



Australian Government



Centrelink

annual report 2008–09



meeting the challenges

Centrelink annual report 2008–09

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Australian Government



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The Hon Chris Bowen MP
Minister for Human Services
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present to you Centrelink's Annual Report for the year ending 30 June 2009.

This report has been prepared as required under subsection 40(1) of the *Commonwealth Services Delivery Agency Act 1997*. Subsection 40(2) of the Act requires you to present this report to each House of Parliament within 15 sitting days of the day after which you receive it.

I would like to acknowledge the ongoing dedication of Centrelink employees in providing high quality customer service to customers and in supporting the Government in implementing its initiatives.

I would also like to thank the Department of Human Services in assisting Centrelink to build stronger relationships with you, with other portfolio agencies and departments and with the Government.

Yours sincerely

Finn Pratt PSM
11 September 2009

Centrelink—meeting the challenges



... of dealing with disasters and emergencies

In early 2009, with bushfires raging in Victoria and North Queensland experiencing the highest rainfall in two decades, Centrelink quickly responded to both disasters by drawing on resources from across the country.

Tim from Lismore Customer Service Centre in New South Wales volunteered to help in Victoria. Within hours he arrived in Melbourne and took on the job of Trip Leader for Wandong, a small township devastated by the flames.

'Each day, we travelled out to Lilydale and Wandong where I worked with the team to offer immediate financial help and support for bushfire victims', Tim said.

Centrelink Senior Social Worker in Townsville, Vicki, shares Tim's admiration for the community spirit and selfless attitude shown by people in times of natural disaster.

Working in Ingham after the North Queensland floods, Vicki says: 'Many people were traumatised, had nowhere to live, with their property and possessions ruined. It was an indication of their strength and resilience that so many of them expressed concern for people affected in the Victorian bushfires, rather than focus on their own situation'.

Travelling by light plane and four wheel drive, Vicki's team of social workers, along with the emergency processing team, covered a lot of ground. 'We would set up each day in the Centrelink and Medicare offices, and in the recovery centre. We also visited the evacuation centre, surrounding communities, hospitals, aged care homes ... anywhere there was a vantage point', Vicki said.

'The key to the recovery was working alongside the Red Cross, Lifeline, Ingham Council and other organisations to ensure a coordinated approach to delivering the range of personal support services and assistance that people needed.'

Centrelink—meeting the challenges



... of responding to the global financial crisis

In one of the organisation's biggest undertakings on record, in December 2008 Centrelink successfully delivered millions of payments to customers under the Australian Government's Economic Security Strategy.

Designed to boost domestic spending in response to the global financial crisis, the payments mainly went to seniors, pensioners, carers and families. This involved automatically transferring over \$8 billion in payments to the bank accounts of around five million customers.

In delivering the measure, Centrelink drew on proven methodology and widespread resources to ensure eligible customers were paid the right amount, on time.

'With a public awareness campaign running beforehand, we also had to gear up for an unprecedented level of enquiries', National Manager, Stephen Kelly said.

'We used all the available workstations in our 25 Call Centres, and worked at maximum capacity for two weeks in early December.'

In a further initiative to stimulate the economy, Centrelink also transferred over \$4 billion in bonus payments to around two million customers as part of the Government's Household Stimulus Package.

Stephen says: 'Of course, none of this could happen in such short timeframes without significant IT involvement. Behind the scenes, staff from Centrelink's IT Group worked flat out to make sure all the payments went into people's bank accounts by the due dates'.

Centrelink—meeting the challenges



... of delivering services to remote Australia

With more than 15 000 customers in the Northern Territory subject to Income Management, in September 2008 Centrelink implemented the BasicsCard to give people a fast and easy option to access their income-managed funds. Replacing the old stored value cards, the BasicsCard is PIN protected and can be used in hundreds of outlets through the EFTPOS system.

The use of the BasicsCard has since been extended to include the Cape York Welfare Reform Trial in Queensland and the Child Protection and Voluntary Income Management measure in Western Australia.

Centrelink issues the BasicsCard to customers during face-to-face interviews, and spends time explaining what they are for and how to use them.

Centrelink has introduced a 1800-number to assist BasicsCard customers to obtain their BasicsCard balance. The 1800-number is a free call from a landline or public phone but a charge does apply from a mobile phone. If the customer requires additional services or information they can call the current Income Management line on 13 2594.

Centrelink—meeting the challenges



... of communicating effectively with customers

When the first issue of Age Pension News went to press in 1989, Editor Hank Jongen was sure that the then Department of Social Security was on to a 'winner'.

'We'd done our research and anticipated that seniors would respond well to the newspaper style publication.'

Twenty years on and Hank says: 'It worked and continues to work for Centrelink as a very effective way of reaching this important and growing customer group'.

Renamed and revamped as News for Seniors in 2004, the publication now goes to more than two million customers in 16 languages, compared to 1.3 million customers and 11 languages in 1989. News for Seniors is the largest circulation commercial magazine in Australia.

Hank says: 'While we are moving more to web-based communication products, we know that many seniors still do not have access to the internet. So giving them accessible and easy to read information in print remains a high priority for Centrelink'.

Centrelink—meeting the challenges



... of using cutting edge technology

With over 27 000 employees administering around \$86.8 billion in payments to 6.8 million customers each year, Centrelink is committed to ensuring that its vast database of sensitive information is kept private, secure and safe from hackers.

A key challenge is how to make Centrelink's systems more secure without compromising the efficiency of services to customers by adding more layers of processes to control access. Centrelink responded to this challenge innovatively by developing world-first technology to support the planned deployment of new ID cards for all staff.

Developed and rigorously tested in-house, Centrelink's Protocol for Lightweight Authentication of Identity (PLAID) is a smartcard authentication protocol. It was designed to support faster and more convenient computer systems access, while providing excellent security. The protocol can also be used for building access.

Centrelink IT security expert Will says: 'The protocol is quite ingenious in that it combines speed, privacy for the cardholder, and system security at higher levels than ever before. We're looking forward to using the technology with our own smartcard based ID cards in the future'.

Reviewed by the Australian Defence Signals Directorate and the United States Government National Institute of Standards and Technology, the protocol is to be published as a formal Australian Standard, and made available for use by anyone in the world.

About this report

This annual report was prepared in accordance with the *Requirements for Annual Reports*, issued by the Department of the Prime Minister and Cabinet. The report focuses on Centrelink's accountability and performance during 2008–09. Based on the theme 'Centrelink—meeting the challenges', the report reflects Centrelink's commitment to open, accurate and accessible public reporting.

The challenge of reporting performance against only one outcome has led us to once again structure the annual report in line with the Centrelink Balanced Scorecard's five strategic themes. The scorecard is Centrelink's main performance monitoring, reporting and management tool.

Chapter 1: Centrelink Chief Executive Officer, Finn Pratt, highlights the year's challenges and achievements and looks to the future.

Chapter 2: The *Corporate overview* covers Centrelink's organisational structure, governance arrangements, its risk management approach, and the basis for reporting.

Chapter 3: *Building confidence in Centrelink* shows how Centrelink met the Minister for Human Services expectations, delivered services on behalf of departments and agencies, managed compliance and fraud, and implemented Budget and other government initiatives.

Chapter 4: *Strengthening our customer focus in line with government direction* includes the many proven and innovative ways that Centrelink delivers government payments and services to customers, Australia-wide and overseas.

Chapter 5: *Developing a networked organisation* demonstrates Centrelink's capacity to involve the community, businesses and other levels of government to deliver payments and assistance, especially following natural disasters and other emergencies.

Chapter 6: *Building capability for government* illustrates how Centrelink supports and values its people, ensures workplaces are safe, and uses the latest information technology to deliver services to customers.

Chapter 7: *Demonstrating value for money* measures Centrelink's performance and accountability in the areas of revenue, expenditure and net operating result.

Chapter 8: Audited by the Australian National Audit Office, Centrelink's Financial Statements are prepared in line with Section 57 of the *Financial Management and Accountability Act 1997*.

Chapter 9: Nineteen appendices respond to a number of mandatory reporting requirements and expand on other areas of interest.

To help readers find what they are looking for, the report also includes **contents** pages, a **compliance index**, a **glossary**, a list of **short forms**, and an alphabetical **index**.

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