, and that it needs to work through and with others to develop and deliver Government outcomes.

It calls this approach of cooperation with community and business organisations, the 'social coalition'.

This social coalition idea brings together community and service delivery organisations, academics, business leaders, consumer representatives, and government officials to provide advice to the government on policy, program implementation and service delivery issues.

The intention is to use the combination of government, business and community expertise to build capacity and self-reliance, and to develop more flexible approaches to meeting people's needs. The more open approach of "social coalition" thinking also aims to develop a higher level of trust in government and better use of resources, by ensuring all the available expertise and ideas are included.

One part of this process is the provision of funding to national community-based organisations that represent particular interests such as welfare, homelessness, disability, children's services and family relationships, to help them contribute to government policy and service delivery. These organisations channel information between government and their membership and provide a consultative mechanism for the government. Another part is the Prime Minister's Business and Community Partnerships, which brings together government, community and business leaders.

### **FaCS Service Delivery**

FaCS is meeting people's needs through its relationship with other governments, government agencies such as Centrelink, and the more-than 14,000 individual community based organisations and businesses.

The key point I want to make here is that FaCS actually does very little direct service delivery. Instead, we achieve the government's objectives by working through a whole range of other organisations:

- inside government such as Centrelink and our State and Territory governments; and
- outside government, such as community organisations or for-profit businesses, to deliver our policies and products.

There are many reasons for our working in this way, including ensuring that people receive the most appropriate service that is tailored to their needs; achieving best value for money; and encouraging innovation in service delivery.

In 2001-02, we provided around \$1.3 billion Australian dollars to State and Territory governments and community organisations for them to provide and manage services such as public housing, care, support and employment of people with disabilities, for child care, to improve family relationships and to address homelessness.

Currently, we have contracts with over 13,000 organisations involved in the delivery of services and support to people all around the country. These include not-for-profit community based organisations and for-profit businesses. They range from small community groups run and staffed by volunteers, to large and professional multi service delivery agencies, such as those run by some church organisations. Last year, FaCS provided \$730 million to assist these organisations in their work, and to ensure the delivery of specific services.

FaCS' relationship with its service providers; with community organisations; and with individuals who contact us or use our services, is outlined in its *Customer Service Charter*. I want to now briefly discuss the underlying principles of the FaCS Charter because it describes the behaviours that we believe go into customer service, and through this, meeting people's needs.

### **Professional**

We will be professional in all our dealings with our customers. This means that we will be thorough, fair and ethical in the conduct of our work. We will show dignity, respect and courtesy.

### **Accurate**

We will provide accurate and relevant information. We will keep our information services and contact details up-to-date (including our Internet site). Where we are asked for information that is not available, we will explain the reasons or refer the customer to the right source.

### **Fully Informed**

We will explain our reasons clearly for any decisions we make. If the customer is dissatisfied with our decisions, we will explain the options and processes available. We will advise if a matter raised falls outside the responsibility of our Department and refer the customer to the right organisation.

### **Confidentiality**

We will treat all information confidentially in accordance with the Commonwealth privacy provisions and laws.

### **Access**

We will strive to make our services and information easily accessible and understandable.

We will be easily contacted during normal working hours by telephone, TTY, fax, e-mail, letter and in person.

### **Prompt and responsive**

We will answer the telephone promptly and identify ourselves by name and/or work area. We will call back within one working day. If the person you wanted to speak to is unable to call back personally, someone else will.

When you write, fax or e-mail us, we will reply within 21 days of receiving it. If we cannot answer in that time, we will send an acknowledgment and let you know when you can expect a reply.

When asking for information under the Freedom of Information Act 1982, we will acknowledge the request within 14 days and provide a decision within 30 days of receipt of the request. If other parties need to be consulted, we will provide a decision within 60 days.

### **Participation**

We aim to consult widely to make sure that the views of our partners, clients and stakeholders are properly considered in developing or reviewing policies or services. We will also provide as much time as possible for comment on any proposals that affect the way we do business.

## **The FaCS/Centrelink Relationship**

I now want to turn to the major service delivery agency in the Family and Community Services portfolio, Centrelink, and the approaches it is taking to meeting people's needs.

The relationship between FaCS and Centrelink has previously been described as a purchaser –provider relationship. It is true that it has some of the characteristics of such an arrangement, but neither of us is really an unfettered purchaser or provider.

Instead, it is better described as an alliance between two independent but inseparable government organisations. The work that we each do is entwined in the work of the other. We cannot be fully effective without each other. At the same time, we each have our areas of expertise, and our separate responsibilities. And we both report to the same Minister.

To give this some context, I need to explain that Centrelink receives no direct government funding. Instead, it is paid by each of the government departments that own the services that it delivers. FaCS is by far the largest of these client departments and we provide around 90 per cent of Centrelink's income. At the same time, Centrelink delivers around 80 per cent of our payments and services.

Our structure has some deliberate tensions and challenges. However, through these, we collectively produce quality public policy and service delivery, and desired outcomes for government and the Australian people

The welfare reform measures previously described will dominate the social policy agenda for the period of the current Agreement (for 2001-2004) and FaCS and Centrelink will work closely together to see that the Australian Government's vision for welfare reform is implemented.

The alliance between FaCS and Centrelink is articulated in a formal agreement, called the Business Partnership Agreement. The Agreement details the principles and corporate aspects of the relationship, a relationship that is unique. It is not an agreement to outsource government services; rather, it details the partnership arrangements agreed between two parts of the government which have their own separate and important expertise to meet the needs of people in our communities.

The Agreement sets out the payments, products and services Centrelink delivers. It blends elements of purchaser/provider responsibilities with good partnership behaviours and a shared commitment to improvements in policy and service delivery.

Although it is a three-year agreement, it is reviewed each year to see that it continues to meet the needs of customers and contribute to the Government's social policy aims. It is also possible to vary the Agreement at any time with the agreement of both agencies.

Also included in the Agreement is a statement of where we want the relationship to be in 2004, when it will be time to negotiate a new agreement and we will have a better understanding of the impact of the welfare reform measures.

## Centrelink's Focus on Customers

One of the central purposes of the Australian government when it created Centrelink was to ensure that it was able to focus very strongly on meeting people's needs. It is therefore not surprising that Centrelink has a strong focus on customer service, and is achieving results.

As the agency that relies on Centrelink for delivery of 80 per cent of its services, I am pleased to say that customers are satisfied. The most recent customer satisfaction rating on Centrelink's people, services and information was 75% - within 1% of its record high achieved in November 2000.

Customer satisfaction with the level of service received on the last visit to their Customer Service Centre (including the quality of people, services and information) has increased to a new high of 84.3% (up 5.7% from November 2000).

Customer satisfaction with the quality of service received from Call Centres on the last occasion they telephoned Centrelink (including the quality of people, services and information) has also increased to a new high of 85.3% (up 10.2% from November 2000).

The satisfaction of customers living overseas with the quality of service received from International Services on the last occasion they telephoned Centrelink (including the quality of people, services and information) remains exceptionally high at 94% (down 3% from November 2000). 87% of Centrelink's customers said the service they experienced on their last visit or phone call met or exceeded their expectations.

Like FaCS, Centrelink has put considerable effort into its Customer Charter - the public expression of its commitment to good customer service. It clearly and simply states:

- how staff promise to treat customers;
- how customers can assist staff in servicing them better;
- customers' rights;
- customers' responsibilities; and
- how customers' can give feedback on the service they receive.

Copies of the Charter are available to the public at all Customer Service Centres and it is located on Centrelink's web site. The fifth version of the Charter was released in September 2001.

Centrelink's performance can be best measured against the commitments it makes in the Charter through the eyes of its customers. It uses a range of tools to identify the quality of a customer's experience, such as:

- exit interviews;
- direct observation or telephone service appraisal;
- replay of interaction with customers;
- customer satisfaction surveys;
- a customer complaints line;
- customer focus groups and Value Creation workshops; and
- feedback from other agencies (such as quality of referral).

Several market research companies are also contracted each year by Centrelink, to conduct regular surveys of its customers. They are asked to find out how satisfied



customers are with the service that is provided, whether face-to-face or over the telephone. The views of around 65000 customers are sought each year. Taking part in these surveys is voluntary.

The privacy of people who participate in the surveys is protected and it is not possible to identify which customers have taken part in a survey or what their individual responses were.

One of the most exciting developments in government service delivery is occurring right now, in recognition that the experiences that customers have in their dealings with Centrelink and that impact on:

- their perceptions of and confidence in the service delivery arm of government,
- the costs of delivering government services, and
- the extent to which the government's policy agenda is achieved.

There are many aspects that go into making a customer's interaction a positive one - from the 'small' things like how well officers treat them (friendly and courteous service) through to the ease with which they are able to access services (either physically or virtually) - and the impact this experience has on outcomes for government and the citizen.

For this reason, Centrelink is developing its first *Customer Experience Management Strategy*.

While there are some similarities between this focus on Customer Experience Management and Customer Relationship Management efforts in the private sector, there are also some important distinctions.

For example, Centrelink is not looking to sell products to customers who fall into particular demographic groups. Instead, it is seeking equity and access - important concepts underpinning the delivery of government services. Also, profit is not part of the bottom line.

However, in the same way as for Customer Relationship Management in the private sector, Centrelink knows that working more closely with customers will give a better understanding of their expectations, preferences and behaviours and, as a result, enable the delivery of a higher quality service.

Centrelink has recently appointed a Chief Customer Officer to lead the development of this strategy. Early work in this area has focused on looking beyond organisational boundaries to see what other governments (domestically, internationally, and at all levels) and non-government organisations are doing about getting to know their customers better and how they are using this knowledge to respond more effectively to their customers' needs.

Work is also underway to identify the potential to deploy new technologies which give customers greater choice in the ways they access services - in the same way as they have come to expect these in other parts of their lives, such as on-line transactions.

We need to understand that changes in service delivery occur within a broader environment, and how people feel about these changes. It is important that

governments respond to service delivery initiatives that have citizen support and improve or simplify the accessibility of government services.

Apart from the possibilities for improved service, there are potential financial gains to government where citizens are eager to migrate to 'self-servicing' or other less expensive options than those reliant on personal interaction. This gives government the opportunity to use resources where they are needed most, in areas where intensive and personalised intervention is required for a positive outcome.

### **The Australian Child Support Agency**

The Child Support Agency was developed in 1989 to assist separated parents to take responsibility for the financial support of their children.

The aims of the Child Support Scheme are to ensure that:

- Parents share in the cost of supporting their children, according to their capacity
- Adequate support is available for all children not living with both parents
- Commonwealth involvement and expenditure is limited to the minimum necessary to ensure children's needs are met
- Incentives for both parents to participate in the labour force are not impaired and
- The overall arrangements are simple, flexible and efficient.

The Agency consists of more than 2500 staff around the country assisting around 1,000,000 Australian parents. It became part of the Family and Community Services portfolio in 1998.

Before the Child Support Scheme was introduced, child support could only be obtained by the parents reaching an agreement, or by seeking an order from a Court. Less than 30% of parents had court orders for child support. Only 25% of those parents paid or received child support. Court orders were for low amounts (\$10-\$30), and parents had problems with court access and enforcement. As a result, social welfare payments increased to bridge the gap.

Since the inception of the Child Support Scheme, approximately 90% of child support liabilities have been paid. Around \$1.3 billion in child support was transferred between parents in 1998-99. Nearly 1 million parents use the Child Support Agency, and approximately 70% of parents pay regularly.

The Child Support Agency has an enviable record in meeting the needs of its customers, many of whom are coping with the emotional and financial results of separation.

One of the mechanisms that was put in place in the early days of the Agency was a recognition that its work was about its meeting the needs of its customers. As an example, all staff regard their primary role as one of customer service. Nowadays, the Agency does not use Call Centres to handle queries – answering phones and resolving problems is a normal part of the work of every staff member. As a result, callers feel that they have dealt with someone actually working on their issue.

I mentioned the Customer Service Charters of FaCS and Centrelink earlier. I'm therefore very pleased to add to this by saying that the Child Support Agency won

awards in three categories in the Australian Government's Service Charters Awards for Excellence in June this year.

The Service Charters - Awards for Excellence scheme aims to recognise the high standard of service provided to the Australian public by departments, agencies and their staff. The awards are conducted by the Australian Public Service Commission, and a panel of judges representing various organisations assess all submissions.

The Child Support Agency was recognised with Gold Awards for "Demonstrated excellence in integrating service charters into core service delivery outcomes and organisational culture" and "Demonstrated excellence in service charters driving service delivery to rural, remote and regional Australians". It also received a Silver Award for "Demonstrated excellence in service charters driving online service delivery".

### **Business Assurance Framework**

As a government agency we need to be sure that our programs and policies and the service delivery activities of our partners are having an impact in the community. Using our relationship with Centrelink as an example, FaCS needs to have a clear assurance that the right money is reaching the right people at the right time and over the right periods, and to the right effect.

The Business Assurance Framework is a key mechanism in this process because it provides reliable information on Centrelink's performance to FaCS, to other client agencies, to Centrelink customers, to the general community, and to Government.

The Business Assurance Framework provides an assurance of technical correctness – that is, that payments and services meet legal, legislative and contractual requirements. It provides information on business outcomes that have been achieved. It tells us about customer service, and about organisational performance.

This framework involves three layers of measurement: quality control, quality assurance, and external assurance.

Quality control encompasses all of the processes where Centrelink's line managers are accountable for assuring us of the integrity of our outlays. Some of the mechanisms includes in-office checks (mainly using a particular information technology solution called the "Quality On Line" tool), checking at the level above the line managers (in Areas), and current National Validation Surveys.

Quality assurance encompasses those processes carried out by Centrelink, but outside line management responsibility, such as random sample surveys that confirm the right money is getting to the right people.

External assurance includes the work that people in FaCS do to confirm the integrity of Centrelink's work for us (such as the quality assurance checks carried out as part of the random sample surveys), and a process of independent assurance provided by the Auditor-General.

The first stage of our Business Assurance Framework focuses upon payment correctness and commenced on 1 July 2002. This stage will focus on financial risks,

providing FaCS and the Government with reasonable assurance that its \$52 billion dollars in outlays are correct.

To decide if a payment is correct, you first have to agree on what goes into making it correct, or incorrect. We need to do this for each of the different types of payments that are made on our behalf. These criteria are largely drawn from the Social Security legislation, and will reflect processes required for correct payment outcomes.

Many of these criteria are common across payments, such as the processes that are used for proof of identity. Some are specific to particular payments, such as the residence requirements for an Australian Age Pension.

Applying the three measures of quality control, quality assurance, and external assurance, the Quality Control on payment correctness is done by Centrelink in the service delivery network. It is heavily based on its Quality On Line decision checking tool and associated management processes.

Quality Assurance is provided through surveys that examine the payments made in a random sample of customers, checking these for accuracy, and through Centrelink's own internal audit processes.

External Validation is undertaken by FaCS and includes random sampling for correct process and assessment of system accuracy.

The culmination of these processes is that Centrelink will provide a signed assurance statement to FaCS at the end of the financial year. At the same time, FaCS program managers will be able to sign that they have been given reasonable assurance that payment outcomes are correct.

After the initial focus on payment correctness, Centrelink and FaCS have agreed that the second and third stages of the Business Assurance Framework will focus on the key issues of customer service and service delivery.

*Stage Two* will measure the customer experience by agreeing on and measuring common definitions of what constitutes good customer service. *Stage Three* will measure the non-payment related work of Centrelink's specialist officers such as Personal Advisers, Finance Information Specialist Officers and Social Workers.

At the same time as we are implementing the first stage, FaCS and Centrelink are working together to develop criteria for the second stage which will focus on assuring quality service delivery for each customer and appropriate customer referrals. Implementation of the second stage is planned to begin from January 2003.

## **The Future for the Australian Approach**

Clearly, the partnership between FaCS and its service delivery partners brings together the two key elements of 'meeting people's needs' – FaCS is able to concentrate on the development of 'what' gets delivered to citizens to improve their social well-being (the policy) while service providers such as Centrelink, the Child Support Agency and community-based organisations draw on their considerable experience with customers to shape the 'how' of program and service delivery.

What should be clear by now though, particularly in the relationship between FaCS and Centrelink, is that there is no absolute and definitive delineation of our roles. Each is reliant on the other to be able to do its work effectively.

Centrelink's dispersed service delivery network and its close relationships with both the customers of social services and the other local providers makes it a key resource for FaCS. This is one of the areas where we have been working together to identify better practice approaches. We want to ensure that the 'loop is closed' by establishing mechanisms to feed back the experience of policy-in-operation from Centrelink staff on the ground to the policy developers in FaCS.

We are also working closely to move to more sophisticated descriptions of what we will each bring to the partnership in terms of delivering good social policy and good social services. To this end, we want to better define the Key Performance Indicators that underpin our relationship so that outcomes (rather than the inputs, processes and outputs) can be focused on what we are trying to achieve. We believe this will also be a better motivator for those people with responsibility for delivering Australia's social support programs and services. FaCS is prepared to enunciate what it will bring to the partnership to support the work of our service delivery partners.

An important element of the work we are doing with Centrelink centres on the ways in which we can ensure that the programs to which citizens are connected are yielding results for them.

Because of the ways programs are currently constructed and delivered, there can be a number of players involved in the provision of a 'complete' package to assist a customer. This can result in customers having to repeat their circumstances more than once and there is no guarantee (unless local relationships are well-developed between the various providers) that customers have been linked into and are accessing the full range of assistance for their circumstances.

We are working with Centrelink and other Government agencies to see how we can better track what is happening to our mutual customers so that appropriate programs are provided and that those programs that are not working so well are reassessed. This is an exciting way of thinking about how the various parts of the social support system can work together with a focus that is less driven by territorial considerations than by a genuine desire and commitment to collaborate to achieve positive results for our customers.

## **Summary**

I have talked about the values of customer service, and how each of the agencies that make up the Family and Community Services portfolio have sought to address the challenges of addressing the needs of their customers.

Some might still ask what customer satisfaction has to do with meeting people's needs. Surely the most important thing to focus on in a pension or income support environment is to ensure that contributions are paid and accounted for, that fraud is prevented, that relevant information is collected and verified, and that any payments are made accurately and on time.

Australia does not have all of the answers and there are many things that we still do not do well in the broad area of social policy and reform. But we have the drive and the desire to get better, and a clear idea of how we might get there.

As neighbours, and as an agency involved in social security, we offer to share our experiences, our learnings, and our failures, in the hope that this might be of some value to you in your own endeavours. We also wholeheartedly and sincerely hope that you may offer to share your experiences, learnings and insights with us.