



Australian Government
Department of Human Services



Social Services Portfolio
(Department of Human Services)
Annual Deregulation Report
2014

Foreword

The Australian Government has made reducing regulation an important priority, with a clear commitment to cut unnecessary red tape by \$1 billion each year. In supporting the Government's objectives to reduce the burden of regulation on individuals, businesses and community organisations, the Department of Human Services (the department) has made a substantial contribution to reducing red tape in 2014.



The footprint of Government services delivered by the department reaches nearly all Australians, providing many touch points for cutting red tape in individuals' interactions with Government. The services and activities provided by the department, for example through Medicare and Centrelink payments and services, occur on behalf of a range of agencies including the departments of Social Services, Health and Employment. In these circumstances the department's deregulation and red tape activities have focused on improvements in service delivery.

The number of people using the department's digital and online services continues to rise. For customers this means access to information and services at a time and place convenient to them.

In 2014, the department made significant enhancements to the myGov service, which provides a centralised, online point of access for Government services, including Medicare and Centrelink payments and services. By the end of 2014, 6.1 million Australians had created a myGov account, providing them with secure access to a range of digital services using a single username and password. MyGov is pivotal in shifting major Government services and interactions with individuals online. For example, by the end of 2014 over 35.4 million digital letters had been sent to customers using the myGov inbox digital mail service.

These innovations are making a real difference for Australians, and there is more to be done. The Government continues to look for ways to make Australians' day to day lives easier by simplifying their interactions with Government. I look forward to continuing to actively support the Government's deregulation objectives in 2015.

A handwritten signature in blue ink that reads "Marise Payne". The signature is fluid and cursive, with a long horizontal flourish at the bottom.

Senator the Hon Marise Payne
Minister for Human Services

18 March 2015

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Portfolio highlights

In 2014, the Department of Human Services (the department) delivered a total net saving of \$109.1 million in red tape costs.



Major red tape savings for individuals were achieved through a range of changes which significantly improved access to Government digital services via myGov and the department's online and mobile app services. These initiatives helped streamline customers' interactions with the department, including reducing the need for customers to call the department or visit a service centre.

To support the Government's deregulation agenda, the department has undertaken a number of activities, such as:

- Establishing a deregulation unit, with responsibility for coordinating the department's deregulation activities. The deregulation unit's activities have included engaging with business areas in the department on opportunities to reduce red tape and working with other Government departments to identify areas for potential joint reform.
- Undertaking an audit of regulation in line with the Government's requirements to identify the regulations which the department administers. This included where the department administers regulation on behalf of another department.
- Communicating the Government's expectations of regulators to the areas in the department with responsibility for functions of a regulatory nature.
- Engaging with external stakeholders through its existing consultation forums. The department consulted with stakeholder groups on a range of deregulation matters including opportunities to reduce red tape and findings from the department's audit of regulation.

Making it easier for Australians to access Government services

The transformation of digital services for the department's customers means that it is now much easier for them to obtain information, make claims and access services without having to call the department or visit a service centre. For example:

Tanya is now able to have easy access to her concession cards via her smart phone. At the press of a few buttons Tanya can display her concession card on her smart phone straight away. If Tanya needs a replacement card, she has the option to access it through a digital service and doesn't have to visit an office or call to arrange a new physical card.

As a result of work undertaken throughout 2014, the department is well-placed to continue implementing the Government's deregulation agenda in 2015.

Summary of key regulatory savings and costs 2014

Table 1: Summary of key deregulatory savings reported or announced between September 2013 and 31 December 2014

KEY MEASURES ¹	Reported (\$ million)
myGov	\$54.62
Digital Wallet	\$8.21
Circumstances update – income and assets	\$7.42
Online claiming – Newstart Allowance	\$7.31
Online claiming – Parenting Payment	\$5.11

¹ Appendix A lists other measures contributing to the department's total regulatory savings.

Regulation Impact Statements

The department has consulted with the Office of Best Practice Regulation throughout the year and has not been required to submit a Regulation Impact Statement for any of the department's 2014 initiatives.

Table 2: Regulation Impact Statement compliance 2014

Department	RIS Compliance	PM's Exemptions	PIR required
<i>Department of Human Services</i>	N/A	0	0

Portfolio activity supporting the Government's red tape objective

Deregulation Unit

The department's deregulation unit was established in October 2013 to coordinate the implementation of initiatives under the Government's deregulation agenda. The Deregulation and Red Tape Reduction Branch is headed by a Senior Executive Service officer and funded from existing resources. As at 31 December 2014, the Deregulation Unit had twelve staff including the National Manager, Deregulation and Red Tape Reduction, who reports directly to the Secretary on matters of policy.

The Deregulation and Red Tape Reduction Branch is responsible for:

- providing support to business and service delivery areas in the department on requirements under the deregulation agenda
- supporting the identification and calculation of initiatives to reduce regulatory burden for individuals, businesses and community organisations
- fostering a culture of red tape reduction that makes it easier to interact with the department.

Additionally, the branch is responsible for meeting requirements under the agenda as set by the Department of the Prime Minister and Cabinet, such as conducting an audit of the regulation administered by the department, regular reporting of deregulatory activities and coordinating contributions to the Government's repeal days.

Ministerial Advisory Councils

The Government's deregulation agenda includes seeking external advice on opportunities to reduce red tape. In considering appropriate arrangements for obtaining external advice, the former Minister for Social Services, the Hon Kevin Andrews MP, asked that the portfolio continued to engage with its existing, ongoing consultation groups.

In line with that approach, the department meets with existing consultative groups to facilitate stakeholder consultation on deregulation and red tape reduction matters. These stakeholder consultation groups represent the interests of individuals, third parties and businesses who interact with the department.

The deregulation unit consulted with five existing groups during 2014 on a range of deregulation matters. The department provided an overview of the Government's deregulation and red tape reduction objectives and members were invited to contribute to the agenda, including by suggesting areas where the department could investigate opportunities to reduce red tape and improve processes. Stakeholder groups were also consulted on the process and findings of the department's audit of regulation.

The Terms of Reference for each stakeholder group differ according to the different scope and role of each group. The existing terms of reference for each group have been amended to include advice on deregulation and red tape reduction opportunities for individuals, business and community organisations. The role of each of the stakeholder groups is outlined below¹.

¹ Further details on stakeholder groups can be found at page 137 of the department's 2013-2014 Annual Report.

National Welfare Rights Network

The National Welfare Rights Network (NWRN) includes community legal services specialising in social security and family assistance law and its administration by the department. NWRN member organisations provide assistance to individual clients, conduct training for community workers, and produce publications to assist social security recipients and community organisations to understand the system. At the twice-yearly meetings between the department and NWRN, information and ideas are exchanged on a range of issues.

Older Australians Working Group

The Older Australians Working Group has representatives of peak organisations and customer groups and allows the department to showcase service delivery developments. The group offers feedback on the current and potential impacts of service delivery on older Australians.

Child Support National Stakeholder Engagement Group

The Child Support National Stakeholder Engagement Group is convened jointly by the Department of Social Services and the Department of Human Services. It connects a broad cross-section of advocacy groups, the legal community, academics and peak bodies of support service providers. The group discusses current child support policy, child support service delivery and child support administration processes.

National Multicultural Advisory Group

The National Multicultural Advisory Group includes members from government agencies and peak bodies representing communities from culturally and linguistically diverse backgrounds. The group provides advice and feedback about the quality and effectiveness of the department's service delivery to multicultural customers.

Stakeholder Consultative Group

The Stakeholder Consultative Group (SCG) is the peak stakeholder consultation forum, where matters of a strategic nature impacting the department and the health sector are discussed. The SCG provides an opportunity for key stakeholder groups to engage with the department on its business priorities and programmes at a strategic level. As such, it allows a two-way exchange of views on issues of mutual interest.

Table 3: Department of Human Services stakeholder groups

Stakeholder groups	Meeting dates
National Welfare Rights Network	12 March, 23 June
Older Australians Working Group	25 June, 27 November
Child Support National Stakeholder Engagement Group	19 June, 25 November
National Multicultural Advisory Group	15 July, 23 October
Stakeholder Consultative Group	12 March, 23 June

The Deregulation Units of both the department and the Department of Social Services have been working closely to ensure that red tape reduction information from stakeholder meetings is shared.

Letters of Expectation

Under the Government's deregulation agenda, Ministers were required to issue a letter of expectation to heads of regulators within their portfolio advising them of the Government's expectations of regulators. While the department's primary function is the delivery of services on behalf of other agencies, it does undertake some activities of a regulatory nature, such as compliance. Noting these circumstances, the department consulted with the Office of Deregulation to develop an appropriate approach to meet the Government's intent in communicating expectations to regulators.

In March 2014 the department outlined to the Minister for Human Services how it would meet expectations under the Government's deregulation agenda that related to activities of a regulatory nature. Subsequently, these undertakings were formally communicated to relevant areas within the department responsible for regulatory functions under the Centrelink, Medicare and Child Support programmes.

The communication to the senior officials responsible for regulatory functions included the Government's expectation that, in contributing to the deregulation agenda, unnecessary or inefficient regulation should be identified and where appropriate, simplified or eliminated.

The communication also included that the department is expected to conduct regulatory activities through:

- exercising transparency and accountability in approaches to decision-making and adopting approaches, processes and communication practices that minimise regulatory burden and maximise clarity and transparency
- fulfilling its functions in accordance with relevant government legislation, policy and associated strategic direction
- adopting a risk-based approach in relation to regulation and compliance requirements, such as through the adoption of increased targeting of high risk activities and lesser regulatory cost approaches for lower risk activities.

The Audit of Regulations – major findings

The department conducted a two-stage audit to estimate the regulatory burden it administered as at October 2013. As the department provides services and payments for a range of agencies, the audit included service delivery activities on matters for which other agencies had responsibility under the Administrative Arrangements Order of 3 October 2013, including the departments of Social Services, Health and Employment. In conducting the audit, including the counting and costing of regulations, the department consulted extensively with these agencies.

The department delivers a range of services and payments for policy agencies. Consistent with the department's role as a service delivery agency, most of its regulation consists of procedural and administrative requirements for customers and third parties, which is based on meeting requirements contained in legislation administered by these agencies. These procedural and administrative requirements that are based on an expectation of compliance constitute quasi-regulation as they influence how an individual, business or community organisation engages with the department.

Stage one

Stage one identified and counted all regulation the department administers, including administrative processes based on legislation that is the responsibility of policy departments. Stage one found the department had a total regulation count of 2,060, consisting of three pieces of primary legislation, seven subordinate instruments and 2,050 quasi-regulations. The department does not have responsibility for any regulatory frameworks.

Stage two

The overall burden of the regulation administered by the department was estimated as \$3.7 billion. This figure includes regulatory activities which the department delivers for a range of agencies.

The department costed a high proportion of the regulatory activities identified in stage one of the audit and used this as a basis for developing an estimate of overall regulatory burden, as agreed with the Office of Deregulation.

The department engaged with its existing external stakeholder groups about processes and regulation administered by the department, including to discuss whether conclusions from the audit were aligned with their experiences. The feedback received from stakeholder groups was consistent with audit findings.

Appendix A: Measures implemented in 2014

Circumstance updates – Age Pension reduced income and assets reporting

- In June 2014, a change was made to more closely align the process for reporting income and assets with the associated policy.
- Age Pension customers now no longer update their income and assets if the total change in asset value is less than \$2,000. This change will reduce the number of contacts Age Pension customers make with the department to maintain their payment.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$2.64** million in red tape costs.

Circumstance updates – income and assets

- Since June 2014, the department increased online functionality for customers who need to advise the department of changes in their circumstances.
- The department's customers are now able to report changes in income, savings, shares and other assets through their personalised online profile, reducing the need for the customer to call the department or visit a service centre.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$7.42** million in red tape costs.

Circumstance updates – reporting employment income

- Since September 2014, customers reporting their employment income using their online account are now presented a streamlined question set.
- This reduces the number of failed activities and the need for customers to call the department or visit a service centre to ensure their employment is reported successfully to receive their payment.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$1.37** million in red tape costs.

Circumstance updates – study details

- In October 2014, the Department of Human Services increased online functionality for customers receiving student payments.
- In addition to the study details students could already update, they can now also advise of multiple changes to their study details in one transaction online. Additional features have been added such as the ability to remove a future course, advise of study load percentages, provide student identification and campus details. Students will be able to update more of their study details online at a time best suited to them, without being required to call the department or visit a service centre.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$2.71** million in red tape costs.

Digital Wallet

- Since April 2014, concession cards have been available in a digital format through the department's mobile apps.
- The Digital Wallet allows customers to view and show their concession card to concession providers, and for it to be accepted in the same manner as presenting a physical card. This means that customers who currently hold a concession card and need a replacement have the option to access a new card through a digital service without having to directly contact the department. Customers need concession cards reissued around half a million times each year.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$8.21** million in red tape costs.

myGov

- As part of a sustained suite of changes, the Department of Human Services significantly improved service delivery through access to government digital services via myGov.
- In May 2014, the myGov Inbox digital mail service became operational providing users with easy and secure access to digital mail from Centrelink, Medicare and Child Support. As at 31 December 2014, over 35.4 million digital letters had been sent to customers as they took advantage of the convenient electronic receipt and storage of correspondence.
 - myGov gives users access to government services through the use of a single username and password, thereby reducing the need for customers to remember multiple credentials and login multiple times on multiple government websites.
 - There were over 6.1 million active myGov accounts at 31 December 2014 with an average of 20,000 new accounts created every day.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$54.62** million in red tape costs.

myGov – On-boarding Department of Employment (Australian JobSearch)

- From December 2014, customers could link their Australian JobSearch accounts to their myGov account. This builds on the existing range of Government online services available through myGov which customers can access through a single account and log on.
- By having a single account and one set of credentials, job seekers no longer need to undertake the account creation process and manage multiple accounts for each of their online services.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$3.36** million in red tape costs.

myGov – Tell us Once

- In December 2014, the myGov Tell us Once service was implemented building on the existing functionality of myGov accounts. Customers are now able to log on to their myGov account, update their details, and have the option of this information being automatically notified to multiple linked services.
- Customers will save time by being able to provide their detail updates in one place online, rather than having to contact agencies separately and through various channels.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$2.03** million in red tape costs.

Online claiming – Newstart Allowance

- Since May 2014, claimants for Newstart Allowance have had access to a new online claim process.
- Job Seekers are now able to use an online account to claim Newstart Allowance, including submitting required documentation online using the Document Lodgement Service. The changes will reduce the amount of time Job Seekers are required to spend contacting the department to finalise their claim. Changes to provide and improve online claiming for Newstart Allowance are expected to benefit over 360,000 customers in the first 12 months.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$7.31** million in red tape costs.

Online claiming – Parenting Payment

- Since May 2014, claimants for Parenting Payment have had access to a new online claim process.
- Parenting payment claimants have the ability to check the status of their claims online, reducing the need for follow-up interventions due to incomplete claims that require contact by calling the department or visiting a service centre. Changes to provide online claiming for Parenting Payment are expected to benefit over 100,000 customers in the first 12 months.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$5.11** million in red tape costs.

Online claiming – Youth Allowance

- Since May 2014, job seeker claimants for Youth Allowance have had access to a simpler online claim process.
- The improved online claim process focuses on the most relevant questions and reduces the time students need to spend calling the department or visiting a service centre. Changes to provide and improve online claiming are expected to benefit over 90,000 job seeker claimants for Youth Allowance in the first 12 months.
- The Department of Human Services has estimated that this will lead to an annual saving of **\$1.87** million in red tape costs.

Streamlining administrative processes

- As part of a suite of changes, the Department of Human Services is improving service delivery by streamlining administrative processes.
 - Since March 2014, Family Tax Benefit (FTB) has automatically continued for customers when their child turns 16 years of age. This removes the requirement for customers to respond to a letter from the department, benefitting customers who currently receive FTB.
 - Since August 2014, the requirement for some customers to supply a rent certificate to receive Rent Assistance has been simplified, reducing the burden on customers to supply paperwork to the department.
- The Department of Human Services has estimated that these measures and other administrative streamlining improvements to service delivery will lead to an annual saving of **\$5.42** million in red tape costs.

Transforming digital services

- The Department of Human Services is improving service delivery by providing access to more government services through digital channels.
 - In April 2014, the department simplified and transitioned selected correspondence and activities from paper-based to self-service, such as online or smart device apps, which is contributing to the reduction of paper-based customer correspondence.
 - In October 2014, an online service was introduced enabling customers to reschedule certain appointments with the department without having to call the department or visit a service centre.
 - In November 2014, the department launched the Express Plus Child Support Program app, allowing Child Support customers to conduct a number of regular activities with the department on their mobile device. This included a range of commonly used services currently available in the Child Support online account, as well as new functionality specifically designed for the mobile platform. Customers will experience improved usability and be able to complete streamlined transactions.
- The Department of Human Services has estimated that these measures and other improvements to service delivery will lead to an annual saving of **\$7.03** million in red tape costs.

Appendix B: Legislation administered

The department has responsibility for administering three Acts under the Administrative Arrangements Order. The Acts are:

- *Australian Hearing Services Act 1991*, except to the extent administered by the Minister for Health
- *Human Services (Centrelink) Act 1997*
- *Human Services (Medicare) Act 1973*.

These Acts largely establish the governance arrangements for and provide for the statutory functions of the department. The department delivers a range of services and programmes for policy departments who have responsibility for legislation providing the authority to undertake these activities.