

One year on from the Centrelink Service Delivery Report

A REPORT ON THE DEPARTMENT OF HUMAN
SERVICES' IMPLEMENTATION OF THE OMBUDSMAN'S
RECOMMENDATIONS

September 2015

Report by the Commonwealth Ombudsman,
Colin Neave, under the *Ombudsman Act 1976*

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EXECUTIVE SUMMARY

In April 2014, the Ombudsman published a report about an investigation into access and service delivery complaints about Centrelink, a programme of the Department of Human Services (DHS). While noting that the majority of Centrelink's services are delivered without complaint from its customers, we had received complaints from people that suggested there was a gap between DHS's service delivery commitments and the experience of some of its customers.

The Ombudsman's report made 33 recommendations under 12 headings that included telephone services, the administration of written correspondence, income information affecting income support and family payments, Centrelink service centre queues, document management, as well as Centrelink's complaints and internal merits review processes. Some of the problems highlighted in the report, such as phone delays, have affected many Centrelink customers and are well known. Other issues have been experienced by a minority of customers but the impact of those problems, particularly for vulnerable customers or those facing crises, can be overwhelming and lasting. This report is about the implementation of those recommendations, one year on.

We have considered six of the 12 topics in detail in the body of this report. These are topics about which we continue to most frequently receive complaints and community feedback or which we perceive to be particularly far-reaching in their consequences for Centrelink customers.

Centrelink's **phone services** are discussed in detail as they remain a primary concern of complainants to this office. In some respects, Centrelink's phone services have deteriorated further as we now routinely receive complaints from people who have not been able to get through to the DHS Complaints and Feedback line to make a complaint about their phone experience on other Centrelink lines. While DHS has a Key Performance Indicator (KPI) for the speed at which calls to Centrelink's numbers should be answered, we are concerned that the KPI is not a helpful indicator of customers' experiences or likely wait time. We also note that the problems with Centrelink's telephone services are likely to persist until such time as it is resourced to meet that demand or the demand is reduced as a result of improvements to digital service channels.

The **handling of documents** and other correspondence is also closely considered, along with Centrelink's general **records management** arrangements. Since the April 2014 report we have seen innovation and improvements in the way Centrelink receives and handles documents provided in person. These have brought about a reduction in the initial queue that Centrelink's customers encounter at its service centres and improved the timely scanning and actioning of high-volume documents, such as medical certificates. On the other hand, we continue to receive complaints about the loss of correspondence and material customers send by post and fax, and about delays in DHS receiving and actioning these documents.

The response to the recommendations concerning access to, and engagement with, Centrelink's **online services** is discussed in detail. The move towards digital servicing reflects changes in government and other sector servicing in general. DHS has continued to work on its digital service channels, seeking to improve reliability, provide more information to customers about how to do key transactions online, and provide customers with more opportunities to provide supporting documents digitally. However, it is evident that DHS will need to further improve the usability and reliability of its online service delivery channels to encourage people to voluntarily use these services. More critically, if DHS intends to

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automatically divert people to online service channels, it is imperative that the online service works intuitively. This is not currently the case with all of DHS's online service channels.

The report highlights DHS's response to the recommendations concerning its own mechanism for **internal review** of decisions about customer entitlements. We are pleased to note the reduction in the review backlog and the introduction of a second point at which the priority of the review request is assessed. However we remain concerned that the current review prioritisation process does not take account of the full range of consequences that these delays have on Centrelink's customers.

The report also details DHS's activities in response to the recommendations aimed at improving awareness of, and access to, DHS's **internal complaints mechanism**. Much has been done to enhance the internal complaints process and to train staff about DHS's complaint handling. Nonetheless, further work remains to be done, as we continue to receive complaints where people have been referred directly to us by Centrelink staff instead of being encouraged or assisted to use Centrelink's own internal complaint mechanisms first.

Of the 33 recommendations in the Ombudsman's April 2014 report, we have assessed that:

- 13 have been implemented
- 8 are underway
- 1 is being considered
- 11 have been partially implemented.

We acknowledge that DHS is committed to improving its service delivery and customer satisfaction. However, it is disappointing that it has not been able to implement all of the recommendations. We are also concerned that the volume of complaints to this office about Centrelink continues to grow.¹

We recognise that many of the problems that people encounter with Centrelink's services stem from the ageing computer system that underpins its administration. The recently announced Welfare Payment Infrastructure Transformation (WPIT) project is a necessary step towards equipping DHS with the tools it needs to provide proper services to its customers. Importantly, the WPIT project also presents DHS with the opportunity to transform its business model to better meet its objectives and structure its service delivery around the needs of its customers. While the WPIT provides the opportunity for much needed reform, it will take a number of years to be fully implemented. Until then, DHS needs to consider how it can alleviate the adverse impact upon the people who need to access the services of its Centrelink programme.

¹ The number of complaints to the Ombudsman's office about the Centrelink programme in 2014-15 increased by 26.5% when compared to 2013-14.

PART 1— INTRODUCTION

What is this report about?

1.1 In April 2014, the Commonwealth Ombudsman published a report about problems members of the public experienced when attempting to access Centrelink's services. The report, titled *Department of Human Services: Investigation into Service Delivery Complaints about Centrelink*, drew upon complaints made to this office between January 2012 and September 2013.²

1.2 The report made recommendations aimed at improving Centrelink's service delivery to its customers. The recommendations focussed on:

- telephone services
- managing online enquiries via the DHS website as well as support and assistance for customers using online services
- the administration and management of incoming documents and outgoing written correspondence
- processing income information about customers receiving both an income support payment and Family Tax Benefit (FTB)
- the administration of the Maintenance Income Test for FTB
- Centrelink service centre customer queues
- processing of payment claims
- notification of service disruptions
- Centrelink's internal merits review and internal complaints processes.

1.3 This report provides a snapshot, one year on, of the steps DHS has taken in response to those recommendations. It also considers those actions against customer experiences drawn from community feedback and complaints made to this office since the Service Delivery report was published in April 2014.³

1.4 DHS has informed this office of its work to implement each recommendation. DHS has been forthcoming and cooperative, providing us with quarterly updates and extensive briefings. We consider that DHS has taken the report and its recommendations seriously and undertaken a great deal of activity across many areas of its business. We acknowledge that some recommendations have been explored to the extent that DHS is able, having regard to resources, infrastructure and policy settings.

1.5 DHS has made considerable progress with those recommendations that support the improvement and expansion of customer self-service and online service options. Consistent

² Commonwealth Ombudsman (April 2014), report No. 1/2014, available at http://www.ombudsman.gov.au/files/Omb_s15_report_DHS.pdf

³ Community feedback is most commonly received from organisations and individuals who attend periodic consultative meetings we hold across Australia. We also receive feedback at ad hoc meetings with individual organisations and representative bodies.

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with the Federal Government's e-Government and Digital Economy Policy,⁴ DHS seeks to reduce unnecessary contacts with customers who could otherwise conduct their transaction online. Increasing the percentage of customer interactions completed via digital channels by five percent or more each year is one of DHS's Key Performance Indicators (KPI).⁵ DHS's Service Delivery Operating Model⁶ aims to assist and educate customers to take up digital services as they move towards self-management and 'accessing services at a time and place that suits them'.

1.6 However, as the case studies in this report show, this emphasis does not work for all customers and can, in itself, be the cause of customer complaints.⁷ Despite DHS's efforts, we continue to receive complaints about some service delivery problems that we had hoped the recommendations would address. This is most evident in relation to Centrelink's telephone services.

1.7 The following examples illustrate the challenges some people face as they try to engage with Centrelink and access its services.

Anna's complaint (received January 2015)

In December 2014, Anna received a letter from Centrelink asking her to contact it. She dialled the number on the letter several times but had to hang up each time after a long wait on hold because of her work commitments. She logged onto her online account and could see that Centrelink had raised a \$9000 Family Tax Benefit debt but she could not open any letters to find out about the debt. She sent Centrelink several online messages but did not receive a response. She attended a Centrelink customer service centre but was referred to the phones in that office. She waited on hold until she had to leave. A debt collection agency contacted her about repaying the debt but she still didn't know why there was a debt.

We decided not to investigate this complaint, but transferred it to DHS to resolve first.⁸

⁴ See [http://www.malcolmturnbull.com.au/assets/Coalitions_Policy_for_E-Government_and_the_Digital_Economy_\(2\).pdf](http://www.malcolmturnbull.com.au/assets/Coalitions_Policy_for_E-Government_and_the_Digital_Economy_(2).pdf)

⁵ *Portfolio Budget Statements 2015-16, Budget Related paper No.1.15B*, Social Services Portfolio (Department of Human Services), p.34. Available at <http://www.humanservices.gov.au/corporate/publications-and-resources/budget/1516/>

⁶ The Service Delivery Operating Model has four service levels that are made available by the department:

- naturally connected, automated services happening 'behind the scenes' – to save effort for customers and staff
- self-managed – for people who can access and use services by themselves without needing support from staff
- assisted – for people who are unable to self-manage because of their circumstances and require support to access the right services
- managed and intensive – for people facing complex challenges who need a high level of coordinated assistance for a period of time.'

Per *DHS' Annual Report 2013-14*, p. 125.

⁷ The ANAO noted that 'the telephone remains a significant channel for customers seeking access to Centrelink services and assistance with online service channels, as digital services can vary in their ease-of-use and reliability'. ANAO Report No. 37, 2014-15, *Management of Smart Centres' Centrelink Telephone Services*, p. 14.

⁸ These warm transfer arrangements commenced in 2012 and enable us to directly transfer complaints to DHS so that it can attempt to resolve the issue first. Our transfers are made via email to a dedicated email address in DHS, and DHS has undertaken to deal with them as a priority. When we make the transfer we advise the complainant to contact the Ombudsman again if they are not happy with DHS's response to their complaint.

Brendan's complaint (received March 2015)

Brendan complained that he could not get through to Centrelink. He had three problems he needed to resolve: his wife had not been issued with a new concession card; they had not been issued with a new Medicare card including their newborn son's name; and a Parenting Payment claim from December 2014 had not yet been decided. Brendan had sent two messages using the DHS 'contact us' webpage without any response. He had tried calling on the phone, one time waiting for 1 hour and 45 minutes before he was transferred to the myGov⁹ helpdesk, who then put him back in the original queue. He had registered for telephone self-service and read about 'Place in Queue' (PIQ) but had not been offered PIQ during any of his calls.

We decided not to investigate this complaint, but transferred it to DHS to resolve first.

1.8 Overall, the key message from the complaints and community feedback we have received about Centrelink since the April 2014 report is that many people continue to find it difficult to access Centrelink services and information when they require it. DHS's mission statement, 'the service you need when you need it', recognises the importance of being accessible. While this statement captures the service need, it does not yet reflect the experience of a significant portion of Centrelink's customers, including some of the Australian community's most vulnerable citizens.¹⁰

Methodology and structure

Methodology

1.9 The recommendations in the April 2014 report covered a broad range of issues and required responses from multiple business areas within Centrelink. These business areas kept us informed of the activities they were undertaking to address the Ombudsman's recommendations via quarterly written reports. In late 2014 and early 2015 DHS made key staff from these various business areas available for meetings with our office to discuss their progress against the recommendations. We also obtained relevant documents from DHS, such as training materials, staff guidelines, consultant reports and responses to written questions. This information has been analysed to assess DHS's progress against the Ombudsman's recommendations.

1.10 Following publication of the 2014 report, we monitored the complaints we received about Centrelink to identify those affected by the types of service delivery problems the recommendations had sought to rectify. We have drawn upon those complaints to build a picture of customers' ongoing problems with Centrelink. While we have only investigated a portion of the complaints that form case studies in this report, we have included those we did not investigate because they provide an insight into Centrelink's customers' perception of the

⁹ myGov is a website, launched in May 2013, which enables users to link to their personal information and accounts with a range of member services including some commonwealth agencies using a single username and password. myGov is maintained by DHS. Member agencies currently include DHS (Medicare, Centrelink and Child Support), the Australian Taxation Office and the Department of Veterans' Affairs.

¹⁰ For example, see the Indigenous Legal Needs Project's 2014 research report *The civil and family law needs of Indigenous people in Queensland*, Part 2, Section 2.7 and Part 3, section 4.7 for information about the Centrelink service delivery issues, including the move towards digital services, affecting Indigenous Centrelink customers.
http://www.jcu.edu.au/ilnp/public/groups/everyone/documents/technical_report/jcu_142181.pdf

service they received.¹¹ This analysis has been augmented by the feedback and information we regularly receive from peak and representative bodies who assist or represent people seeking Centrelink’s services. We also considered the Australian National Audit Office’s (ANAO) report No 37, 2014-15, *Management of Smart Centres’ Centrelink Telephone Services* (Report 37) and reference it at relevant points in this report.¹²

1.11 In March 2015, the Ombudsman notified the Minister for Human Services and the Secretary of DHS of the commencement of an own motion investigation into the department’s implementation of the recommendations in the service delivery report.

Structure of this report

1.12 The April 2014 report set out the context in which DHS delivers services to the community, including the drivers behind the transformation and integration projects, the range of communication channels and customer interface points, size and complexity of the Centrelink programme, and the varying needs and circumstances of its customers. That information is not repeated in detail in this report, which focuses instead upon DHS’s implementation of the Ombudsman’s recommendations in the 2014 report.

1.13 This report is divided into four parts.

- **Part 1** is the introduction.
- **Part 2** sets out six recommendations about which we have made detailed comments or observations.
- **Part 3** is a table that provides summary information about the actions DHS has taken against each of the 12 recommendations in the April 2014 report.
- **Part 4** contains DHS’s response to this report.

1.14 The table in Part 3 includes this office’s assessment of the status of each recommendation and includes comments against the recommendations that are not discussed in detail in Part 2. The four status categories used in the table in Part 3 are explained below and represented by a specific colour:

The recommendation has been **implemented** – the text and intent of the recommendation has been fully addressed.

The implementation of the recommendation is **underway** – work that is consistent with the recommendation is currently being undertaken.

The recommendation is **being considered** – DHS is still deciding whether it is able to implement the recommendation.

¹¹ DHS’s response to this report has suggested it would have been more helpful to focus on cases where investigation has confirmed the problem. We note DHS’s view but point to the value of understanding the customer’s perception and understanding of their experiences in dealing with DHS, even in the absence of an investigation into their complaint.

¹² Tabled in Parliament on 19 May 2015. Available at http://www.anao.gov.au/~media/Files/Audit%20Reports/2014%202015/Report%2037/AuditReport_%202014-2015_37.pdf

The recommendation has been **partially implemented** – the work that has been or is being done is directed to part of the recommendation only.

PART 2—SIX RECOMMENDATIONS IN DETAIL

Recommendation 1: Centrelink’s telephone services

2.1 Recommendation 1 of the April 2014 report was aimed at achieving more affordable and equitable telephone access for DHS’s Centrelink customers. The Ombudsman recommended that DHS:

- (a) Investigate the possibility of extending ‘place in queue’ to all callers on all enquiry lines.
- (b) Review the automated triage arrangements for incoming calls to identify and provide priority assistance to vulnerable callers and customers with urgent enquiries.
- (c) In consultation with the Department of Social Services and other stakeholders, develop performance standards for speed to answer calls on each of Centrelink customer enquiry lines.
- (d) Publicise and regularly report Centrelink’s performance against the performance standards developed under recommendation 1(c).

2.2 At the time of the 2014 report, complaints about telephone services were the single most common type of service delivery complaint we received about Centrelink, and often featured in the experiences of Centrelink customers who complained to this office about other matters. This situation has not improved. Instead, the problem appears to have become worse. We now also routinely receive complaints about extended wait times on the DHS Complaints and Feedback line. Often customers call that line in an attempt to complain about their inability to get through on other Centrelink phone lines and to find a way to communicate with the relevant business area. This assessment is reinforced by the community feedback we have received since we published the service delivery report.

Felicity’s complaint (received April 2014)

Felicity has poor health including anxiety and agoraphobia. She complained after Centrelink refused her claim under the Compensation for Detriment caused by Defective Administration (CDDA) scheme. Felicity wanted compensation for the cost of a phone call she made to Centrelink on her pre-paid mobile phone. Felicity made that call after Centrelink sent her a letter that caused her to think her payment could be suspended. After waiting for 56 minutes she spoke to one officer for around 20 minutes, before being transferred to another officer and speaking for about a further 20 minutes. It turned out that Centrelink had sent her the letter in error. The call cost Felicity \$90. Centrelink had refused to pay Felicity compensation because it said Felicity had not taken reasonable steps to minimise her loss: she had used a mobile phone to make the call, stayed on hold despite a message on the line warning of extended delays, and not taken up other options like attending a Centrelink service centre.

We investigated Felicity’s complaint and concluded that there were special circumstances that set Felicity’s case apart from that of most customers, for whom the cost of a call is the usual cost of communication with Centrelink. We noted that Felicity does not have a landline, and her agoraphobia and locality prevented her from easily attending a Centrelink service centre. We recommended that Felicity be paid compensation as Centrelink’s error had

caused her to make the call, and her decision to call on a mobile phone and wait on hold was reasonable given the apparent threat to her payment and her anxiety condition. Centrelink accepted our recommendation and decided to pay Felicity the claimed \$90.

Jacinta's complaint (received January 2015)

Jacinta is receiving Disability Support Pension. She was told she would be sent a new concession card before hers expired at the end of January. She subsequently received several Centrelink letters, but no concession card. Jacinta needed her concession card so she could attend medical appointments the following week. She tried calling the disability line and the complaints line several times but could not afford to remain on hold on her mobile phone. She had tried to use phone self-service but the Interactive Voice Recognition system¹³ did not understand her accent and kept her on hold waiting for a Centrelink officer to answer her call. She does not have a computer and was unable to prepare a written complaint.

We decided not to investigate this complaint, but transferred it to DHS to resolve first.

2.3 DHS is aware that its phone lines are a source of frustration and prevents some customers from communicating with it. DHS's 2013-14 Annual Report noted that its own customer satisfaction surveys had resulted in a satisfaction rate of 71% for DHS as a whole, against a KPI of 85% satisfaction or greater.¹⁴ The Centrelink programme had the lowest satisfaction rate at 68%.¹⁵ DHS primarily attributed this to customer responses to 'ease of accessing services' and 'length of time to receive services' for the Centrelink programme.

2.4 DHS's place in queue (PIQ) option enables a person calling Centrelink to request that Centrelink call them back, rather than wait on the phone until their 'place in queue' is reached. Recommendation 1(a) of the April 2014 report sought to explore whether the PIQ option could be extended to more people on more lines. DHS informed this office that it considered extending PIQ to all enquiry lines but concluded that it is not suitable for all lines or for all callers. DHS told us it must strike a balance between making outbound calls to people who elect to use PIQ and service provision to those who cannot or do not use it. Additional PIQ capability is being developed with Telstra, and is expected to be operational in June 2015. DHS also advised it has adjusted its estimated wait time messages to provide more accurate information to customers and this will be further improved when more advanced telephony infrastructure is rolled out.

2.5 We accept that DHS needs to balance the availability of PIQ and its demands on staff resources against the service implications for those callers who cannot use PIQ (such as nominees),¹⁶ or choose not to do so. However, PIQ is an important option for people who

¹³ The Interactive Voice Recognition (IVR) system asks customers to state what they are calling about and then plays messages related to the reason for the call. It also uses the customer's response to prioritise the call and allocate it to staff with the relevant skill set.

¹⁴ DHS Annual Report, 2013-14, p 13 available at <http://www.humanservices.gov.au/corporate/publications-and-resources/annual-report/resources/1314/>

¹⁵ The Medicare programme was rated at 85% and the Child Support programme was rated at 84% in the 2013-14 Annual Report.

¹⁶ Some Centrelink customers appoint other people to act on their behalf in certain aspects of their dealings with Centrelink. These people can be appointed as correspondence nominees, payment nominees and persons permitted to enquire. While these permissions may enable a person to engage with Centrelink over the phone or in person on behalf of someone else, system limitations and

cannot afford to remain on hold for the length of the current wait times and for those with care or work responsibilities who cannot find the time to remain waiting on the phone. We therefore consider that PIQ is an important feature to promote equitable access to Centrelink. We look forward to seeing if further PIQ capability is made available and welcome any improvements to the accuracy of the message provided to callers about the likely wait time.

2.6 Complaints to this office show that people can be confused about the circumstances in which PIQ is offered and become particularly frustrated when they do not receive a PIQ offer in circumstances when they normally expect it.¹⁷

Ian's complaint (received January 2015)

Ian phoned Centrelink from his mobile to let it know that he could not attend an appointment the next day because of work commitments. A message informed him of a 35 minute wait time and he decided to remain on hold. He was frustrated that he was not offered PIQ and had been on hold for about three times the estimated wait time when he decided to drive to a Centrelink office while he waited. He was still on hold when he reached the front of the queue at the Centrelink office, one hour and fifty minutes from the time he had dialled. He spoke to an officer at the Centrelink office. During the time he was on hold he missed out on an offer of four weeks' work.

We decided not to investigate this complaint as Ian had not yet complained to DHS's Complaints and Feedback line. We gave him information about the CDDA scheme.

2.7 Many callers remain unaware that even on those lines on which PIQ is usually offered, it is not offered for all services, such as advance payment requests or contact detail updates (as these things can be done online).¹⁸ Additionally, PIQ is not offered once the estimated phone wait reaches 90 minutes or more. DHS says that if it did offer PIQ at these times of peak demand, it would not be able to complete all the call backs requested that day. We suggested to DHS that, at a minimum, it could provide more detail on its website and possibly its phone messages about PIQ. DHS has agreed with our suggestion and will amend the information on its website to include an explanation of:

- the circumstances in which PIQ is and is not offered
- what callers must do to utilise PIQ
- the number of times Centrelink will try to call the person back and whether a message will be left; and
- the fact that the call back will appear to be from a private number, rather than from DHS or Centrelink.

2.8 Recommendation 1(b) of the April 2014 report arose from our concern that the complaints we received about Centrelink tended to suggest that many people who required

difficulties with authentication mean nominees are not able to conduct the full range of transactions online on behalf of the person who appointed them.

¹⁷ PIQ is available on certain lines only (a full list is available at <http://www.humanservices.gov.au/customer/information/piq>). Additionally, the call must be made between 8am and 3pm local time, the wait time on the line must be between 5 and 90 minutes, the caller must be registered for telephone self-service and provide their Customer Access Number or PIN (or be authenticated through voice authentication).

¹⁸ This is determined by the Interactive Voice Recognition system using the caller's utterance, as in the words they use to describe the reason for their call.

prioritisation through the phone queues were not receiving it. DHS supported this recommendation and initially advised that it continued to review its triage functionality and call prioritisation.¹⁹ It subsequently commenced an Interactive Voice Recognition (IVR) 'tuning' exercise. This involves examining the terminology used by customers to describe the reason for their call and programming the IVR system so that it identifies trigger words for call prioritisation and allocation to the correct staff. It is expected that this exercise will be completed in October 2015. DHS also advised that the current tuning will feed into the new telephony platform that is being delivered under the MTS. This will enable the department to develop more sophisticated IVR that is better tailored to individual customer needs.

2.9 Our analysis of the more recent Centrelink complaints we have received tends to suggest that people who require urgent assistance are not able to progress in the phone queue quickly enough. For example, people seeking urgent assistance from Centrelink due to a lack of funds affecting their ability to care for children or retain housing, have complained they cannot access payments or services without waiting in phone queues for a significant period of time. The tuning underway at present and the enhancements expected with the new telephony system should improve this experience, although the outcomes do depend, in part, on the specific and changing words that customers use to explain the reasons for their calls.

2.10 Recommendation 1(c) suggested that DHS work with the Department of Social Services (DSS) and other stakeholders to develop performance standards for the time taken to answer calls for each of Centrelink's phone lines. DHS only partially supported this recommendation as it did not agree to develop standards for each line.

2.11 From July 2014, DHS will separately report Centrelink's telephony performance in its Annual Report against the 2014-15 Portfolio Budget Statements. The Portfolio Budget Statement includes a Key Performance Indicator (KPI) for telephone services for the Centrelink programme as a whole. This KPI is an average speed of answer of 16 minutes or less.²⁰

2.12 The creation of a KPI for the Centrelink programme alone is an important step towards better visibility of the performance of the Centrelink telephony service. However, this office is of the view that the current KPI is of little value for assessing the typical service experience of a Centrelink customer. There are several reasons for this:

- The KPI is based on a simple calculation: the length of time taken to answer all the calls made on Centrelink's 90 phone lines divided by the number of those calls.²¹ This simple approach masks the variation in demand and queues at various times and days, as well as the differences between lines, with some attracting a much smaller number of calls than key lines such as Families.²² Consequently, the KPI is not a good indicator of the likely wait time on hold.²³

¹⁹ DHS advised during a meeting on 17 November 2014 that the triage outcomes are subject to real time monitoring, staff report discrepancies if they arise, and smart centres conduct regular customer surveys. Certain enquiry types, such as bereavement, are prioritised over others.

²⁰ Consistent with previous years, the 2013-14 Portfolio Budget Statement had specified a KPI of 16 minutes across of all DHS' services, combining Centrelink with Child Support and Medicare. The new KPI of 16 minutes or less only applies to the Centrelink programme.

²¹ As explained by DHS in a meeting on 12 November 2014.

²² The ANAO's Report 37 demonstrates the differences in speed of answer across ten lines in table 2.3. On these lines, in 2013-14, 36% of customers experienced a wait time of less than 10 minutes while some 30% waited for 30 minutes or more. Pages 14 and 41.

²³ This and other issues were noted by the ANAO in Report 37 at pages 14 and 80 to 85.

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- The KPI does not include abandonment rates so it does not capture the experience of people who encounter lengthy waits and then hang up in frustration.²⁴
- It does not reflect the experience of people who report to this office that they were on hold, sometimes for an hour or more, when the call suddenly disconnected.
- It does not capture calls made by people who encounter an engaged signal because the line they called has reached capacity and cannot accept more people into the queue.²⁵
- It also fails to reflect the total duration a person is on hold if they are transferred from one Centrelink phone line to another, as each transfer to another queue restarts the wait time count. In reality, a customer may wait 15 minutes before their call is answered and transferred to another line where they wait another 15 minutes to speak to a Centrelink officer. The customer will have experienced over 30 minutes on hold but, for the purposes of the data collected for the KPI, they will have had two wait times of 15 minutes and each of these is under the KPI.

2.13 While we acknowledge that this KPI reflects a government resourcing decision, it is well known that people are frustrated with the time it takes to get through on some of Centrelink's phone lines.²⁶ It is also apparent that it is common for customers to experience wait times that extend well beyond the KPI of 16 minutes or less, but the data collection process, and perhaps even the design of the KPI itself, fails to reflect this reality. Even if the call is answered within the KPI, up to 16 minutes is a long time for a person calling Centrelink to wait before their call is answered.²⁷ DHS estimates that it would require an additional 1000 staff at a cost of over \$100 million, each and every year, to bring the average speed of answer to five minutes.²⁸

2.14 While DHS has finite resources to address the demand on its telephone lines, it has explained that it is implementing a range of measures aimed at reducing this wait time and its impact on its customers. These measures include exploring the expansion of PIQ, moving customers towards self-service wherever possible, allocating calls according to a skills pyramid designed to match the incoming call with an officer trained to deal with that type of enquiry, and using intermittent and irregular employees as needed. DHS has also continued to decommission its '13' phone numbers and transition to '1800' numbers as calls to these numbers are free from landlines and from major mobile phone providers.

²⁴ The ANAO, in Report 37, estimates that of the calls that entered the Centrelink network in 2013-14 (meaning they were not blocked by a busy signal), 30% were abandoned by customers who hung-up before their calls were answered by Centrelink. Pages 14 and 37. The Ombudsman notes that we do not know the reason why each call was abandoned. DHS suggests the reasons may include where a customer's enquiry is addressed by the information in the IVR message; they act on information explaining how to conduct their business via self-service; they rang the wrong line; or they have to abandon the call to attend to something else like the care of a child or to answer the door bell.

²⁵ The ANAO explained that of the 56.8 million calls made to Centrelink in 2013-14, 13.7 million calls were unable to enter the Centrelink network as the line they dialled was blocked and they heard an engaged signal. Report 37, p. 14.

²⁶ DHS' 2013-14 Annual Report noted that the matters that were most complained about by its customers were access to phone services, including complaints about an engaged signal, call disconnection and wait times. These constituted 23.5% of complaints, p.134.

²⁷ The ANAO's Report 37 explains that this wait time is at the upper end of contemporary service standards. Comparative data is provided in table 2.4. Pages 42 and 43.

²⁸ Per DHS's response to the ANAO report and its 28 July 2015 response to the draft of this report.

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2.15 These are important measures and demonstrate DHS's commitment to alleviating the current situation within the bounds of its own resources. Nonetheless, it should be borne in mind that the transition to self-service and online service delivery often generates further contacts with Centrelink, as people attempt to gain the requisite online access permission, resolve online problems, or ascertain the status of an online claim.²⁹

2.16 In order to 'clarify the service standards that customers can expect and to better reflect customer experience', the ANAO recently recommended that DHS 'review its Centrelink telephony KPI in the context of the implementation of a coordinated channel strategy'.³⁰ It is pleasing to see that DHS has indicated it will consider a review.³¹

2.17 Recommendation 1(d) of the April 2014 report said that Centrelink's performance against the standard for each of its phone lines should be publicised and regularly reported against. DHS partially supported this recommendation. As DHS declined to generate performance standards for each Centrelink enquiry line, the relevant performance standard is the KPI for Centrelink telephony that was discussed above of an average speed of answer of 16 minutes or less. DHS also declined to publicly report its performance against that KPI, other than in its Annual Report. DHS does provide quarterly reports to the Ombudsman's office about the status of its average speed of answering time on key Centrelink phone lines, but will not agree to share this information more broadly.

2.18 DHS initially advised that it did not support publishing its performance against individual phone lines as it might result in customers 'queue surfing' as they seek to get through on the shortest possible wait time. In our view, this reasoning does not apply to the current KPI as it does not provide data on each line. In the interests of transparency, it is disappointing that DHS is not willing to publish regular updates on its website about its performance against the KPI for the Centrelink programme as a whole.³²

2.19 Overall, these four recommendations were directed towards making Centrelink more accessible to its customers when they wish to communicate with it by phone. In particular, recommendations 1(a) and (b) sought to reduce the wait times and costs for people who are least able to afford it, and to improve the prioritisation of calls from people who are vulnerable or experiencing a situation that warrants urgent action. DHS continues to work on its PIQ technology, and is refining its IVR. It has not developed and published KPIs for each of its incoming phone lines, nor has it agreed to publish its performance against the current KPI for the whole of the Centrelink programme. Without this information, the public has very little material on which to understand the challenges DHS faces, the magnitude of the call demand, or the efficacy of the measures being taken to try to reduce the call wait time and its impact on DHS's customers.

²⁹ The ANAO also observed that 'Growth in digital channels...can reduce demand for other channels such as telephone; however, if a customer has difficulty with accessing or completing online transactions, for example, it can increase the demand for telephone services as customers seek assistance', p. 28

³⁰ ANAO Report 37, Recommendation 3, p. 22.

³¹ DHS' response to the recommendation concluded by saying '...a review of KPIs may need to be considered in the context of longer term changes underway with the recently announced Welfare Payments Infrastructure Transformation (WPIT) Programme'. ANAO, Report 37, p. 84.

³² The type of information publicised by the Australian Taxation Officer provides a useful model for that type of disclosure – see <https://www.ato.gov.au/About-ATO/Access,-accountability-and-reporting/Our-commitments-to-service/Current-year-performance/>

Recommendation 3: The management of written correspondence

2.20 Recommendation 3 of the April 2014 report sought to improve Centrelink's handling of written correspondence. The Ombudsman recommended that DHS:

- (a) Develop a performance standard for responding to customers' enquiries sent by post or email.
- (b) Commit to a process of continual review of correspondence, including by customer testing, to ensure that improvements flowing from the DHS Letters Taskforce are not undermined by consequential changes.

2.21 Looking at Recommendation 3(a), we continue to receive complaints from people who contact this office after failing to obtain timely, or sometimes any, response to letters they have posted to Centrelink. Many of these complainants are older people who have traditionally used letters to communicate with government agencies and prefer to continue to use this form of communication. This experience is consistent with community feedback and complaints suggesting that some people perceive Centrelink to be complex and difficult to engage with. Feedback also points to Age Pension customers, particularly those with part-pensions, being increasingly open to using third party entities who charge a fee to manage their clients' dealings with Centrelink, rather than trying to manage their engagement with Centrelink themselves.

2.22 We also receive complaints from lawyers and advocates about DHS' failure to respond to correspondence sent by post or fax. These letters can contain important information and also make time-critical requests that Centrelink review a decision. Unfortunately, it is not uncommon to find cases in which Centrelink has no record of having received the correspondence or has taken several weeks to scan the information into the customer's record and act on the material. In the meantime, it is highly likely that the customer or their representative has made several attempts to follow up on their letter via the phone or email, and even by sending further letters. These additional contacts further clog DHS's communication channels, compound customer dissatisfaction and concern, and inhibit the department's ability to service those customers who are in greatest need.

2.23 It is also common for complainants, such as Anna and Brendan in our earlier case studies, to say Centrelink has not responded to the email message they sent via the online 'Contact Us' channel.³³

2.24 DHS partially supported recommendation 3(a) when it was made. It explained that the varied nature of incoming customer communication made it difficult to establish a performance standard. Nonetheless, DHS said it would consult with stakeholders and consider the recommendation. It subsequently advised that it had engaged PricewaterhouseCoopers (PwC) to review the administration of email communication, and the review would include recommendations for the development of a performance standard for this method of communication. PwC delivered its report in mid-2014. Reflecting the ultimate focus of that review, the report did not canvas the development of a performance standard. DHS advised this office that it continues to revise the processes for handling email enquiries and these will feed into further consideration of the feasibility of a performance standard in the future.³⁴ DHS has not indicated that further thought will be given to a performance standard for the handling of postal correspondence.

³³ This email channel is DHS's Secure Internet Messages System (SIMS) and is discussed further under Recommendation 12 in part 2 and Recommendation 2 in part 3 of this report.

³⁴ See previous footnote.

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2.25 We have considered the PwC report. It focussed on digital communication and highlighted a range of issues arising from current processes and information technology infrastructure. It made numerous recommendations to DHS and suggested that they each be addressed on a short, medium or long-term basis. In October 2014, DHS accepted PwC's high-level initiatives and allocated responsibility for progressing them to one area within DHS. Working groups have since met to consider the recommendations in more detail.

2.26 Two recommendations concerning process reviews and efficiencies have been partially completed. Importantly, DHS has developed scripts to reduce the manual effort required to process email enquiries including prioritisation via keyword search, and to automate the process of attaching them to the relevant customer's record. Consequently, 90% of emails are now added to customer records without manual intervention or delay. The process has also been amended to increase resolution of email enquiries and reduce the number of contacts Centrelink has with a customer. As part of this change, customers are now sent a pre-call text to advise them that Centrelink is about to contact them to discuss their online enquiry. This has increased the frequency with which Centrelink successfully makes contact with customers who have contacted it by email in the first instance and reduced the need for those customers to send more emails or follow up via other channels. We commend DHS for this improvement.

2.27 The focus of PwC's work, and the activity it has generated, is squarely on improving the DHS's handling of correspondence received by electronic means and encouraging customers to use self-service whenever they can. In the meantime, DHS still faces a challenge to improve how it actions incoming correspondence received by post. DHS has explained that it is focussed on reducing the need for customers to correspond by post. Consequently, there are efforts to move more communication into digital channels, and some processes that would normally have triggered posted responses from customers have been pushed onto an online format. For example, biannual income stream reviews previously required customers to respond by writing back to Centrelink on a pre-populated form or drafting their own letter. Now, the letter advising of the income stream review explains the process for responding online, and even includes a temporary access PIN for those customers who have not yet taken up or registered for online services.³⁵ We commend DHS for this improvement.

2.28 DHS has also identified that it is Age Pension and Disability Support Pension customers who most commonly post letters to it. It is seeking to provide better information to those customer groups to avoid unnecessary communication and guide those customers to write to it only when required. Nonetheless, DHS continues to struggle to respond to, and efficiently process, posted incoming customer correspondence. As long as there are customers who cannot, or will not, use online processes, DHS will continue to receive letters and documents via the post. Complaints and community feedback show that work still needs to be done to improve the mechanisms for handling this correspondence. A performance standard would be a starting point for driving and measuring this improvement.

2.29 Recommendation 3(b) was aimed at building on improvements made to DHS's letters after the DHS Letters Taskforce. The Taskforce commenced in 2013 to review Centrelink's automated letter system to ensure that the text used in automated standard correspondence was accurate and appropriately worded. DHS has continued to work through the Taskforce's 1,223 recommendations, with 627 completed, a further 44 recommended for closure and the remainder in progress.³⁶ It has also advised this office that it is committed to a process of

³⁵ Those customers who wish to can call a number to provide their response by phone. DHS will also process any responses received in writing although this is not its preferred response channel.

³⁶ As at 31 March 2015.

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continual review of correspondence, including by customer testing, to ensure that these improvements are not lost. DHS stated that it will also continue to ensure that future enhancements and improvements align with the Taskforce's recommendations.

2.30 It is relevant to note that the 2015 Budget measures includes a new Welfare Payment Infrastructure Transformation (WPIT) project that will 'progressively replace Centrelink's ageing technology platform information and communications technology (ICT) system to improve the quality and efficiency of service delivery'.³⁷ The design and implementation of this new system will take many years but it provides an opportunity for further improvements to Centrelink's letters, ideally resulting in comprehensive but easily understood correspondence that can also be easily amended as needed.

2.31 Clear communication is important. As Felicity's complaint earlier in this report shows, poor or inaccurate correspondence can cause people confusion and concern. It can also generate multiple contacts to Centrelink as people try to clarify or challenge the letter.

Janine's complaint (received November 2014)

Janine received a Centrelink letter requesting information but the letter was incomplete and did not state what information was needed. She called DHS's Complaints and Feedback line and was transferred to staff in the disability area. She was then told that Centrelink wanted information about her mortgage. She believed she had already provided this several times. The officer she spoke to eventually agreed to send a letter explaining what was required. She contacted the Ombudsman's office when she did not receive that letter.

We decided not to investigate this complaint, but transferred it to DHS to resolve first.

Kayla's complaint (received February 2015)

Kayla received a letter from Centrelink in December 2014 letting her know that she would be entitled to transfer from Disability Support Pension (DSP) to the Age Pension (AP) in February 2015, when she turned 65. She contacted Centrelink straight away and said she wished to stay on DSP. In January 2015 she received a letter asking for additional information for her AP claim. She had not made an AP claim and was concerned that her DSP could be suspended or cancelled. She called the Centrelink number on the letter and spent over an hour waiting for it to be answered. She called the Complaints and Feedback line but hung up after waiting for a similar length of time.

We decided not to investigate this complaint, but transferred it to DHS to resolve first.

2.32 When we identify issues with Centrelink's letters, we draw these to DHS's attention. If DHS agrees with our concerns, it advises what steps it will take to amend the letters. Sometimes it is unable to take immediate action due to limitations arising from Centrelink's ageing computer systems.³⁸ For example, DHS has advised us that it is not currently possible to manually remove references to irrelevant sections of the Act from standard Assurance of Support letters. The Welfare Payment Infrastructure Transformation project,

³⁷ www.budget.gov.au/2015-16/content/bp2/html/bp2_expense-15.htm

³⁸ As noted in the media, see for example Hudson, P. (19 March 2015) *No decision yet on replacing expensive, obsolete computer system from the 1980s*, The Australian.

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announced in the 2015 Budget, provides DHS with the opportunity to create information and communications technology that will enable it to adapt and amend its letters as needed.

2.33 In the last year, the issues we have raised about letters have included:

- a lack of explanation for the reasons for decisions, particularly debt decisions³⁹
- the inclusion of the old, disconnected DHS Complaints and Feedback phone number in some Centrelink letters (this is discussed further under Recommendation 12 below)
- incorrect details in residential aged care fee assessment decision letters.

2.34 We commonly see an increase in complaints about Centrelink when it sends out letters to a cohort of customers to explain a policy or procedural change. Some of these complaints are really requests for explanations and information which are directed to the Ombudsman's office in error, or because the person cannot readily contact Centrelink. We understand that the development of a letter for a single bulk mail out does not currently require co-design or customer trials.⁴⁰ We consider that a more rigorous approval process is likely to lead to improved communications. In any event, letters conveying complex information, but inviting calls from customers who wish to clarify or discuss them, are counter-productive if people are also unable to get through on the Centrelink phone number provided on the letter, or make a complaint about their experience.

Ivan's complaint (received December 2014)

Ivan received a Centrelink letter about changes to the way superannuation affected a person's qualification for the Commonwealth Seniors Health Care Card. He tried to call the number on the letter but he could not navigate the phone system and did not get to discuss the letter with an officer. He called the Complaints and Feedback number. Despite having been unable to get through to a person on the phone, Ivan was told by the officer who answered the call that he did not have a complaint so they could not assist him.

Ivan decided to call a social security advocacy organisation about the letter.

Maurice's complaint (received October 2014)

Centrelink sent Maurice a letter about changes to the way superannuation affected a person's qualification for the Commonwealth Seniors Health Care Card. Neither Maurice nor his wife, Naomi, could understand it. Naomi rang the number provided on the letter but was on hold for an hour before she had to hang up because her phone's battery had run out. She dialled again from another phone and hung up after being on hold for 45 minutes. She rang the Ombudsman's office and was advised to contact DHS's Complaints and Feedback line. Maurice called that number but hung up after an extended time on hold. He then phoned his superannuation fund who said they had received calls from other people who asked to have

³⁹ This can impact on a person's understanding of the decision, and inhibit their ability to make informed decisions about whether to seek review or pay the debt. Consequently, the lack of reasons is likely to generate calls to Centrelink and incoming correspondence from the person who is seeking an explanation. If the debt is not paid while the person seeks an explanation, and they are no longer receiving a Centrelink payment, the debt may be referred to a mercantile agent. The agent will seek to recover the debt and will charge a commission that will be taken out of any collected funds.

⁴⁰ The Letters Development Standards require peer review, quality assurance review, review and approval by impacted stakeholders (not customers), Information and Communications Technology testing and continuous business improvement from customer feedback.

the letter explained but only Centrelink could do that. Maurice then called the Ombudsman's office once more.

We investigated Maurice's complaint. We ceased the investigation after arranging for Centrelink to contact Maurice and explain the letter to him.

2.35 While we welcome DHS's willingness to revisit and review its letters, and to protect any improvements that have been implemented following the Taskforce, we encourage DHS to engage with customers and peak bodies when amending or designing correspondence. In our view, co-design and customer testing should be a routine part of any correspondence development standards. Co-design and customer testing should also feature prominently in the design of the new information and communications technology system. In response to this report, DHS says it will harness opportunities to consult with customers and peak bodies on the development of customer correspondence.

Recommendation 6: Accessing and engaging with online services

2.36 DHS's Service Delivery Operating Model⁴¹ seeks to deliver as many services as possible by digital means, where appropriate. The goal is for the majority of customers to self-manage their payments thereby freeing up DHS's limited resources to better assist and focus on those customers who most need its personalised services. DHS continues to innovate and expand its digital service delivery.

2.37 Recommendation 6 in the April 2014 report focussed on better understanding of the reasons DHS's customers have not taken up or continued with the full range of online services, as well as providing more information about how to use those services.

- (a) Research and address barriers preventing or limiting customer take up of online services, or causing people to stop using them.
- (b) Develop training packages and information products to assist customers to take advantage of online services to self-manage their business with Centrelink, such as online reporting, capturing and uploading documents, printing a payment summary and how to use the Centrelink statement.
- (c) Promote the help facility for online services, capture data about the subject matter of enquiries and analyse it for use in ongoing service improvements.

2.38 In response to Recommendation 6(a), DHS advised that it does research the barriers that affect online service uptake and use, drawing on customer feedback and complaints and collaborating with other agencies to acquire and analyse data about customer online behaviour. DHS told us it is also reviewing communication about, and navigation of, online channels with a view to reducing barriers to online service delivery. In addition to design and usability assessments of the myGov service, DHS has established myGov shopfronts in Sydney, Brisbane, Adelaide and Perth to promote digital services and customer self-management. DHS is able to point to the significant increase in the number of transactions conducted via digital channels as well as the number of times apps have been downloaded as evidence of the success it is having in addressing some of the barriers.⁴² It is looking to build on this uptake by improving consistency in the design and layout of online services to

⁴¹ See footnote 5

⁴² Over 3.7 million downloads of the Express Plus mobile apps have occurred since initial launch on 9 August 2012 to 28 February 2015, with over 1.2 million customers using Express Plus Centrelink mobile apps to undertake 81 million transactions in that time. As at 28 February 2015 there were over 6.3 million active myGov accounts.

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increase customer confidence in using self-service options. This includes the use of consistent icons across online and mobile services, which it says will assist to overcome literacy barriers. In November 2014 it introduced the Assisted Customer Claim, which provides a real-time interface that helps staff assist customers to continue with and complete their claim online.

2.39 One of the most immediate barriers to the uptake and continued use of online services is dissatisfaction with the quality and reliability of online channels.⁴³ This has been a matter of recent media attention, particularly for DHS's Centrelink and Medicare apps.⁴⁴

Ruth's complaint (received February 2015)

Centrelink granted Ruth Austudy in November 2014. In January she received a letter saying her Austudy had been suspended as she needed to provide a study transcript. She called Centrelink and said she had already provided the transcript. Centrelink advised that the uploaded transcript image was not clear and asked her to do it again. Ruth uploaded it again via her mobile phone. She called Centrelink again and was told it was clearer and payments should resume as normal. When she was not paid as expected, Ruth called Centrelink but was told to check her payments online. She then received a letter asking her to take the transcript into a Centrelink service centre because the last upload was not clear. As Ruth was in financial hardship she took the document to the office straight away. She asked about financial assistance but was told that nothing was available during the suspension. She told us she had experienced an average wait time of 55 minutes each time she called Centrelink and she had used all of her mobile phone credit on those calls. During one call she was transferred to the Austudy area but had to wait for a further 35 minutes before she was informed that it may take a further 5 days for her document to be assessed even though she was in financial hardship.

We decided not to investigate this complaint, but transferred it to DHS to resolve first.

2.40 Online problems are further compounded if customers cannot easily access support services or technical assistance. In our experience, one of the most frequently complained about aspects of online services is the difficulty people have trying to report earned income for themselves or their partner. This observation was also made in the April 2014 report.

Oliver's complaint (received February 2015)

We investigated a complaint from Oliver after he had multiple contacts with Centrelink over several weeks. Oliver and his wife, Pauline, had experienced a range of problems with online access including an inability to log onto online accounts and view screens in their accounts.

Centrelink told us that Oliver first contacted it about online problems on 2 January 2015 and the majority of the technical issues were rectified by 5 February 2015. Some of the problems had arisen after Oliver made too many failed logon attempts and others because Oliver had tried to access Pauline's online account (he is her nominee) without having first registered for nominee online access. However, Oliver continued to receive 'service not available'

⁴³ The interim Digital Transformation Office notes that 'Self-service technologies are being increasingly adopted when they are perceived to be useful, specifically: convenient, flexible and functional. However, if those technologies are not seen as easy to use, they are unlikely to be adopted, irrespective of their usefulness or potential benefits'. See <https://www.dto.gov.au/news-media/blog/putting-user-centre-everything>, viewed on 21 May 2015.

⁴⁴ See for example Sanson, M. (2 March 2015), *This app is crap: Centrelink and Medicare clients let fly over bugs*, Government News and Towell, N. (27 March 2015), *Truly awful: Centrelink, Medicare apps slammed*, Canberra Times.

messages when he logged on and tried to view certain pages. Centrelink apologised to Oliver and undertook to continue to work with him to resolve the issues. It is hoped that a system upgrade in June 2015 will resolve this problem permanently.

Quinn's complaint (received March 2015)

Quinn complained that she had been in contact with Centrelink many times but was still unable to report her earned income online or via the smart phone app. She had resorted to reporting via a telephone conversation with Centrelink staff or in person. We investigated and learned that Quinn had updated her relationship status screen in September 2014 to advise she had partnered. Quinn is her partner's nominee. Her partner did not update his details online to show that he had given her Person Permitted to Enquire (PPE) status.

In March 2015, Centrelink told Quinn her partner needed to update his online account to show she had PPE status, but she understood from that conversation the problem had been resolved. In April 2015, a Centrelink complaints officer spoke to Quinn once more and changed the online record after identifying that Quinn's partner had appointed her as his nominee and PPE in a form they had given to Centrelink in November 2014. Centrelink provided feedback to the staff who had discussed the problem with Quinn several times but had not resolved it.

2.41 We believe DHS will need to further improve the usability and reliability of its online service delivery channels to encourage people to voluntarily utilise these services. More critically, if DHS intends to automatically divert people to online service channels, as occurred with the withdrawal of the paper-based income reporting process,⁴⁵ it is imperative that the online service works intuitively and reliably. This is not currently the case with all of DHS's online service channels. We understand that the deficiencies may not be satisfactorily addressed until DHS is able to replace its aging information technology infrastructure over the next several years.

2.42 In the meantime, we note that the development of future online service delivery will be guided by the standards and approach promulgated by the newly formed Interim Digital Transformation Office (DTO). The DTO will seek to ensure that 'users are the focus of all new and redesigned services' while also endeavouring to meet customer expectations to be able to transact services digitally from start to finish.⁴⁶ Importantly, the DTO's Digital Service Standards set out criteria all agencies will be expected to meet including undertaking 'ongoing user research and usability testing to continuously inform service improvement' and 'provide ongoing assurance, supported by analytics, that the service is simple and intuitive enough that users succeed first time unaided'.⁴⁷

2.43 Recommendation 6(b) focussed on the training and information products available to customers to assist them to use online and self-service channels. In response to this recommendation DHS said that it already provides support products for its customers in the form of online guides under the 'help' link on the website and demonstrations, including videos on DHS's YouTube channel. DHS has also hosted live Q&A Facebook events, developed 'How To' postcards and brochures, and consulted with the Commonwealth

⁴⁵ This was part of DHS' Reporting Correspondence Reduction Strategy. Customers can elect to retain paper based reporting if they prefer or do not have ready access to digital services.

⁴⁶ Interim Digital Transformation Office, Frequently Asked Questions, www.malcolmturnbull.com.au, viewed 27 March 2014.

⁴⁷ Digital Service Standard at www.dto.gov.au/standard, items 14 and 16.

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Scientific and Industrial Research Organisation (CSIRO) when developing training packages and customer support material. Staff have also been given talking points and scripts to assist them when directing people to digital channels.

2.44 We acknowledge that DHS has a broad range of explanatory material available. However, there is still a need for further assistance. For example, we have received community feedback regarding the need for more information and demonstration material in languages other than English. While there is a range of material in more common languages, the Express Plus Lite app, through which customers can report their income to Centrelink, is presently only available in English, Chinese, Arabic and Vietnamese. We have also received complaints about the lack of instructions about managing Centrelink's online letters including how to view older letters or save or archive them in an accessible format. It is evident that the provision of appropriate support material in a range of languages will require ongoing work. Relevantly, the DTO's Digital Service Standard mandates that agencies 'put appropriate assisted digital support in place that's aimed towards those who genuinely need it'.⁴⁸

2.45 Recommendation 6(c) pointed DHS towards the promotion of the online help facility and the use of data collected from online help enquiries to drive service improvements. DHS supported this recommendation and advised of the ways it has promoted help options for online services. DHS also advised us in April 2014 that it does capture and monitor online enquiry data to assist with future service improvements. Since then DHS informed us that it is developing further online claims that will feature 'Help' and 'Contact Us' icons on every page. These take the customer to explanatory help text and to the 'Contact Us' page on the internet where the customer can elect to email or phone DHS for further help.

2.46 During a meeting in early 2015, DHS advised that it undertakes customer consultation when developing or designing workflow changes so it can work out where help text is required. Changes to the online feedback tool now enable complainants to nominate the service channel they wish to complain about, including digital services. From June 2015, Centrelink customers will be able to lodge feedback from within their online accounts. DHS told us that it uses feedback to drive improvements for its customers and address defects. It is presently developing high level reports for business areas to show complaint trends, case study analysis, systemic issues and possible improvements.

2.47 We know from complaints and feedback to this office that Centrelink's customers can become frustrated and distressed when they are unable to easily proceed with online processes such as lodging claims for payments, advising of changes in circumstance, or trying to report their income. People are often time-poor and many have to meet work requirements or caring responsibilities for children and others. Others cannot afford the cost of a lengthy telephone call on a mobile phone to communicate with Centrelink. In both situations, Centrelink customers become understandably frustrated at their inability to quickly and simply complete online transactions, particularly where they are reliant on that transaction to ensure they receive their payment. This is further amplified at times of particular stress, such as the arrival of a new child, poor health or financial difficulty, if people cannot quickly obtain assistance to resolve their online problem.⁴⁹

Sean's complaint (received April 2015)

⁴⁸ Digital Service Standard, www.dto.gov.au/standard, item 12

⁴⁹ The ANAO's Report 37 noted that during the transition to more digital servicing, Centrelink customers are using Centrelink's telephone lines as a 'help desk' when accessing digital service channels. This has increased demand for phone-based services. Pages 16 and 17.

Sean made an online Newstart Allowance (NSA) claim in March 2015. He was unable to upload supporting documents. He sent Centrelink an online message. Centrelink contacted him and resolved the problem. He then uploaded some 30 pages in support of his claim. Centrelink notified him that he needed to provide more documents, but he did not know which ones. When Sean attended a Centrelink service centre he was informed that it could not assist as his claim was underway. He then received a letter advising him that his NSA claim had been rejected for lack of supporting documents. He called Centrelink and found out what information was missing. He uploaded those documents immediately. Sean made a second complaint to Centrelink via an online message about its decision to refuse his claim without giving him an opportunity to provide the missing documents. Sean asked for a response in writing but Centrelink telephoned him instead. Sean asked the officer who called him if he needed to make a new claim or whether the original NSA claim would be reinstated. The officer tried to transfer Sean to another area but the call disconnected. Sean was unable to ascertain the status of his claim because of a problem with the online system. He called Centrelink again and learned that while his complaint had been noted as 'finalised', his NSA claim had not been re-enlivened. Another Centrelink officer called him several days later and said his claim was being looked at urgently. Sean complained to this office saying 'this has been an ordeal that should not be part of a customer service business...I don't consider myself to be a computer expert by any means, but I can generally get myself out of trouble, this experience however has been a failure and an event that I feel needs to be examined and the process rectified'. Sean estimated he spent 15 to 20 minutes on hold each time he called Centrelink.

As Centrelink had resumed assessment of Sean's NSA claim, we decided not to investigate his individual complaint.

Vlad's complaint (received May 2015)

Vlad complained to this office about Centrelink's online services. He said he had tried to do his business online over the last three months but the online service had crashed several times. He estimated that in 50% of these attempts he was notified that the service was unavailable and he should try again later. When he attempted to provide supporting documents in person at a Centrelink service centre he was told to do so online. He complained he was unwell and undergoing treatment and the 'constant roadblocks' he experienced online and at the service centres had caused 'a serious decline in mental well-being'. He was concerned that he could not overcome these difficulties to ensure he could pay for food, clothes and rent. He had not yet received a response to his online complaint to Centrelink.

Vlad subsequently received a letter from Centrelink advising him that it had tried to call him. It asked him to call an 1800 number. Vlad decided to attend a Centrelink service centre.

2.48 In response to the material under recommendations 6(a), (b) and (c) in the draft of this report, DHS said it is committed to continuing to provide access to an increased number of online services to provide a better end-to-end online experience for customers. It has recently released more online claims including for Paid Parental Leave, Dad and Partner Pay and Paid Parental Leave/Family Tax Benefit Combined. It is now also possible to update address, accommodation and overseas travel details online. Enhancements to Centrelink apps were released in July 2015.

2.49 DHS also said that it continues to provide a range of instructional materials, including online guides available through the department's website and videos available through

YouTube, that are updated regularly. Staff in Service Centres continue to provide face-to-face assistance for customers using online services through Self Service Terminals. Additionally, more myGov shopfronts are being opened which are designed to assist and educate customers to take up digital services.

2.50 DHS explained that it has procured new Self Service Terminals. These will be progressively rolled out to service centres throughout the 2015-16 financial year. They will deliver a consistent user experience regardless of the location a customer chooses to access services. In 2015-16, an additional focus will be placed on user-centred design approaches, as well as projects designed to deliver improvements to existing digital services and the creation of new services that assist customers to self-manage their business 'on the go'.

2.51 With respect to the promotion and use of the help facility for online services, DHS said that, in order to capture and analyse data related to online and digital services from late June 2015, customers have been able to provide the department with their views, suggestions and complaints via the online complaints form

Recommendation 10: Centrelink's records management

2.52 Complainants tell us that Centrelink loses their documents and asks them to provide the same material again. Recommendation 10 of the April 2014 report was directed to the reduction of this problem:

Introduce a system for storing copies of documents provided by customers on their record which ensures that the records are not lost and customers are not expected to provide the same documents multiple times.

2.53 In response, DHS advised that it actively manages its system to ensure documents are uploaded correctly and all requisite information provided. It continues to improve and promote the process for uploading documents online. DHS also told us it is seeking ways to make it clearer to customers what information or documents are required and reduce requests for unnecessary information. It has implemented systems that have improved document lodgement processes for material provided in person at service centres (see detail under recommendation 7 in Part 3).

2.54 We no longer receive complaints from people who have been turned away from a service centre and told to post documents to Centrelink instead. The indications are that the new document lodgement process in service centres has improved the timely scanning and actioning of documents provided in person. However, some problems persist as the following case study shows.

Umberto's complaint (received February 2015)

Umberto complained that documents he gave to a Centrelink office three months ago for a health care card claim had been lost. He provided them again. More recently, the document he provided for his Disability Support Pension (DSP) claim had been lost. He attended a Centrelink office with his nominee because he finds communicating with Centrelink stressful. His nominee provided the documents to a Centrelink officer. Umberto and his nominee attended the same office again 10 days later, but the documents they had provided could not be found. He made a complaint to the DHS Complaints and Feedback area and the documents were located. During his last conversation with Centrelink the officer terminated his call because Umberto became angry about the way his claim was being handled.

As Umberto wished to know if his DSP claim was still being processed, we declined to investigate and referred him back to Centrelink to find out about the status of his claim.⁵⁰

2.55 There is no doubt that the ability to upload documents online is a very useful innovation for customers who are willing and able to avail themselves of this option. However, the move to online servicing is not going to be taken up by everyone, as Umberto's case study shows. Obvious barriers include a lack of access to computers and online systems, limited computer skills, low levels of literacy, or literacy in languages other than English. Some people cannot do their business online because their status as a nominee prevents them from doing so. It is also the case that there remains a cohort of Centrelink customers who prefer to use traditional communication methods to conduct their business. Consequently, for some time to come, Centrelink will continue to receive letters and faxes from customers and their representatives. At the moment, it can take several weeks for a letter to be responded to and the complaints show they are at risk of being lost. Faxes are similarly problematic.

Terry's complaint (received Dec 2014)

Terry is an accountant and tax agent for a client who is terminally ill. He complained to the Ombudsman after receiving a letter from Centrelink asking for copies of documents he had posted to Centrelink a month earlier. The Centrelink letter had the old DHS Complaints and Feedback phone number on it and did not list a return address to send documents to. We suggested that Terry contact DHS Complaints and Feedback on the new number to try to resolve the problem. He contacted us later and said a DHS Complaints officer had told him the requested documents had actually been received and scanned and were not required again. The Complaints officer also told Terry that the letter he had been sent was an old Centrelink letter that should not be used anymore. She said she would provide feedback to the responsible area in Centrelink.

2.56 Overall, DHS's online document handling processes do seem to be more reliable than its processes for dealing with documents received by more traditional methods such as post and fax. We have received some complaints in which digital documents have not been promptly processed because they have been miscategorised or the uploaded copy is unclear. However, we are not seeing situations where digitally provided documents have subsequently been lost. Notwithstanding Umberto's complaint, it also appears that the in-person document lodgement process used in service centres is more reliable than previous practice (see Recommendation 7 in Part 3 for more information). Nonetheless, we remain concerned that documents provided by more traditional means such as post or fax remain at risk of being misplaced or unactioned.

2.57 We have asked DHS to specifically provide more information about what it is doing to better manage documents provided by more traditional methods. DHS told us it does not have any additional projects underway.

Recommendation 11: Centrelink's internal merits review

2.58 Recommendation 11 concerned the administration of Centrelink's internal merits review processes. The Ombudsman recommended that DHS:

⁵⁰ Since 1 July 2015, DHS has changed the DSP claim process so as to reduce the volume of information and medical forms that must be provided by claimants.

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- (a) Continue to address the backlog of internal review requests.
- (b) Triage all review requests to assess whether payment pending review is available.
- (c) Review the criteria for priority review of a decision to take account of urgency, vulnerability and the consequences of delay upon the individual applicant.
- (d) Consult with the Department of Social Services about the possibility of suspending recovery of any debt where a customer has requested a review of the debt on reasonable grounds and the review has not been completed within the performance standard (currently 35 days).⁵¹

2.59 Recommendation 11(a) was directed towards the extensive backlog in Centrelink's internal reviews. These decisions are largely made by Authorised Review Officers (AROs), although decision makers known as Subject Matter Experts (SMEs) are able to make a decision if it is fully favourable to the review applicant, such as a decision to waive the entire debt or increase the payment rate to the maximum level. At the time of this report, the current performance standard for the completion of an internal review is 49 days. The 2014-15 DHS Portfolio Budget Statements include a Key Performance Indicator that 95% or more of internal reviews are completed within this standard.

2.60 In March 2013, the number of ARO reviews on hand was approximately 25,000. In December 2013, DHS established a Debt, Appeals and Health Compliance Division with a focus on the ARO function. Since that time, DHS has made impressive inroads into the ARO backlog. In March 2014, the number of ARO reviews on hand was 20,285. As of May 2015, the number had reduced to 6,348. For the quarter ending December 2014, 60.5% of reviews were finalised within 49 days. For the financial year, as at the end of May 2015, 63.4% of reviews were finalised within 49 days. Further illustrating improvements in timeliness, in the month of May 2015 alone, 87.4% of reviews were finalised within 49 days.

2.61 DHS has further amended the review workflow and trialled some revised models that attempt to provide a review applicant with a more fulsome explanation of the decision under review. This revised model recognises that some customers seek review of a decision because they have not been able to obtain a proper explanation any other way. Once they have more information, some review applicants decide to withdraw their review. We welcome this initiative and encourage DHS to continue to look for ways to provide more fulsome explanations about all the decisions it makes. However, any explanation that may result in people deciding to withdraw their review must be carefully delivered so as not to improperly dissuade that person from continuing to exercise their right to seek review of a decision that they consider is wrong or unfair.

2.62 While the backlog has reduced, it is possible that it will rise again, particularly if there are significant changes to payment criteria that adversely affect a large group of people.

2.63 Relevant to the work AROs have on hand and the statistics around their decision making, we are also mindful that our investigations show that some customers who clearly express to Centrelink their dissatisfaction with a reviewable decision are not channelled into the internal review process. Also, from time to time complainants report to us that they were told by Centrelink they do not have review rights when they clearly do.

⁵¹ At the time of the April 2014 report, 35 days was the processing standard. The processing standard is now 49 days although the KPI under the 2015-16 Portfolio Budget Statements is that 95% or more of internal reviews are completed within this standard.

2.64 In February this year we flagged our concerns with a Centrelink guideline that imposed a high bar for acting on review requests.⁵² It informed staff that:

Being 'unhappy' should not be the reason a customer is referred for review of a decision. A review should be requested because the customer genuinely believes they are legally entitled to the payment.

2.65 Contrary to this guidance, the social security law does not require a review applicant to have any particular view or state of mind about the decision: it merely says 'a person affected by a decision of an officer under the social security law may apply to the Secretary for review of the decision'.⁵³ The guideline may also be unrealistic as the complexity of the social security system prevents most people from holding a genuine belief as to their legal entitlement to a payment. In addition, the guideline talks about entitlement to a payment whereas some debt reviews are not actually about whether a person was entitled to the payment: the person may agree they were not entitled to the money, but the ARO can consider whether, in their particular circumstances, the debt should be waived or written off instead of recovered.

2.66 DHS responded with its view that:

The intention of this guideline is to ensure that customers make an informed decision about their appeal rights by giving staff the tools to provide customers with all of the available and relevant information. There are times when customers are initially unhappy/dissatisfied with a decision. This is primarily when a customer may not understand the reasons for the decision. When the reasons for the decision are fully explained to the customer they are generally satisfied with the explanation and advise that they do not wish to lodge an appeal.

In the event a customer's concerns are not resolved they continue to have the option to appeal a decision.

2.67 We agree that it is important to provide customers with complete explanations and that this should be done as early as possible. It is also the case that a customer who is satisfied with an explanation, even if they are not 'happy' with the outcome, may not require or elect to have the decision reviewed. This is appropriate. Nonetheless, DHS's response has not addressed the concerns detailed above. The instruction to staff that a review should only be requested if a customer 'genuinely believes they are legally entitled to the payment' is too high a bar, does not reflect the law or debt waiver/write off processes and may impede the progression of validly requested reviews.

2.68 DHS subsequently advised that it will consider amending these internal guidelines to take account of our comments. We will continue to engage with DHS about this instruction.

2.69 Recommendation 11(b) suggests that DHS should triage all review requests about reduced, refused or cancelled payments to assess whether the person should be paid while the decision awaits review. DHS supported this recommendation but then advised us that it believed its existing processes for considering payment pending review are appropriate to achieve this end. DHS explained that it does routinely consider payment pending review when a customer seeks a review. It also prioritises vulnerable customers so they can obtain a faster review decision. In the case of non-payment due to a serious failure or an

⁵² Cited by DHS as 'Operational Blueprint 13/11/2014 – Review of decision – reasons for referring a customer'

⁵³ s 129 of the *Social Security (Administration) Act 1999*

unemployment non-payment period, the person seeking review must continue to be paid their income support payment while they await the review decision.⁵⁴

2.70 Recommendation 11(c) focussed on how review requests are triaged and prioritised so that vulnerable people facing financial hardship or other challenges receive their review outcome as soon as possible. DHS supported this recommendation and advised that it had always had a prioritisation process for ARO reviews. The criteria for ARO prioritisation are:

- customers with no income
- customers who are currently homeless (without access to stable accommodation), or
- customers who are currently in crisis or extremely vulnerable (for example, significant mental health issues or a recent traumatic relationship).

2.71 The standard processing time for prioritised reviews is 14 days. After the April 2014 report was published, we received several complaints in which we flagged with DHS that, according to its criteria, the review should have been prioritised. We also received complaints in which people said that a Centrelink officer told them to approach the Ombudsman to get their review prioritised. DHS informed us that it subsequently reinforced the prioritisation criteria with its staff. These types of complaints have since reduced, which may be attributable to DHS's introduction of a second prioritisation assessment trigger. Prioritisation assessments now occur when a person requests review and another is made if they later contact DHS to ask about the status of their review. This is a welcome development.

2.72 Nevertheless, during the backlog period, we have been concerned that DHS's triage and prioritisation approach did not seem to take account of the flow-on effects of the extended ARO delay. For example, the longer internal review processes take, the more likely review applicants will decide not to seek a further review at the next level. In the case of ARO decisions, the next level of appeal is usually with the Social Security Appeals Tribunal (SSAT). Unlike AROs, the SSAT is not strictly bound by Centrelink's own policies, although it must still apply the law.⁵⁵ Consequently, the SSAT may be at liberty to make a favourable decision when a Centrelink decision maker is not, or the SSAT may decide to exercise discretion in a different way. People who experience 'appeal fatigue' due to frustrations arising from the ARO experience will often not avail themselves of these additional review rights although it may be in their best interests to seek review by the SSAT.⁵⁶

2.73 There are also categories of review applicants who may be particularly disadvantaged by having to wait for a review decision. One group are those who have to pay back a debt while they wait for review, particularly where the debt is later waived or written off by the ARO. They are not compensated for the inability to use those funds, or accrue interest, while the decision was under review. Some customers who seek review of a

⁵⁴ Per the *Social Security (Administration) (Payment Pending Review) (DEEWR) Guidelines 2009* and the *Social Security (Administration)(Payment Pending Review) (FaHCSIA) Guidelines 2009*.

⁵⁵ For example, Special Benefit is a payment type that can be granted by the exercise of discretion. The use of that discretion is guided by policy instruction from DSS that explicitly advises Centrelink's decision makers not to grant Special Benefit to customers who are also serving a period of non-payment known as an Income Maintenance Period (IMP). This restriction is not based in the Act and does not bind external merits review bodies such as the SSAT. Consequently, on occasion, the SSAT has decided to grant Special Benefit to a person who is subject to an IMP.

⁵⁶ Commonwealth Ombudsman (March 2014), *Centrelink: Right of Review – Having Choices, Making Choices*, Report No.4/2011, pages 20 and 26. Available at http://www.ombudsman.gov.au/files/centrelink_the_right_of_review_having_choices_making_choices.pdf

decision not to exempt them from participation requirements on medical grounds may also be subjected to additional difficulties if they have to wait for a review decision but continue to struggle to meet their obligations in the meantime.

2.74 Another group that comes to mind is Disability Support Pension (DSP) applicants. If their condition changes significantly, for example if they acquire a new condition, this cannot be considered by the ARO if it occurs more than 13 weeks after the decision that is under review. In that situation, it is important for the DSP applicant to make a new DSP claim. When we asked DHS if claimants who are waiting for review are aware of this limitation, we were told that DHS does suggest that a customer lodges a new DSP claim if their circumstances have changed since their initial claim. When we asked for more information about how it does this, we were told that staff are trained to identify this situation. DHS also said it is rare for new evidence to be provided more than 13 weeks after the customer was notified of the initial DSP refusal decision, but if it does occur it is standard practice for staff to suggest that a new DSP claim be lodged.

2.75 While this process may work for customers who are regularly engaging with DHS while waiting for the ARO decision, some may not appreciate the importance of letting DHS know about changes in their circumstances and may fail to make a new DSP claim as soon as they should. While general information about the 13-week time limit is available on DHS's website pages about reviews and appeals, the information does not specifically address DSP claims.⁵⁷

2.76 For these reasons we remain of the view that there is value in DHS revisiting its prioritisation and triage processes for review requests to minimise the downstream or consequential impact of delay wherever possible.

2.77 Recommendation 11(d) said that DHS should consult with the Department of Social Services (DSS) given its responsibility for the policy governing debt collection and recovery while people are seeking review of debt decisions. The recommendation suggested that when the ARO review takes longer than the performance standard, debt recovery could be suspended until the ARO decision is made. DHS informed us that it did raise this with DSS and DSS advised that it did not plan to cease debt recovery when an ARO decision was delayed. We are satisfied DHS has done all it can to progress this recommendation.

2.78 This situation is a matter for further discussion between this office and DSS.

Recommendation 12: Centrelink's complaint service

2.79 Recommendation 12 sought to improve the profile of DHS's internal complaint handling process through raising customer awareness, delivering staff training and by improving the online feedback/complaint form on the DHS website. The Ombudsman recommended that DHS:

- a) Develop standard plain English text promoting the DHS complaints service for use in all written materials (online and in hard copy) which includes all the methods a person can use to make a complaint.
- b) Encourage and train Centrelink staff to identify and escalate complaints which they cannot resolve themselves.

⁵⁷ <http://www.humanservices.gov.au/customer/information/reviews-and-appeals-payments> viewed on 24 May 2015.

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- c) Promote the DHS complaints service to Centrelink staff and customers as the primary means for resolving complaints.
- d) Redesign the online feedback/complaint form on the DHS website to: - include the word 'complaint' in the title - capture the nature of the person's complaint – provide more space to describe the complaint - allow supporting documents to be attached.

2.80 DHS partially supported recommendation 12(a). In its response to this recommendation, it initially advised it had no plans to revise the text in its letters as it had consulted with the Ombudsman's Office about the text of its letters in 2013 and implemented new text since then.⁵⁸ This recommendation was made after DHS reintroduced the complaint line into its letters and was aimed at ensuring complainants were cognisant of the variety of mechanisms by which complaints can be made and avoid too heavy a reliance on one method only. DHS has also explained it is of the view that it is not practical to reference all the ways a person can make a complaint in its letters.

2.81 It has, however, developed material for its website, including a publication titled 'How to make a complaint or provide feedback', available in 35 languages. DHS has also changed its Complaints and Feedback webpage to provide a simplified message and incorporate the Child Support complaint process, as it moves towards an integrated complaint handling process for all DHS programmes.⁵⁹ DHS now has one phone number for complaints about either the Centrelink or Child Support programmes – 1800 132 468. It is developing a poster, brochure and screen saver on how to make a complaint.

2.82 In late 2014 we received complaints from Centrelink customers who had dialled the complaints number that was in their recent Centrelink letter, only to find it was no longer in use. We obtained several of these letters and established that they still had the old complaints number. While the old number was initially answered with a message that referred callers to the new complaints number, on 1 October 2014 this message ceased. We contacted DHS when we confirmed that some letters had retained the old number. DHS reconnected the old number on 23 October 2014. In answer to our questions, DHS explained that the old number remained in 38 letters that were progressively updated but the message referring callers to the new number had been inadvertently stopped after a miscommunication between DHS and its telecommunications provider. . DHS had removed the old number from all of its letters by 13 June 2015, but will keep the old phone number operative until 29 August 2015.

2.83 The fact that DHS's letters continued to promote a discontinued complaints number reinforces the importance of DHS being able to easily amend its letters to ensure they are correct and current (discussed earlier in Recommendation 3(b))

2.84 It must also be noted that at the time of the April 2014 report, complaints to the Ombudsman about phone delays on the DHS Complaints and Feedback line were uncommon. Since that report, complaints about the delays on the complaint line itself have grown and now feature prominently, despite this phone line being one of DHS's priority phone lines. DHS has identified that some of the demand on the Complaints and Feedback line has been generated by a change in the Google algorithm, which has led to the

⁵⁸ During 2012 and 2013, we requested that DHS reverse its decision to remove its complaints line phone number from its letters. On 24 June 2013, DHS advised that the proposed new text for its letters would include the complaint number and the contact details for the Ombudsman's Office. The next day, this office advised that the proposed wording was acceptable and that we welcomed DHS' decision to reintroduce its complaints phone number into its letters. The process of rolling out revised letters was completed on 13 June 2015.

⁵⁹ <http://www.humanservices.gov.au/customer/information/feedback-complaints>

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Complaints and Feedback number being included in internet searches for a person's nearest Centrelink office. DHS is working with Google to resolve this problem.

Hanifa's complaint (received March 2015)

In December 2014, Hanifa acquired a serious brain injury that caused her to spend several months in hospital. She is now unable to work. She completed a claim for a Centrelink payment while she was in hospital. A friend took Hanifa's claim to a Centrelink office but the Centrelink officer refused to accept the claim and said Hanifa would need to lodge it herself. When Hanifa left hospital, she attended a Centrelink office with a social worker and lodged the claim in person. She was later told by Centrelink that it had not received her claim. She then completed another claim form and faxed it to Centrelink. Her payment was granted but she then received advice that the rate was being reduced. She had also received a Health Care card on 12 March 2015 that had an expiry date of 8 March 2015. She called Centrelink and was on hold for 40 minutes before she gave up. She called the DHS Complaints and Feedback line but gave up after one hour on hold. Hanifa's neighbour then tried to call the same number for her but gave up after 90 minutes on hold.

We decided not to investigate this complaint, but transferred it to DHS to resolve first.

2.85 It is not appropriate that the mechanism by which people are meant to be able to make complaints is now the cause of service delivery complaints in its own right. Many people are unable to get through on the DHS Complaints and Feedback telephone number. While some people decide to contact the Ombudsman to complain that they cannot get through to DHS, it is likely that many others simply give up. Consequently they miss out on the opportunity to have their problem fixed, and DHS also misses out on intelligence about problems with its services. This is a significant barrier for customers who are only able to communicate by phone, or have a problem that can only be addressed by contact with a Centrelink officer, particularly if they have already been unable to get through on one or more of Centrelink's other phone lines. DHS has expressed its regret at the increase in complaints about the delay on the Complaint and Feedback line. We will continue to monitor this issue and look for improvements.

2.86 Recommendations 12(b) and (c) were aimed at ensuring staff properly identify complaints and escalate those that cannot be resolved for further action by DHS's own internal complaint mechanism. In response to these recommendations, DHS advised that its staff have been progressively trained in its approach to complaint handling during 2014 and 2015. The training included guidance about attempting to resolve complaints at the point of first contact, whether by phone or in person, and when it is appropriate to escalate a customer's complaint based on complexity or priority. Staff have also been trained to recognise when to refer customers to DHS's Complaints and Feedback line.⁶⁰ Escalated complaint handling teams have been established for Centrelink, Medicare and Child Support complaints. Staff have been able to transfer escalated complaints directly to that team since May 2015.⁶¹

⁶⁰ DHS completed front-of-house training for service centre staff in December 2014. It has also trained Smart Centre telephony staff, provided task cards, reinforced messaging at meetings and is about to launch a screen saver. Further training to over 15,000 staff will be delivered between July and December 2015, reinforcing complaint handling principles and skilling staff in the use of the new complaints and feedback tool.

⁶¹ More detail about DHS's Integrated Feedback Model is available in the Ombudsman's report (October 2014), *Complaint management by government agencies: An investigation into the management of complaints by Commonwealth and ACT Government*, Report No. 2/2014, page 51. Available at

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2.87 DHS has also updated the reference material for its staff, such as its *Customer Complaints and Feedback Policy* and its *Customer feedback and complaints received in Centrelink* guidance. It has also developed a screen saver promoting the Complaints and Feedback channel to improve staff and customer awareness and implemented speaking points for specialist services officers to assist them with customer conversations about the complaints processes.

2.88 DHS told us it is committed to improving its complaint services and recognises that service recovery is an integral part of its core business. For example, its Strategic Plan includes the strategic risk of 'Failure to provide good customer service'; its risk management framework lists 'customer feedback mechanism' as an existing control for that risk; and the implementation of an integrated complaints service is the solution proposed to further modify the risk.⁶²

2.89 We are satisfied that DHS has endeavoured to improve its complaint handling. However, we continue to be concerned about the extent to which staff are aware of, and promote, DHS's own complaints resolution process. We commonly receive complaints where it is apparent that:

- a Centrelink officer has told a customer to contact the Ombudsman without suggesting they first try to resolve their complaint with DHS Complaints and Feedback
- a Centrelink officer has provided the telephone number for the Ombudsman's office to a customer physically present in a Centrelink service centre, instead of that officer attempting to deal with the customer's complaint, or escalating or transferring the complaint to DHS Complaints and Feedback, and
- a Centrelink officer has directly transferred a customer's calls to the Ombudsman's office instead of escalating the complaint within DHS.

2.90 It is possible that Centrelink officers are choosing to bypass DHS Complaints and Feedback because they know that the customer will face a significant wait on that telephone line. However, our office is independent of DHS, we do not have access to Centrelink's computer system and we are not the appropriate means for the resolution of most, common problems. When we see a cluster of these types of complaints, we highlight them with the DHS contact area responsible for responding to our investigations so they can remind staff of the need to try to resolve complaints within DHS first. Our office will not usually investigate a complaint unless a person has complained to the agency first. As the case studies in this report show, we frequently advise Centrelink customers to contact DHS Complaints and Feedback, or transfer their complaint to DHS so that it can resolve the problem for its customer. Inappropriate referrals to this office compound customer frustration and hardship, and may result in DHS missing opportunities to resolve matters quickly, and sometimes systemically, itself. They also undermine the reputation of DHS and the Centrelink brand.⁶³

Yanni's complaint (received March 2015)

http://www.ombudsman.gov.au/files/Complaint_Management_by_Government_Agencies_Oct_2014.pdf

⁶² DHS update as at 31 March 2015 to the Ombudsman's report No.2/2014.

⁶³ DHS has asked the Ombudsman's office to consider warm transferring these complaints to it so that it can better ascertain which areas of its business require additional training. It was agreed that this approach may be considered in the future.

Yanni is the father of two children. His Parenting Payment was suspended because he overlooked correspondence Centrelink sent to him while he was interstate attending a funeral. He tried to get through to Centrelink on its Families phone line but gave up after long waits on hold. He attended a Centrelink service centre and requested assistance to get his payment reinstated. He says the Centrelink officer he spoke to told him that they could not assist him but suggested that he call the Ombudsman instead.

We decided not to investigate this complaint but gave Yanni the DHS Complaints and Feedback number

Zander's complaint (received December 2014)

Zander's payment had been suspended and he did not know why. He attended his local Centrelink service centre but had not been able to find out the cause of the problem. The Centrelink officer he spoke with gave him the Ombudsman's phone number to call. He called us from that Centrelink office. No one had told him about Centrelink's complaint or review process.

We decided not to investigate this complaint but gave Zander the DHS Complaints and Feedback number

2.91 In those complaints we have investigated, we have seen instances where DHS has not properly escalated the complaint internally to the point of resolution: the problem persists and people subsequently complain to this office. Most recently we have observed this problem in complaints from people who have received incorrect aged care fee assessment letters. If the matter is not properly escalated or resolved by DHS in the first instance, the care recipient can continue to receive incorrect assessments and be over- or under-charged for their residential care. DHS advises that it has recently improved staff scripts, training and processes to ensure appropriate escalation and timely resolution of these complaints.

2.92 DHS has recently established an escalated complaint handling team and is presently recruiting and training staff. This initiative may ultimately improve complaint handling but will only be effective if the staff who deal with the customers in the first place properly identify complaints and escalate them appropriately. The complaints and referrals from Centrelink front line staff to this office suggest this does not always occur as it should.

2.93 Recommendation 12(d) sought to improve DHS's online complaint form.⁶⁴ In response to the changes specified in the recommendation, DHS has changed its online complaint pages significantly and for the better:

- the information is displayed in a clear and accessible format
- people can clearly indicate whether they wish to provide a compliment, suggestion or complaint and they can also view the status of their previously submitted feedback
- online complainants receive an acknowledgment and a reference number (unless they elect to remain anonymous) that enables them to track the progress of their feedback

⁶⁴ <http://www.humanservices.gov.au/customer/complaints-and-feedback/submit-online>

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- it provides helpful drop down menu options to better capture the problem encountered and asks for details of the remedy the person is seeking
- the free text message word limit has increased and there are at least two areas for people to include free text
- it clearly states that the form should not be used for urgent matters and provides the Complaints and Feedback number in the initial explanation and via a phone symbol at the bottom of the page.

2.94 The online complaints form does not yet have the ability to allow complainants to attach documents to the complaint but a new mechanism with that capability is in development and should be implemented by September 2015. These are promising developments.

2.95 In order to make it easier to authenticate and track online complaints, as well as link them to the correct customer record, in June 2015 DHS changed its online complaint form process. The Complaints and Feedback webpage now provides separate complaints channels for people who have linked their Centrelink online account to their myGov account, and another for those who do not have a Centrelink online account. There are obvious benefits in providing a digital, connected and integrated complaint making process. This authenticated complaints mechanism is improved in that it enables more specific information to be collected and for systemic issues to be identified and acted on. It is a very useful and comprehensive complaints tool.

2.96 As there are many people who wish to provide feedback or make a complaint about Centrelink who will not be able to immediately use the new, authenticated process, it is important that they are also able to easily complaint online. These include people who are not current Centrelink customers, and current customers who do not have a myGov account or have not linked that account to a Centrelink online account. It also includes customers who are attempting to communicate with Centrelink because they cannot get through on the phones to rectify problems they are having with their myGov or online account, particularly during peak period of demand such as the end of the financial year when people also use myGov to lodge their tax returns. In response to feedback from this office in July, DHS amended its complaints page so those people who do not have a Centrelink online account or myGov account, or are having trouble accessing these accounts, can more easily locate this online communication channel and provide feedback.

2.97 DHS is also working to improve the quality and accessibility of its online secure message process.⁶⁵

Conclusion

2.98 The table in Part Three of this report summarises the work that DHS has undertaken since we published our report about Centrelink service delivery in April 2014. The Ombudsman made 33 sub-recommendations to DHS under 12 headings. Of those 33 sub-recommendations we have assessed that:

⁶⁵ https://www.centrelink.gov.au/custsite_feedback/sims/contactUsPage.xhtml?wec-appid=sims&wec-locale=en. At the time of writing, this form is difficult to locate, the free text is limited to 250 words and does not compare favourably with the online complaints form that DHS is now using in both its authenticated and non-authenticated online complaint channels.

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- 13 have been implemented⁶⁶
- 8 are underway⁶⁷
- 1 is being considered⁶⁸
- 11 have been partially implemented⁶⁹

2.99 We acknowledge that DHS has made changes to improve the way it handles documents provided online and in person. We recognise that DHS has made procedural and policy changes that have reduced the time customers must wait in line when they first enter a service centre. We are also satisfied that DHS continues to develop new information for its online customers, to improve its responsiveness to online enquiries, and address its internal review backlog.

2.100 While there has been improvement, there are some areas of service delivery that remain problematic. Key amongst these is the difficulty people have trying to speak to Centrelink on the phone. We are satisfied that DHS is aware of the challenges its customers encounter when they use its phone lines, and it has worked to identify the triggers that cause people to call it or contact it by other channels. DHS has acknowledged that during the current transition towards digital services, these triggers include problems with online systems and the lack of online information about the real-time progress of claims.⁷⁰

2.101 However, we are concerned that addressing these triggers in the longer term will not address the current telephone delays and associated downstream problems. Relevantly, in response to the recommendation in the ANAO's report that DHS review the KPI for the speed of answering calls, DHS advised that this average could only be improved by an increase in departmental resources or in the use of call blocking so that a portion of calls could not enter the telephony network.⁷¹ The resourcing of departments is a matter for government. However, it seems likely that Centrelink's poor phone service, including delays and engaged signals on numbers that have reached capacity, will continue until such time as Centrelink is able to employ enough staff to meet the demand or develop and improve alternative service channels so as to reduce demand. The latter option is the one DHS is currently focussed upon, but it must be acknowledged that it is unlikely to achieve significant results in the immediate future.

2.102 Other areas that require continued effort are the reliability and useability of some online services; under-promotion of, and inadequate access to Centrelink's internal complaints processes, and Centrelink's handling of documents and written correspondence received by post and fax.

2.103 Overall, complainants and stakeholders inform us that there is a general community perception that dealing with DHS (and Centrelink in particular) is frustrating, complex and time-consuming. This affects the reputation of Centrelink and DHS, and could undermine people's willingness to try to do their business online. This may be a contributing factor in the

⁶⁶ Recommendations 1(a), 1(b), 2(a), 2(b), 2(c), 3(b), 6(b), 7, 8(a), 11(b), 11(d), 12(b) and 12(c)

⁶⁷ Recommendations 2(d), 4(a), 5(a), 5(b), 6(a), 6(c), 11(a), 12(d).

⁶⁸ Recommendation 3(a).

⁶⁹ Recommendation 1(c), 1(d), 4(b), 5(c), 5(d), 8(b), 8(c), 9, 10, 11(c), 12(a).

⁷⁰ In a meeting with DHS on 19 May 2015, it was noted that the lack of real-time advice on the progress of payment claims and the need to call DHS to get assistance with digital service problems are two key triggers for Centrelink's customers' phone calls.

⁷¹ ANAO report 37, p. 84

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rise of third party businesses that act as intermediaries and nominees between DHS and its customers, often for a fee.

2.104 DHS has assured us that it is focussed on improving customers' experiences where it can, within the bounds of its existing information and computing system. While further improvements are under development and will occur over time,⁷² it would seem that the current computer system is a significant impediment to improved service delivery. The recently announced Welfare Payment Infrastructure Transformation (WPIT) project is a necessary step towards equipping DHS with the tools it needs to provide proper services to its customers. Importantly, the WPIT project also presents DHS with the opportunity to transform its business model to better meet its objectives and structure its service delivery around the needs of its customers.

2.105 We will continue to engage with DHS as it works to further improve its service delivery and overcome the remaining service barriers and challenges affecting its customers.

⁷² For example, DHS is developing a myGov app to enable customers who do not have easy access to a computer to engage with myGov via their mobile phones.

PART 3—TABLE OF DHS’S RECOMMENDATION IMPLEMENTATION ACTIVITIES

3.1 The following table details the activities that DHS has undertaken in response to all of the recommendations made in the Service Delivery Report. Those matters not discussed in detail above are the subject of additional analysis under ‘Ombudsman comment’.

3.2 The four status categories used in the table are explained below and represented by a specific colour:

The recommendation has been implemented – the text and intent of the recommendation has been fully addressed.
The implementation of the recommendation is underway – work that is consistent with the recommendation is currently being undertaken.
The recommendation is being considered – DHS is still deciding whether it is able to implement the recommendation.
The recommendation has been partially implemented – the work that has been or is being done is directed to part of the recommendation only.

Recommendation	Status	What DHS has done	Ombudsman comment
1 Telephone services - Provide more affordable and equitable telephone access for customers			
(a) Investigate the possibility of extending ‘place in queue’ (PIQ) to all callers on all enquiry lines.	This recommendation has been implemented. DHS agrees.	DHS supported this recommendation. DHS considered extending PIQ to all enquiry lines but concluded that it is not suitable for all lines or for all callers, noting that it must strike a balance between outbound calls to people who elect to use PIQ and service provision to those who cannot or do not elect to use it. However, additional PIQ capability is being developed with Telstra under the Managed Telecommunication Services (MTS) project, and is expected to be operational in June 2015. ⁷³ DHS has also adjusted its estimated wait time	More detail about this recommendation is available in Part 2 of the report.

⁷³ The ANAO’s Report 37 provides detail about the MTS at page 53.

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		messages to provide more accurate information to customers. This will be further improved with more advanced telephony infrastructure under the MTS.	
(b) Review the automated triage arrangements for incoming calls to identify and provide priority assistance to vulnerable callers and customers with urgent enquiries.	This recommendation has been implemented. DHS agrees.	DHS supported this recommendation. It initially advised that it continues to review its triage functionality and call prioritisation. It subsequently commenced an Interactive Voice Recognition (IVR) ‘tuning’ exercise. This process involves examining the terminology used by customers to describe the reason for their call and programming the IVR system so that it identifies trigger words for call prioritisation and allocation to the correct staff. It is expected that this exercise will be completed in October 2015. DHS also advised that the current tuning will feed into the new telephony platform that is being delivered under the MTS. This will enable the department to develop more sophisticated IVR that is better tailored to individual customer needs.	More detail about this recommendation is available in Part 2 of the report.
(c) In consultation with the Department of Social Services and other stakeholders, develop performance standards for speed to answer calls on each of Centrelink customer enquiry lines.	This recommendation has been partially implemented. DHS says this recommendation has been implemented.	DHS partially supported this recommendation. It did not support individual performance standards for each of the Centrelink customer enquiry lines. As part of the 2014-15 Portfolio Budget Statements, DHS implemented a key performance indicator (KPI) for telephone services for the Centrelink programme. The KPI is an average speed of answer of 16 minutes or less.	More detail about this recommendation is available in Part 2 of the report.
(d) Publicise and regularly report Centrelink’s performance against the performance standards developed under recommendation 1(c).	This recommendation has been partially implemented. DHS says this recommendation	DHS partially supported this recommendation. It did not agree to report its Centrelink telephony performance publicly. It does make quarterly reports against the KPI available to the Ombudsman. It will also publish annual data in its Annual Report each year against	More detail about this recommendation is available in Part 2 of the report.

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	has been implemented.	the KPI for the Centrelink programme as a whole.	
2 Be more responsive to online enquiries via the DHS website			
<p>Improve the arrangements for customers to make online enquiries of Centrelink with the following aims:</p> <p>(a) Categorise and prioritise each enquiry.</p> <p>(b) Link the enquiry with the customer's Centrelink record.</p> <p>(c) Acknowledge receipt and respond to each enquiry.</p>	<p>Recommendations 2(a), 2(b) and 2(c) have been implemented.</p> <p>DHS agrees.</p>	<p>DHS supported these recommendations. DHS triages incoming email communications sent on its Secure Internet Messages System (SIMS) website each working day using key word searches for priority enquiries. It says it would be unreasonably resource-intensive if it were to manually view each SIMS communication in order to categorise and prioritise. DHS has developed two automated scripts to assist with the management of SIMS messages. One of these assists with linking SIMS enquiries to customer's records, reducing the need for manual intervention. Enquiries that have not been automatically allocated to a record are subsequently appended where sufficient detail is obtained. Successful SIMS enquiries generate automatic receipt numbers. As part of DHS's investigation into ways to improve its handling of online enquiries, it commissioned PricewaterhouseCoopers to undertake a review. PwC identified problems with the management of SIMS including the inability to easily authenticate and attach SIMS records to customer's files as well as the generation of multiple customer enquiries when SIMS are not able to be authenticated and answered quickly. PwC made recommendations that are under consideration. DHS has amended the</p>	<p>More detail about these recommendations is available in Part 2 of the report, under Recommendation 3.</p> <p>Consistent with the PwC's report, we receive complaints from people who have not received responses to their online enquiries. While these complaints continue, we note that recent changes should improve the way DHS links those enquiries to customer records and the pre-call text should increase the chances of Centrelink successfully contacting customers about their enquiries.</p> <p>In response to our July draft report, DHS is working on improving the visibility of its SIMS as it is currently difficult to locate and does not compare favourably with the improved online complaints forms that DHS released in late June 2015.⁷⁴</p>

⁷⁴ It can be accessed at https://www.centrelink.gov.au/custsite_feedback/sims/contactUsPage.xhtml?wec-appid=sims&wec-locale=en. However, it requires complainants to know what they are looking for and at least three mouse clicks on various links from the 'Contact us' page at <http://www.humanservices.gov.au/customer/contact-us/>.

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		webform that customers complete for a SIMS enquiry to include both an email and a phone number to maximise contact opportunities. It has also changed its email processes to increase resolution rates and reduce re-contacts and duplicated effort.	
(d) Develop a performance standard for responding to online enquiries.	The implementation of recommendation 2(d) is underway. DHS agrees.	DHS supported this recommendation. Following on from the above information, it said further reforms to the handling of email enquiries will feed into further consideration of the feasibility of a performance standard in the future. DHS is updating non-customer facing Information and Communication Technology systems in the short term while planning for further long-term changes under the WPIT. It says it would be more appropriate to determine a standard once these changes have occurred.	See commentary under 2(a), (b) and (c) above.
3 Improve written correspondence			
(a) Develop a performance standard for responding to customers' enquiries sent by post or email.	This recommendation is being considered. DHS agrees.	DHS partially supported this recommendation. It initially advised that it would consult and consider the recommendation and its implications. It later advised that the varied nature of incoming customer correspondence means it may not be feasible to have a single performance standard for responding to correspondence received by post or email. However, DHS advised that PwC's review would include consideration of a performance standard. Given the nature of its findings, PwC's report did not ultimately canvas performance standards. DHS said further reforms to the handling of email enquiries will feed into further consideration of the feasibility of a performance standard in the future. It has not indicated that a performance standard will be considered for postal correspondence.	More detail about this recommendation is available in Part 2 of the report.

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<p>(b) Commit to a process of continual review of correspondence, including by customer testing, to ensure that improvements flowing from the DHS Letters Taskforce are not undermined by consequential changes.</p>	<p>This recommendation has been implemented.</p> <p>DHS agrees.</p>	<p>DHS supported this recommendation. DHS advised that it already has arrangements in place for the ongoing review of correspondence and is committed to engaging with customers, peak bodies, community groups and others to ensure communication is clear, informative, and relevant to the target audience and delivered by appropriate mechanisms. It also said it constantly reviews its correspondence so as not to undermine the improvements made as a result of the DHS Letters Taskforce. DHS continues to implement the 1,223 recommendations made by the Taskforce according to priority. These recommendations broadly related to simplifying format, improving message clarity, consistency across communication products and reducing the potential for contradictory messages within a communication product. It is tracking the remaining recommendations to ensure they are implemented.</p>	<p>More detail about this recommendation is available in Part 2 of the report.</p>
<p>4 Income processing for customers who receive income support and Family Tax Benefit (FTB)</p>			
<p>Improve the accuracy of payments made to customers (or couples) with earnings.</p> <p>(a) Revise procedures for administering income reported by customers who receive both an income support payment and FTB to ensure that both payments are reassessed whenever new income information is received.</p>	<p>Implementation of this recommendation is underway.</p> <p>DHS agrees.</p>	<p>DHS partially supported this recommendation and flagged that there may be difficulties implementing it due to the different policy settings for income support as against family payments. It improved the guidelines and training for staff so customers who update their income or earnings details for one type of payment will also be asked to update this information for their other payment at the same time. The self-service channels now include warnings and messages about the need to update income for each payment type separately as well as links and directions in some cases. DHS also obtained an internal</p>	<p>DHS will provide this office with a copy of the report on the findings from its analysis. We acknowledge DHS's efforts to improve this aspect of its administration against current policy and infrastructure limitations.</p>

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		<p>report on the incidence of customers acquiring a Parenting Payment (PP) debt shortly after updating their income and earnings for their Family Tax Benefit (FTB) payment. DHS is analysing this information to identify the extent to which these customers thought that by updating their FTB income they had also updated their PP income. The analysis will be used to determine if further enhancements to processes and tools are required to prevent this happening in the future. This analysis has triggered an enhancement to the online system, proposed for next financial year. The enhancement is expected to: improve the messaging online about reporting requirements; require customers to acknowledge on their record that they need to report separately for income support and family payments; and provide links to information about these different reporting requirements on DHS’s website.</p>	
<p>(b) Improve letters sent to those customers to ensure that they clearly state what income is taken into account for each payment.</p>	<p>This recommendation has been partially implemented. DHS agrees.</p>	<p>DHS partially supported this recommendation. It reviewed the content of letters sent to income support and family assistance customers. It concluded that the letters clearly state the income that is taken into account for family assistance payments. However, it plans to improve the information on the back of family assistance letters to explain the different notification requirements for income support payments from 13 June 2015. The revised text on family assistance letters says:</p> <p><i>There are different notification requirements for income support payments. If you or your partner receive an income support payment</i></p>	<p>The implementation of this recommendation is underway although it will only be partially implemented. While we note the additional clarification on the family support letters, we remain of the view that income support letters would benefit from a similar message. DHS has informed us that it does not plan to amend income support letters in this way.</p> <p>We are also concerned that the language in the revised text is not as clear as it could be. We often find complainants are confused about which payment(s) they receive, let alone whether that payment is an income support payment (such as Parenting Payment or Newstart) or a family assistance payment (such as Family Tax Benefit). Consequently,</p>

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		<i>and you have a change in income, you will need to update details for that payment too.</i>	we suspect some people will not immediately understand which payments the term ‘income support payments’ encompasses. This will be additionally challenging for customers from Culturally and Linguistically Diverse Communities. We have suggested that DHS consider including more guidance, and possibly examples, about what an income support payment is in this amended text. DHS says it has taken this feedback on board and will review the new text, noting there are examples of income support payments on the back of family assistance letters.
5 Maintenance Income Test for FTB			
<p>Improve the information provided to FTB recipients whose FTB is (or may be) affected by child support to explain the operation of the maintenance income test, including:</p> <p>(a) the actual amount of child support used to calculate the person’s rate of FTB each fortnight</p> <p>(b) the method that Centrelink uses to project a person’s child support income and to reconcile their FTB at the end of the financial year</p>	<p>The implementation of these recommendations is underway.</p> <p>DHS agrees.</p>	<p>DHS partially supported these recommendations. Due to the complexity of the Family Tax Benefit (FTB) process throughout the year and at reconciliation, DHS advised that it does not consider it feasible to include the level of detail envisaged by recommendations 5(a) and (b) in its letters. Instead, it is investigating options for making this information available in customers’ online accounts, including the maintenance income used in FTB reconciliations assessments. This would then enable the simplification of FTB reconciliation letters to provide an overview of the reconciliation outcome and direct customers online for further details.</p>	<p>We welcome all additional information that DHS can make available to customers about this complicated process.</p>
<p>(c) the different treatment that will (or may) apply if the person changes their child support collection method (from Child Support collect to private collect, and vice versa).</p>	<p>These recommendations have been partially implemented.</p> <p>DHS agrees,</p>	<p>DHS partially supported these recommendations. DHS said that the information currently provided to customers in its letters is considered adequate. It referred this office to information available on its website about the interaction between child support and FTB as well as the income test for FTB. It also detailed internal</p>	<p>These recommendations have been partially implemented. We have reviewed the material on DHS’s website and agree it provides quality information about child support collection options, the interaction between child support and FTB, and the legislative limitation that means Child Support is usually only able to collect three months of child support arrears if</p>

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<p>(d) the full range of options available if the amount of child support actually received is less than the amount taken into account to calculate FTB.</p>		<p>guidelines that DHS staff use when dealing with the interaction between child support processes and Family Tax Benefit (FTB) processes. DHS staff have been reminded in an internal article about the importance of child support collection options and their consequences for FTB, as well as available training and guidelines on the topic.</p> <p>Since receiving our suggestions for further improvements (see the next column), DHS consulted with the Department of Social Services (DSS). DSS suggested additional improvements and DHS will publish revised information on its website in the coming months.</p>	<p>a customer changes from private collect to the agency collecting. However, we have written to DHS and made suggestions about how this material might be further improved, including explaining how retrospective changes to child support liability can cause an FTB overpayment. We have also suggested that case studies be included to illustrate how the processes work in practice. DHS declined our suggestion that links to the website pages be included in its letters.</p>
<p>6 Online services – Increase support and assistance for customers to use online services</p>			
<p>(a) Research and address barriers preventing or limiting customer take up of online services, or causing people to stop using them.</p>	<p>Implementation of this recommendation is underway.</p> <p>DHS agrees.</p>	<p>DHS supported this recommendation. It said that it will continue to research the barriers preventing, limiting or terminating customer use of online services. DHS said it reviews and analyses customer feedback and complaints to identify issues impacting online services and to improve those services. It also endeavours to enable customers to remain in an online channel to complete their transactions and draws on findings from the Channel Optimisation project. DHS has collaborated with other agencies to acquire and analyse data about customers' online behaviour, as well as improve messaging, communication and navigation techniques with a view to reducing barriers to the uptake of online services. Staff are being trained to improve interaction with customers about online services and to assist customers to take up that service channel. DHS regularly undertakes design and usability</p>	<p>More detail about this recommendation is available in Part 2 of the report.</p>

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		assessments of the myGov service and a myGov mobile app will be delivered later in 2015 so customers can more easily access their online account. In conjunction with other agencies who are myGov participants, DHS has established myGov shopfronts in Sydney, Brisbane, Adelaide and Perth that seek to promote digital service and customer self-management.	
(b) Develop training packages and information products to assist customers to take advantage of online services to self-manage their business with Centrelink, such as online reporting, capturing and uploading documents, printing a payment summary and how to use the Centrelink statement	This recommendation has been implemented. DHS agrees.	DHS supported this recommendation. It stated that it already provides support products for its customers in the form of online guides under the 'help' link on its website and demonstrations including videos on DHS's YouTube channel. The videos include tutorials on a range of topics such as how to use online services and upload documents. They are updated regularly as current and new services become available. Information about registering for online services is available in five languages in addition to English. DHS intends to make its YouTube channel available from its self-service terminals in service centres this financial year. Information about how to conduct self-managed services online is also provided at the Sydney, Brisbane, Adelaide and Perth myGov shopfronts.	More detail about this recommendation is available in Part 2 of the report.
(c) Promote the help facility for online services, capture data about the subject matter of enquiries and analyse it for use in ongoing service improvements.	Implementation of this recommendation is underway. DHS agrees.	DHS supported this recommendation. DHS is developing further online claims which will feature 'Help' and 'Contact Us' icons on every page. The 'Help' icon takes the customer to help text for that page and the 'Contact us' icon takes the customer to the department's contact us page on the internet where the customer can elect to email or phone DHS for further help. DHS said it does capture and analyse customer	More detail about this recommendation is available in Part 2 of the report.

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		<p>suggestions, complaints and feedback about its online services. Changes to the online feedback tool now enable complainants to nominate the service channel they wish to complain about, including digital services. From June 2015, Centrelink customers will be able to lodge complaints and feedback from within their online accounts. DHS says it uses feedback to drive improvements for its customers and address defects. It is presently developing high level reports for business areas to show complaint trends, case study analysis, systemic issues and possible improvements.</p>	
<p>7 Service Centres</p>			
<p>Introduce a 'form drop' service for paper claims, renewal and reporting forms at Service Centres for use in periods of peak demand</p>	<p>This recommendation has been implemented.</p> <p>DHS agrees.</p>	<p>DHS partially supported this recommendation. It commenced a 'drop box' trial in selected locations in February 2014 with a view to reducing wait times in Centrelink service centres. It considered this recommendation against the need to ensure that customers who 'drop off' documents will not need to return to an office and those whose documents trigger consequential or related processes are appropriately serviced. The trial resulted in the implementation of a staff-assisted document lodgement process at Centrelink service centres that was rolled out nationally by the end of 2014. Under the new process, a Customer Liaison Officer (CLO) triages customers in the queue and records the customer's presence and business on an iPad. The CLO takes documents that are able to be accepted at the first point of contact, enabling some customers to leave at that point. Those documents are transferred to dedicated</p>	<p>DHS has been innovative in seeking to address queue wait times when people initially enter service centres and to also improve the receipt and actioning of high-volume documents. DHS has conducted a review of the Document Lodgement Model noting positive feedback from customers who could provide their document to the CLO and depart, particularly those who were unwell and lodging medical certificates. DHS has also identified opportunities to further improve this process and ensure consistent application at all of its service centres.</p>

		<p>staff in the same service centre to take appropriate action. This may involve completing a transaction or scanning the form to the appropriate processing team, with a focus on completing work at the site the document was received in where possible. There will be further contact with the customer by telephone, if the transaction requires it (i.e. to advise a customer that they have not been exempted from their participation requirements after providing a medical certificate). If the customer has Proof of Identity (POI) documentation to provide then they are triaged into a priority queue and can take a seat with a target wait time of 5 minutes or less. Alternatively, original POI documents can be left with the CLO and posted back to the customer by registered post. If the customer needs to see a Service Officer (SO) to complete their transaction, they are triaged into the seated waiting area for that purpose. These initiatives reduce the time that all customers must wait in a queue at a centre before they complete their transaction with the CLO and leave, or are directed to a seated waiting area to be seen by a SO. The document lodgement process is complemented by an initiative to reduce requests for certain types of high traffic documents and a revised work practice that drives staff at the receiving centre to complete work at that location, whenever possible, so as to minimise duplicated effort and multiple customer contacts. In conjunction with these changes, DHS is further promoting opportunities for customers to upload documents via the Centrelink smartphone</p>	
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		app, rather than bring them into a service centre.	
8 Claim processing – Increase transparency and efficiency of claim lodgement and processing			
(a) In consultation with the Department of Social Services and other stakeholders, develop realistic performance standards for processing claims for Centrelink payments.	This recommendation has been implemented. DHS agrees.	DHS supported this recommendation. The 2014-15 and 2015-16 Portfolio Budget Statements include a 'claim' key performance indicator (KPI) for the Centrelink programme with the target set at 82% or more of claims processed within the applicable standard for that payment type. In its initial response DHS noted the difficulties in determining likely processing time at the point of lodgement due to a range of factors.	This recommendation has been implemented. DHS has claim processing standards and has now been set a target of 82% of claims processed within the applicable standard for each claim type.
(b) Publicise and regularly report Centrelink's performance against the standards developed under recommendation 8(a) and actual average processing times.	This recommendation has been partially implemented. DHS says this recommendation has been implemented.	DHS supported this recommendation. DHS's initial response explained that it reports on its claim processing target in the Portfolio Budget Statements and its performance against that target in its Annual Report. DHS also provides quarterly reports to the Ombudsman about average processing times for a large number of claim types.	DHS published its performance against the target of 82% of claims processed within the applicable claim processing standard in its 2013-14 Annual Report. It advised it had achieved 98% of claims processed within the applicable processing standard timeframe. However, this information means little to the public as, like the telephony KPI, it merges all claim types and does not explain the various processing standards that do apply to each claim types. It is disappointing that DHS will not publish more information publicly and more regularly. In the absence of further detail about the demands on Centrelink and the measures it takes to address these are not evident to members of the public. The ATO's 'Access, accountability and reporting' website provides a helpful model for such information. ⁷⁵
(c) Investigate ways to provide applicants with a receipt for their claim, details about the information and evidence required to support it and an estimate of the time that	This recommendation has been partially implemented.	DHS supported this recommendation. In its initial response, DHS flagged that it may explore other strategies to achieve a similar outcome. It explained that the process of manually calculating the likely timeframe for	While online processes do provide a level of information about the claim's progress, the case studies and complaints show that even online applicants can be confused about their claim and what, if any, information is missing.

⁷⁵ <https://www.ato.gov.au/About-ATO/Access,-accountability-and-reporting/Our-commitments-to-service/Current-year-performance/>

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<p>the claim will take to process (based on regularly updated and contemporary average processing times).</p>	<p>DHS says this recommendation has been implemented.</p>	<p>a decision for each applicant would divert resources way from other activities such as dealing with inbound calls. DHS has focussed on providing this type of information to online applicants including:</p> <ul style="list-style-type: none"> • the provision of a claim ID at the start of the process • a message acknowledging the person's intention to claim and the date by which a claim must be submitted online • a list of what must be done after submission such as appointments and additional forms or documents as well as messages about what happens next • a claim status of 'submitted' which changes to 'completed' when it is granted or rejected • the status and required actions can be viewed online at any time under 'Next Steps'. <p>Claimants can also view forms and documents that they have already provided online for their claim. DHS is working towards functionality that will advise customers of the status of their claim, reducing the need for them to contact DHS.</p> <p>If a customer enquires about a claim in person, the claim types are discussed and a letter confirming their intention to claim is issued. If needed, a hardcopy claim form is provided and necessary appointments are made.</p>	<p>The online process does not advise of the outcome of the claim; it advises that the claim has been completed but not whether it was granted or refused. That advice is provided by a decision letter. No applicants are routinely given advice about the likely timeframe for their claim to be decided. We acknowledge that DHS has decided not to provide this information, but remain convinced that it would assist claimants to better understand the process and the point at which they should check on progress, if they had access to indicative processing time data.</p>
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9 Service delays and interruptions			
<p>Proactively provide information through all channels when there are any specific issues that affect customer service with an estimate of the likely timeframe for resolution and alternative means for accessing service in the interim, and special arrangements for urgent matters</p>	<p>This recommendation has been partially implemented.</p> <p>DHS says this recommendation has been implemented.</p>	<p>DHS supported this recommendation. DHS says that it utilises social media (such as Twitter), the myGov welcome page, the DHS web page, and telephony messaging to advise customers of office closures or disruptions to service delivery. The DHS website also suggests the most appropriate alternative service channel.</p>	<p>We note the various ways in which DHS seeks to keep customers informed about service delivery disruptions, and have observed these notifications, for example, when online systems have failed. However, we have not seen notifications when certain phone lines reach capacity and no longer accept calls into the queue (provide an engaged signal), or when the Place in Queue system has failed or cannot be offered on certain lines as it has reached capacity. Similarly, notifications could be used when there are claim backlogs, such as peak student claim periods.</p>
10 Records management			
<p>Introduce a system for storing copies of documents provided by customers on their record which ensures that the records are not lost and customers are not expected to provide the same documents multiple times.</p>	<p>This recommendation has been partially implemented.</p> <p>DHS agrees</p>	<p>DHS supported this recommendation. DHS advised it actively manages its current system to ensure documents are uploaded correctly and that all necessary information is present. It continues to look for ways to make information requirements clearer to customers and is investigating which documents are required to be scanned and stored. DHS is also working to streamline and reduce requests for documents and better manage documents provided in person via its document lodgement process at service centres. The new document lodgement process aims to ensure that all documents presented at a service centre</p>	<p>This recommendation has been partially implemented. More detail about this recommendation is available in Part 2 of the report under Recommendation 3(a). Considerable effort has gone into improving the document handling processes for material provided online and in person. For the reasons discussed in the report, and noting DHS’s efforts to reduce customer correspondence, we remain concerned that documents received by post or fax remain susceptible to loss.</p>

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		are either actioned at the service centre or scanned to the appropriate processing/specialist team on the day of lodgement. DHS is also improving and promoting online processes for customers to record or upload their own documents. For example, customers can now update their income and asset information online rather than providing evidence of their income and assets to Centrelink in person or by post.	
11 Internal merits review – Improve management of requests for internal review of Centrelink decisions			
(a) Continue to address the backlog of internal review requests.	The implementation of this recommendation is underway. DHS agrees.	DHS supported this recommendation. It has focussed on the review backlog and has reduced the number of reviews on hand to 7,753. In the most recent figures as of March 2014, 65% of ARO reviews have been finalised within 49 days. This was achieved by reorganising Authorised Review Officers (AROs) into specialist teams so that decision making productivity increased, removing some of their administrative functions, focussing on complex and longstanding reviews as well as implementing a trial in which customers waiting for an ARO review were given a more fulsome explanation of the reasons for the decision and invited to provide any relevant material at that earlier point. A portion of customers elected to withdraw their review after receiving a better explanation.	More detail about this recommendation is available in Part 2 of the report.
(b) Triage all review requests to assess whether payment pending review is available.	This recommendation has been implemented. DHS agrees.	DHS supported this recommendation. DHS advised that it already had a process to identify vulnerable customers for priority review, and for all customers, whether payment pending review can be offered. Policy specifies circumstances in which there is a discretion to continue to pay a	More detail about this recommendation is available in Part 2 of the report.

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		person at their original rate while they seek review. Legislation requires DHS to continue to pay a person seeking review who is subject to a serious failure or unemployment non-payment period.	
(c) Review the criteria for priority review of a decision to take account of urgency, vulnerability and the consequences of delay upon the individual applicant	<p>This recommendation has been partially implemented.</p> <p>DHS says this recommendation has been implemented.</p>	<p>DHS supported this recommendation. DHS said that before the report was published, policy provided for prioritisation of ARO reviews if the customer is experiencing:</p> <ul style="list-style-type: none"> • no income and no other means of support • homelessness (without stable accommodation) • a current crisis or is extremely vulnerable. <p>DHS applied these criteria when the customer requested review. DHS has not revised these criteria but has implemented a secondary point of vulnerability assessment which occurs when a customer contacts DHS to find out about the status of a current review. DHS advised it will continue to monitor the sufficiency of the criteria as part of business as usual.</p>	More detail about this recommendation is available in Part 2 of the report.
(d) Consult with the Department of Social Services (DSS) about the possibility of suspending recovery of any debt where a customer has requested a review of the debt on reasonable grounds and the review has not been completed within the performance standard (currently 35 days).	<p>This recommendation has been implemented.</p> <p>DHS agrees.</p>	DHS noted this recommendation. DHS consulted with DSS again and advised that DSS has declined to suspend recovery of any debt where the customer seeks review.	More detail about this recommendation is available in Part 2 of the report.
12 Internal complaints service – Increase the profile of, and customer access to, the internal complaints service			
(a) Develop standard plain English text promoting the DHS complaints service for use in all written materials (online and in hard copy)	This recommendation has been partially implemented.	DHS partially supported this recommendation. It advised in its initial response that there were no plans to revise the text in its letters as those letters had	More detail about this recommendation is available in Part 2 of the report.

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<p>which includes all the methods a person can use to make a complaint.</p>	<p>DHS says this recommendation has been implemented.</p>	<p>been progressively amended since mid-2013. DHS has subsequently developed new materials for its website including a publication titled 'How to make a complaint or provide feedback'. This document is available in 35 languages. DHS changed its Complaints and Feedback webpage. These changes simplified the message and incorporated Child Support complaint processes. DHS now has one number (1800 132 468) for customers wishing to complain about the Centrelink or Child Support programmes. A poster, brochure and screen saver are in development for distribution to service centres, Centrelink agents and access points. DHS is of the view that there is nothing further it could do to implement this recommendation. This office maintains that, irrespective of the reintroduction of the complaints number into DHS's letters, there is value in providing information about other complaint avenues, particularly while the complaints line is experiencing significant delays.</p>	
<p>(b) Encourage and train Centrelink staff to identify and escalate complaints which they cannot resolve themselves.</p>	<p>This recommendation has been implemented. DHS agrees.</p>	<p>DHS supported this recommendation. Since the latter part of 2014 and throughout of 2015, DHS staff have been trained about its approach to complaints, including seeking to resolve complaints at first contact and when complaints should be escalated based on complexity or priority. DHS has also issued updated reference material for staff and established escalated complaint handling teams for Centrelink, Medicare and Child Support complaints. Since May 2015, Centrelink staff have been able to warm transfer escalated complaints to the escalated complaints team. Communication to DHS staff about these changes</p>	<p>More detail about this recommendation is available in Part 2 of the report.</p>

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		continues. Further training to over 15,000 staff will be delivered between July and December 2015, reinforcing complaint handling principles and skilling staff to use the new complaints and feedback tool	
(c) Promote the DHS complaints service to Centrelink staff and customers as the primary means for resolving complaints.	This recommendation has been implemented. DHS agrees	DHS supported this recommendation. Its staff have been progressively trained in the new complaint handling model and DHS has sent out communications to its staff about the complaint handling process, including first contact resolution, when to escalate and referrals to DHS's Complaints and Feedback line.	More detail about this recommendation is available in Part 2 of the report.
(d) Redesign the online feedback/complaint form on the DHS website to: <ul style="list-style-type: none"> include the word "complaint" in the title capture the nature of the person's complaint provide more space to describe the complaint allow supporting documents to be attached. 	The implementation of this recommendation is underway DHS says this recommendation has been partially implemented.	DHS supported this recommendation. It updated its online complaint page. The information is now displayed in a clear and accessible format; there are headings that enable people to select 'compliment', 'suggestion', 'complaint' or track previously submitted feedback; online complaints receive an acknowledgment and a reference number; there are drop down menu options to capture the problem complained about and the requested remedy; there is increased free text capacity (to a word limit of 3,424) and opportunity. This improved online complaints tool will enable more accurate characterisation of the issue, I automatically allocate feedback to the relevant business area to action, enable DHS to better analyse trends and issues, and will provide the complainant with the option of tracking the progress and outcomes of their feedback. When the mechanism for attaching supporting documents is implemented (planned for September 2015 for online complaints made via myGov	More detail about this recommendation is available in Part 2 of the report.

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		only), DHS will have addressed all the elements of this recommendation.	
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PART 4— DHS'S RESPONSE TO THIS REPORT

On 28 July 2015, DHS provided a formal response to the draft of this report. The response included the Secretary's letter to the Ombudsman, a document provided comments against sections of part 2 of the report (Annexure A) and suggested revisions to portions of the table in part 3 (Annexure B). DHS also provided further comments on a revised draft we issued in mid July 2015. We took account of these four documents and, where appropriate, amended the report or included additional information.

The Secretary's letter to the Ombudsman is reproduced below and refers to some matters that have been subsequently amended in the final report.

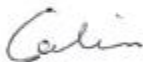


Australian Government
Department of Human Services

Kathryn Campbell CSC
Secretary

Ref: EC15/225

Mr Colin Neave AM
Commonwealth Ombudsman
GPO Box 442
CANBERRA ACT 2601
By email to: ombudsman@ombudsman.gov.au


Dear Mr Neave

I refer to the letter dated 23 June 2015 from the Acting Commonwealth Ombudsman inviting the Department of Human Services (the department) to provide comments on the draft report *'One year on from the Centrelink Service Delivery Report'* ('draft report'), which considers the department's progress in implementing the recommendations in the Ombudsman's April 2014 own motion report concerning complaints about Centrelink service delivery.

Thank you for providing the department with an opportunity to comment on the draft report. I would like to begin by acknowledging the constructive manner in which the officers in our respective agencies have worked together as the department has progressed the implementation of the recommendations over the past 12 months.

I am aware that the department has provided your office with comprehensive updates on progress on a quarterly basis, and has also provided your office with a number of verbal briefings on specific recommendations. I am also aware of a meeting held on 6 July 2015, during which officers of the department and your office discussed the department's actions to date, with a view to informing possible amendments to the draft report.

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I am pleased that the draft report acknowledges that the vast majority of Centrelink services continue to be delivered without complaint and notes some of the significant work that has been undertaken by the department to improve the quality of its services to its customers.

The department continually seeks to enhance service delivery through the use of innovative technological and practical solutions, and by refining existing practices and procedures, including in relation to complaint management.

As noted in the draft report, the department's ability to more effectively handle increasingly complex customer transactions would be better supported by a more modern, flexible information technology system. The Government's recently announced Welfare Payment Infrastructure Transformation project presents an exciting opportunity to simplify and improve the way services are delivered to the Australian community in the medium to long term. However, the department acknowledges the critical importance of continuing to improve, and seeking to optimise, the service delivery experience for customers today.

I note that the draft report concludes that, of the 33 recommendations in the April 2014 own motion report, the department has fully implemented, partially implemented or is in the process of implementing, 31 of those recommendations.

While the views of the department and your office differ about the extent to which the department has implemented recommendations in a small number of cases, it is clear that substantial progress has been made in implementing the majority of the recommendations in the 12 months following the publication of the April 2014 own motion report.

I note your office has assessed one recommendation, relating to the review of the department's automated triage procedures for incoming telephone calls, as not having been implemented by the department. The department does not agree with that assessment.

The department has undertaken a review of those triage procedures, but concluded they were effective and that no changes of substance were required. I understand that, following a discussion about this recommendation at the meeting held on 6 July 2015, your office has advised that the final report will reflect that this recommendation has been implemented.

I understand another recommendation, relating to developing a performance standard for responding to customer enquiries sent by post or email, remains under consideration pending the implementation of system changes.

Notwithstanding the very good progress that has been made in relation to implementing the recommendations, I note your office continues to have concerns about the number of complaints in six key areas of service delivery. These are discussed in detail in the draft report, with the efficiency of telephone services being a particular focus.

I assure you that the department is fully committed to improving its performance in all of the areas of concern identified in the draft report. The department welcomes the regular feedback provided by your office, which is particularly valuable in identifying specific issues on which the department should focus its attention.

The department's detailed comments on the draft report are set out at [Annexure A](#) and [Annexure B](#). Those comments include some updates in relation to further action taken by the department in implementing particular recommendations. As discussed above, I understand your office has already indicated that the draft report is likely to be amended in the light of some of these comments, which were discussed at the meeting held on 6 July 2015.

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Thank you again for giving the department an opportunity to comment on the draft report. The department looks forward to continuing to work constructively with your office to further progress the recommendations supported by the department which are yet to be fully implemented.

Yours sincerely



Kathryn Campbell

24 July 2015

Annexure:

- A. Department's comments on the draft report.
- B. Department's suggested amendments to the Ombudsman's assessment of the department's implementation of the recommendations.