



Leading Australian Government Agency, **Centrelink**, Builds a “Networked Virtual Organization” to Improve Service, Quality, and Choice for Citizens

Public programs often are associated with bureaucracy and inefficiency. In Australia, the federal government has transformed the way it delivers social services and welfare programs, consolidating the services of 27,000 government employees into one easy-to-access, increasingly Web-based system aptly named [Centrelink](#) that delivers everything from employment information to assistance with family and economic issues.

Customer View

“Being a networked organization means you don’t need to have everything inside, because you’re linked to many organizations that have extended capabilities. If you can share resources, know-how, and capabilities, you can make a huge difference. Our job is to hide the complexity of government and other organizations behind our Web site, and make life easier.”

Jane Treadwell, Deputy CEO of Digital Business, Centrelink

Background

Australia is a constitutional democracy that stretches across six vast states and two territories—Queensland, Victoria, New South Wales, South Australia, Western Australia, Tasmania, the Australian Capital Territory, and the Northern Territory.

Australia’s federal government delivers more than 150 social service and welfare programs to over 6 million constituents who speak 42 different tongues and dialects, all of which have been used to declare the often urgent need for government-sponsored drought relief, farm assistance, health-related and human services, and community redevelopment programs.

Challenge

In the past, millions of Australians looked for social and community support from a wide range of different and disconnected government organizations, expecting quick, efficient service. This presented a challenge for the government, which, like many private sector organizations, had grown in silos over the years. What the government

needed was a way to consolidate its widespread, disconnected information sites and offer a single, easy-to-understand contact point that would link customers to the right agency for their individual needs. Additionally, the system would have to accommodate new nationwide employment and social welfare reforms.

“We are the human face of government in Australia,” says Jane Treadwell, Centrelink’s deputy CEO of Digital Business. “Our goal is to make life easier and better for our customers.” To accomplish that, Treadwell turned to [Cisco Systems](#) to help transform the complexities of government operations into something far more manageable.

Solution

Cisco’s Internet Business Solutions Group ([IBSG](#)) has been working with Centrelink as it evolves into a networked virtual organization ([NVO](#)) dedicated to “delivering a wide range of services to a wide range of people on behalf of a wide range of client departments.” Under one “roof,” Centrelink integrates services from a diverse set of client departments,

including: Department of Family and Community Services, Department of Employment and Workplace Relations, Department of Transport and Regional Services, Department of Veterans' Affairs, and Department of Health and Aging, and Department of Immigration, Multicultural and Indigenous Affairs, as well as the New South Wales State Government and Territory Housing Authorities. Centrelink's customers include families, students, retirees, veterans, job seekers, people with disabilities, single parents, and primary care givers.

Based on a [Cisco-powered network](#) infrastructure, Centrelink includes 1000 points of service delivery through a multi-channelled distribution process that can be accessed by phone, online, or via home or office visits. Centrelink comprises more than 27,000 staff members and agents and 300 customer service centers, and hosts the second-largest [call center](#) network in Australia, handling more than 60,000 customers a week.

Customer-Focused Service

A key function is providing complex payments, income support, and entitlement to millions of people. But on a larger scale, Centrelink—the country's largest statutory authority and its third-largest Commonwealth public sector employer—is working to transform the way government interacts with its customers by integrating federal, state, and local government agencies and community-based organizations to deliver information and services.

"Centrelink is a networked virtual organization orchestrating and linking the services of many diverse organizations, including utility companies and banks," Treadwell says. "It allows us to quickly draw on others' capabilities and share resources and knowledge. Our assets, both in terms of our technology infrastructure and our distributed network, provide a key anchor for many community organizations and businesses across the country."

No Wrong Door

Centrelink opens the government's shared information resources to citizens, communities, and service providers across the continent, explains John Blackley, part of [Cisco's federal government](#) operation in Australia. "Information can reside in different organizations," Blackley says, "but it's accessed as though it were part of the virtual organization, which is a much more cost-efficient way of doing things."

"One of the key things we wanted to deliver in creating Centrelink was a freedom for our customers from having to understand the structure of government," Treadwell notes. "We want our customers to be able to tell us their circumstances in an open, honest, and supported way, and then we can provide the means for them to get to the services they need."

"Because information is consolidated and integrated across agencies, we know exactly when their last contact with us was, how it's been documented, who they were referred to, and how we managed them," Treadwell says. Capitalizing on that valuable information, Centrelink has helped the government transform the way it does business by personalizing its functions around key "life events" such as retiring, changing jobs, and having a baby.

"We also recognize that our customers deal with commercial organizations as well as community-based organizations, and we can do things like direct deduction service to utility companies, housing authorities, rental authorities, and banks just by our customers giving approval for us to deduct these payments directly," Treadwell says.

Results

Today, Centrelink is a US\$1.4 billion organization distributing over US\$38 billion in social security payments on behalf of client agencies each year.

Over the past five years, Centrelink has helped generate more than a US\$700 million in efficiency improvements, according to Treadwell. Among other things, services from 22 agencies and departments have been combined on one site; unemployment payments have been integrated with Employment Services to help constituents find real job opportunities; desktop IT and mail errors have been reduced significantly; business hours have been extended, and system support groups have been consolidated.

Based on continuing improvements, Centrelink is projected to save the federal government another US\$210 million over the next six years, and its responsiveness to customer needs has improved satisfaction dramatically.

"People come to us with very complex personal circumstances and they want to have confidence in the organization," Treadwell says. "They want to tell their story once and trust that their needs will be served quickly and attentively. We have improved our customer satisfaction ratings over the last few years from around 67 percent to 85 percent."

"Being a networked organization means you don't need to have everything inside, because you're linked to many organizations that have extended capabilities," she adds. "And if you can share resources, know-how, and capabilities, you can make a huge difference. Our job is to hide the complexity of government and other organizations behind our Web site, and make life easier."

Next Steps

While customer access to information and services is uniform for the most part, the next step for Centrelink is to standardize its technology to help streamline operations and reduce costs even

further. Natural speech recognition is on the horizon, for instance, and Centrelink plans to integrate it with other IT systems while keeping privacy and security as top priorities. For 2005, Treadwell says customers should expect improvements in key elements of service such as access, choice, value, integration, connection, and brokering. Routine work will become increasingly automated, and customers will be able to enter their own data to claim payments and notify the government of changed circumstances.

“We want to make a difference in the lives of Australians,” she says. “We’re anticipating a future where customers will demand—and should have—access to their personal information, and have the confidence that the governmental organizations they are interacting with will look after that information, and help them to both resolve issues and become a much more active participant in their communities.”



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