Department of Human Services:

INVESTIGATION INTO SERVICE DELIVERY
COMPLAINTS ABOUT CENTRELINK

April 2014

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

REPORT NO. 1 | 2014
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EXECUTIVE SUMMARY

This report is about the Ombudsman’s investigations into access and service delivery complaints about Centrelink, which became part of the Australian Government’s Department of Human Services (DHS) on 1 July 2011. The integration of Centrelink into DHS, along with Medicare and Child Support is part of a five year program of service delivery transformation, intended to give Australians better access to social, health and welfare services and achieve policy outcomes while delivering services more efficiently.

The DHS Centrelink program delivers government payments and services to Australians on a very large scale. In 2012-13, Centrelink processed 2.8 million claims for payments and paid over $116.1 billion to individual customers on behalf of the government. Customers have a variety of ‘channels’ to communicate and do business with Centrelink. In addition to the traditional ways of visiting a Service Centre, or speaking to an officer by telephone in a Centrelink ‘Smart Centre’, there is a growing range of automated and online service channels. We recognise that DHS is exploring a range of innovative service delivery options and that there are significant efficiencies to be gained through online services. We also acknowledge that many of Centrelink’s customers find it convenient to use online services.

The majority of Centrelink services are delivered without cause for complaint by Centrelink customers. However, we continue to receive a steady stream of complaints about Centrelink. These tend to come from people having difficulty accessing Centrelink and unhappy with the service they received. The complaints, while few in proportion to the total number of Centrelink’s interactions with its customers, suggested a gap between DHS’ service delivery commitments and the reality experienced by some customers. These concerns were echoed by community organisations and other stakeholders who told us about the challenges they faced when they tried to assist their clients to deal with Centrelink.

Complaints to this office about Centrelink had been trending down since 2007-08. This downward trend reversed in 2011-12. This increase, combined with the fact that DHS was part way through its five year program of service delivery reform led us to do two things. In late 2012, we altered the ‘auto-attendant’ message played to people calling our complaints line to tell them that we were unlikely to be able to help them unless they had first tried to resolve their complaint with DHS, and gave them the number of the DHS complaints service, which diverted many callers back to DHS, and helped to reduce the number of complaints we were receiving about Centrelink. Then, in May 2013, we decided to start the investigation leading to this report.

This report provides a snap shot of areas where Centrelink service delivery has not always met customer expectations. While we acknowledge these problems are experienced by a minority of Centrelink customers, the frustration felt by those customers is real and the impact of service delivery problems, particularly for vulnerable customers, can be disproportionately large.

We acknowledge that DHS operates in an environment of increasing complexity in terms of both policy and programs as well as increasing demand for its services. Since integration in July 2011, DHS has delivered significant savings to government on an annual basis. The cumulative impact of the various measures is that annual savings to government has risen to $355 million in 2013-14. This report provides a baseline for assessing the improvements DHS proposes to make to its Centrelink service delivery arrangements in the final years of its reform program. We look
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forward to tracking DHS’ progress over the coming years and expect there will be innovations and improvements to Centrelink’s service delivery offerings as a whole, as well as in relation to the issues highlighted by this investigation.

Centrelink customers complained to us about the difficulties they experienced in their dealings with Centrelink, such as:

- trying to understand their entitlements
- claiming a payment
- meeting reporting requirements so their payments would continue
- sorting out a problem
- seeking review of a decision
- making a complaint.

No matter what the underlying cause of the person’s problem with Centrelink, most mentioned difficulties with communication and access. People frequently complained about long delays to have their calls answered. They said Centrelink ignored their emails or letters. They told us about long waits in queues at DHS Service Centres, sometimes only to be directed to use the phone, or a self service computer terminal, instead of talking face to face with a staff member.

Customers expressed frustration at receiving confusing, sometimes contradictory letters from Centrelink. When they tried to call Centrelink to clarify the information, some had difficulty getting through to speak to anyone. Centrelink’s letters invited its customers to provide feedback or make a complaint, but only gave a website address for DHS’ internal complaints service. However, Centrelink’s letters contained the Ombudsman’s telephone number, so many dissatisfied Centrelink customers would ring us instead. We do, however, acknowledge that Centrelink’s letters are not the sole location for its customers to access the telephone number for DHS feedback and complaints.

The 40 case studies included in this report are an illustrative sample drawn from over 9,600 complaints we received about Centrelink between January 2012 and September 2013. Two of the case studies were complaints made by community organisations on behalf of their clients. Twenty-one complaints were investigated at the time of receipt and DHS had an opportunity to respond and rectify the issues. We decided not to investigate the remaining 19 complaints, usually because the person had yet to use the DHS complaint service or we considered there was unlikely to be a remedy for their complaint. Even though we did not investigate all of the complaints, they nevertheless show how Centrelink’s service was perceived by those customers.

The consequences of the problems demonstrated by the case studies can be significant. Customers may be unaware of, or confused about, their entitlements and miss out on payments. Their payments may be delayed, suspended or cancelled, leading to financial hardship. If they wanted to challenge a decision, they were likely to face a long wait for a review. Many Centrelink customers have to spend long periods of time trying to access Centrelink services, for which there is no alternative provider.

We are still receiving similar complaints about Centrelink at the time of publishing this report. Those complaints suggest a service that sometimes finds it difficult to cope
with demands, especially during peak times for particular services and service channels. When Centrelink is under most pressure, it cannot service all of its customers. At these times, despite DHS’ commitment to provide additional support to vulnerable customers, there is a risk that the more resourceful, persistent and able will find a way to navigate through barriers, leaving the vulnerable behind. We therefore consider it is imperative that DHS consider how it can ensure that it provides equitable access to all the people who are likely to use its services, particularly those who are unable for whatever reason to take advantage of the digital service delivery innovations being introduced.

We commend Centrelink for establishing a project to review and improve all of its customer letter templates and urge it to make clear, accurate and informative correspondence an ongoing priority.

We acknowledge that DHS is working hard to improve service delivery to all of its customers and commend it for many of the initiatives it has already implemented to assist customers take charge of their business. DHS has invested in the development of innovative online service delivery options for Centrelink customers, such as Express Plus mobile apps for people with smart phones. Shifting customers to self managed services will allow DHS to divert resources to assist those customers who need additional assistance. ‘Place in queue’ call-back technology for most of Centrelink’s major telephone enquiry lines is convenient for many customers and can reduce the cost of dealing with Centrelink for customers with mobile phones. DHS has also implemented a Front of House operating model (FoH) to manage the queues of people who wish to do business with Centrelink in person at a Service Centre. We are confident that DHS will continue to invest in and develop technology to improve the efficiency of its business. Nevertheless, we remain concerned that not all of Centrelink’s customers are experiencing improvements in service and a small number are being left behind as their access to traditional service channels reduces.

Even before its integration into DHS, Centrelink was the agency most people contacted us to complain about. That is not unexpected given the volume of transactions managed by Centrelink. However, while we do not expect Centrelink to be error free, we would like more people to be able to sort out their problems with Centrelink without our involvement.

We believe that DHS needs to further consider how best to help Centrelink customers fix errors with their payments. We recommend that DHS continue its efforts to reduce the backlog of applications for internal review of Centrelink decisions. We recommend that the criteria for priority reviews be strengthened and that DHS consult again with the policy agency, the Department of Social Services, about the possibility of suspending recovery action on Centrelink debts while a review is being considered, if that review is delayed. We also recommend that DHS improve the accessibility of its internal complaints system and ensure that it not only resolves individual customer problems, but also enables it to listen to and learn from Centrelink customers.

We recognise that DHS faces a difficult challenge in making its services more responsive. However, we believe that it must do so to meet the commitments it has made to its customers.

The 2013 Federal Budget was handed down during this investigation. We acknowledge the former government’s announcement of an additional $30 million to enable Centrelink to deal with telephone enquiries in times of peak demand. This additional telephone ‘surge’ capacity will go some way towards addressing the
problems identified in this report. DHS told us that from July to September 2013 it was able to engage employees on a flexible basis, better matching the number of available Smart Centre staff with caller demand throughout the day and over the week, and that it received approval to recruit an additional 500 employees on a flexible basis in December 2013. Making more Centrelink staff available to answer telephone enquiries during the traditionally busy period from July to December should have eased the pressure on other areas of Centrelink’s operations. We are nevertheless concerned that Centrelink may struggle to deal with the volume of calls once those additional non-ongoing staff cease.

At the conclusion of this report, we make 12 recommendations to address the service delivery problems highlighted by the 40 featured case studies. We will be seeking reports from DHS every three months about its progress implementing those recommendations. We will also be monitoring the complaints we receive about Centrelink in future for signs of improvements. As is our usual practice, we intend publicly reporting on Centrelink’s progress implementing the recommendations, commencing with our 2013-14 Annual Report.
PART 1—INTRODUCTION

What is Centrelink?

1.1 Centrelink is a program within the Department of Human Services (DHS). Centrelink administers social security payments, and other forms of assistance according to the legislation and policies set out in the *Social Security Act 1991*, the *Social Security Administration Act 1999*, *A New Tax System (Family Assistance) Act 1999*, *A New Tax System (Family Assistance) Administration Act 1999* and the *Paid Parental Leave Act 2010*, plus a range of executive schemes.

1.2 Centrelink is not responsible for social security policy, which belongs to various ‘policy’ agencies, such as the Department of Social Services and the Department of Employment. Centrelink is the means by which the majority of the Commonwealth Government’s social support payments and programs are delivered to the people they are intended to benefit.

1.3 In 2012-13, Centrelink made payments of more than $116.1 billion to its customers on behalf of the government. This includes payments such as:

- age pension
- disability support pension
- carer payment
- parenting payment
- youth allowance
- austudy and ABSTUDY
- newstart allowance
- special benefit
- carer allowance
- family tax benefit
- baby bonus
- paid parental leave
- child care benefit and child care rebate.

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1.4 Many Centrelink customers rely on these payments as their primary or sole source of income. In addition to these payments, Centrelink administers supplementary payments and benefits upon which many people rely to make ends meet (such as concession cards which entitle them to cheaper prescription medicines through the Pharmaceutical Benefits Scheme).

1.5 People can only access the payments and services that Centrelink administers by dealing with Centrelink. There is no alternative service provider.

1.6 When things go wrong and Centrelink customers are unable to sort problems out promptly, it can have serious consequences, depending on their circumstances. Quite apart from the frustration of not being able to speak to Centrelink quickly, and for many customers, the expense of waiting on a mobile phone, some Centrelink customers are at risk of (or already experiencing) homelessness and severe financial hardship.

1.7 DHS’ Annual Report 2011-12 states that:

by providing increased choice and greater convenience for customers to interact with us in the way that suits them best, and encouraging those who can self-manage to do so, the department can provide more intensive support through specialised services.2

1.8 The complaints that we have received indicate that Centrelink is experiencing some problems with its project to achieve better service delivery. The complaints suggest that people have difficulty at a number of points in their dealings with Centrelink:

- understanding their entitlements and finding information when they seek to clarify this
- making a claim for a payment
- meeting their reporting requirements to continue receiving payments
- trying to sort out a problem with their payment
- seeking review of an unfavourable decision
- making a complaint.

**DHS Service Delivery Reform**

**Minister’s announcement**

1.9 On 16 December 2009 the then Minister for Human Services, the Hon Chris Bowen MP, announced a service delivery reform initiative to commence in 2010. The aim of the reform was to give Australians better access to social, health and welfare services and achieve policy outcomes while delivering services more efficiently.

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1.10 The Minister’s announcement outlined that service delivery reform would involve integration of the various agencies and programs in the Human Services portfolio into one department. The Department of Human Services (DHS) was to deliver tailored and targeted services based on people’s needs and circumstances. It would improve integrated telephone and online systems and have more people-focused government service delivery. DHS was intended to simplify people’s dealings with government, giving them more control, support and assistance when they need it.

1.11 On 1 July 2011, under the Human Services Legislation Amendment Act 2011, Medicare Australia and Centrelink services were integrated into DHS, along with the Child Support program (formerly known as the Child Support Agency or CSA) and CRS Australia (formerly known as the Commonwealth Rehabilitation Service). Australian Hearing is a separate statutory authority within the Human Services portfolio.

1.12 One of the stated goals of the integration of these formerly separate agencies into one DHS portfolio is to provide seamlessness for customers and stakeholders who access services. Eventually this should allow a ‘tell us once’ approach for DHS customers, making it possible for them to update their details once, across all DHS programs, if they choose to have their information shared.

1.13 The integration of these programs into one DHS is scheduled to occur over a five year period. This report discusses some of the complaints that the Commonwealth Ombudsman received and investigated about actions of DHS’ Centrelink program since service delivery reform commenced.

How DHS describes Service Delivery Reform

1.14 The 2011-12 DHS Annual Report says that Service Delivery Reform is intended to:

- make people’s dealings with government easier through better delivery and coordination of services
- achieve more effective service delivery outcomes for government
- improve the efficiency of service delivery.³

PART 2—BACKGROUND

2.1 In preparation for Service Delivery Reform, Centrelink, Child Support and Medicare conducted a series of community forums across Australia. The purpose of those forums was to find out from the people using their services what they wanted from an integrated DHS. People said they wanted services to be:

- personalised and individually tailored
- better co-ordinated
- accessible by clear and simple processes and forms
- flexible
- about good communication and information
- empathic and understanding.

2.2 This information from customers underpinned DHS’ development of its service commitments and the design of its service delivery arrangements.

DHS Service Commitments

2.3 On its website and in its brochure Our Service Commitments, DHS states:

What you can expect from us

- **Respect**
  We welcome you and will listen to you and work with you to understand your individual and cultural needs.

- **Easy access to services**
  We will give you quick and easy access to the right services.

- **Quality information**
  We are committed to providing consistent and accurate information.

- **Fair and transparent services**
  We will be open and honest with you and follow through on our commitments.

- **Genuine consultation**
  We value your feedback and we will work with you to understand how to improve our services.

- **Efficiency**
  We will simplify the way we deliver services to you.

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Delivering services to Centrelink customers

2.4 Centrelink delivers services to customers through:

- Smart Centres
- online
- mobile phone apps
- Service Centres
- mobile offices
- access points and agents.

2.5 DHS encourages Centrelink customers to use self service options for an increasing number of transactions. It also promotes the use of specialised services for Centrelink customers who need extra support.6

**Smart Centres**

2.6 A large proportion of Centrelink’s business with customers is conducted by telephone with 44 million calls handled in 2011-12.7 Centrelink previously provided phone services through a geographically based call centre model. DHS now has ‘Smart Centres’ networked across Australia which manage a blend of telephone enquiry and processing services, which allows it to move work more easily between teams. There are separate telephone numbers for the enquiry line for each of the main payment types (Families and Parenting; Older Australians; Youth and Students etc.) and a number of ‘boutique’ lines for smaller groups of clients with special needs (e.g. a dedicated line for Indigenous agents8 and callers requiring interpreters).

2.7 Calls to each of Centrelink’s enquiry numbers are placed in a queue for answering by staff located in a Smart Centre, which both receives their call and where possible, completes any transactions required to finalise the customer’s enquiry. Centrelink staff with particular skill sets are logged in to deal with enquiries from particular enquiry lines.

2.8 Centrelink manages the large volume of calls in a number of ways. Centrelink predicts the volume of calls for any given day and rosters staff accordingly. Extra staff are rostered on when more calls are expected (e.g. after a large mail out of letters about the clean energy supplement) or at short notice if an unexpected spike in incoming calls occurs. Disaster recovery lines get priority over other queues.

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8 Centrelink employs a number of Indigenous Agents who can provide simple advice and act as intermediaries for Indigenous people in remote areas. See heading ‘Access points and agents’ and discussion in paragraphs 2.31 to 2.33 in this report.
2.9 Centrelink Smart Centre staff have access to the whole of a customer’s electronic file and can process many transactions during their telephone call with the customer. DHS manages call routing according to skill sets, to ensure that enquiries are managed by officers with appropriate expertise (e.g. Families and Parenting). If a caller also has an enquiry about another payment type that is not within the defined skill set of the officer, their call may be placed into the queue to speak to another officer with the necessary expertise, once their original enquiry has been managed. However, there are ‘like transactions’ that all staff can complete.

2.10 Phone operating hours are published on the DHS website. Generally, Centrelink’s enquiry lines are open from 8 am to 5 pm (local times), Monday to Friday (except public holidays). Some lines are open outside of these times, including the Families and Parenting line, and the Basics card balance line. No calls are terminated once they have been accepted into the queue. Queues are managed closely and will be answered by any staff member rostered to take calls across the country. Calls that can’t be answered by rostered staff in the Eastern states can be diverted to staff working in the WA Smart Centres.

2.11 Centrelink is able to record audio messages to play to callers on its enquiry lines. Centrelink’s interactive voice response (IVR) technology asks the customer what they are calling about and will play messages linked to the reason for that call. For example, on the Families line, there will be an audio message reminding callers to advise their taxable income to Centrelink so their family payments can be reconciled, or a message about disaster relief payments following a natural disaster such as bushfires or floods.

2.12 Centrelink also uses its IVR technology to direct calls to automated workflows. Again, the recorded message asks the customer to say what they are calling about. If the IVR system recognises the customer’s response, and it is one of the matters for which there is an automated workflow, the call will be directed to that workflow, rather than to a CSO. For example if the customer says ‘I want to apply for an advance’ the IVR system will recognise that the customer is calling about an advance payment and play a relevant message. If the customer’s inquiry is not recognised, the call will be diverted into a queue to speak to a CSO.

2.13 ‘Place in queue’ (PIQ) allows customers to choose to be called back instead of staying on the line to wait for Centrelink to answer their call. The customer can hang up and Centrelink’s telephone system will call their number when their place in the queue is reached.

2.14 PIQ is automatically offered to eligible customers when the estimated wait time in a queue, based on the number of callers and operators, is more than five minutes. PIQ is currently available on nine Centrelink enquiry lines, although for two of those lines, it is only offered to people calling from a mobile telephone. To be eligible for PIQ, the customer must:

- have called between 8 am and 3 pm

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10 PIQ is offered on the following Centrelink lines: Employment Services; Older Australians; ABSTUDY; Disability Sickness and Carers; Indigenous Services; Families and Parenting and Online Service Support. PIQ is also offered to people using a mobile phone to call the Youth and Students line or the Participation Solutions Team.
be registered for phone self service, or be calling on the Families and Parenting line; the Disability, Sickness and Carer’s line; or the Indigenous Services line.\textsuperscript{11}

2.15 DHS advised us that its research indicates that that overall satisfaction with PIQ is high, with over 90% of surveyed customers saying they would use it again.

**Online services**

2.16 Centrelink promotes online services for those customers who are able to use them. Online services are available 24 hours a day, except for times when DHS is performing system maintenance. Customers need to register for online services. Once registered, the customer can log in to their online account using a personal computer and complete the following transactions:

- claim a new payment
- report employment income
- update details such as family income estimates, contact details, study details
- view their payment history and the information about their income and assets that Centrelink is using to calculate their entitlement
- view appointments
- transfer funds to an income management account
- make a payment towards a debt owed to Centrelink
- upload documents to Centrelink’s system
- manage their online account.

2.17 At times of peak workload, for example after the end of the financial year, when people must update their income for family tax benefit purposes, Centrelink encourages more people to do this online, rather than by telephone. Thus, it will send a one time access code to those customers who are not already registered for online services. This allows them to report their income using online services, without going through the formal process of registering.

2.18 Some services are not available online. Usually this is for a business reason such as the complexity of the transaction. An example is where a customer has reported late or not met their participation requirements and Centrelink considers it needs to discuss this with the customer. Centrelink intends to expand the number of transactions that can be completed online in the future and expects that the majority of its customers will use online services for most transactions.

2.19 We have received a number of complaints about Centrelink’s online services, some of which are used as case studies in this report. People complain that online services are not available, or that the data they entered was lost. They say they

\textsuperscript{11} To access PIQ on the Families and Parenting line; the Disability, Sickness and Carer’s line; or the Indigenous Services line, the customer need only enter their Customer Reference Number (CRN) or Customer Access Number (CAN).
cannot get technical assistance or that Centrelink did not respond to their online complaint within a reasonable timeframe, or sometimes at all.

2.20 DHS acknowledges that there are service outages from time to time. If a customer’s transaction is interrupted by a service outage, unsaved data will be lost and need to be re-entered. DHS informs customers of any problems via alert messages on the DHS website, through social media and when the Logon button is selected. It also notifies its customer service staff of technical problems with online services. Nevertheless, DHS says the system is reliable overall, with online services unavailable for only 1.73% of total operational hours from January 2012 to September 2013.

2.21 Centrelink customers can receive technical assistance from an online service support hotline (available 7.00am – 10.00pm local times) or by sending a message through the contact us facility on the DHS website (the customer is either contacted by phone or emailed a generic guidance to address their online account problem).

2.22 Centrelink customers can also access online services at a DHS Service Centre (discussed below). This provides access to people who do not have a computer at home, or reliable internet access. The Service Centre staff can also assist customers to use online services (demand permitting). The MyGov website (www.my.gov.au launched in May 2013) is intended to provide fast, simple access to Australian Government online service. It allows people to link and access a range of services in one secure location, using one sign in and password.

Mobile phone apps

2.23 From late 2012, Centrelink started to introduce a number of free mobile phone apps for Apple and Android devices which are available to customers who have registered for online services. Centrelink customers can download an Express Plus mobile app and obtain information about using it on the DHS website at: http://www.humanservices.gov.au/customer/services/express-plus-mobile-apps.

2.24 All Centrelink Express Plus mobile apps allow a person to:

- update their contact details
- subscribe to and view online letters
- view payments and transaction history
- capture, upload and store documents.

2.25 There are specific apps for particular payment types, and the functions available on them vary accordingly:

- family tax benefit customers can view, estimate and update their family income estimate.
- newstart allowance, parenting payment or youth allowance customers can report their income or update their participation or study details.

2.26 Centrelink expects students to use online services in preference to phone or face to face service. The Mobile Express Student app has more functions, allowing students to:
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- report employment income
- update course details
- check their ‘income bank’ balance.

2.27 Students receive ‘push notifications’ (or reminders) when they have to report and the Mobile Express Student app helps to calculate work hours.

2.28 Centrelink is developing Mobile Express phone apps in other community languages, with Vietnamese, Chinese and Arabic now available.

2.29 DHS says that Mobile Express phone apps have led to a strong increase in customer use of self service options for the Centrelink and Medicare programs. Across these two programs, the apps were downloaded more than 750,000 times in 2012-13.

Service Centres

2.30 Centrelink offices are increasingly co-located with other DHS programs in a Service Centre. The majority of Service Centres have Centrelink and Medicare staff. DHS aims to have full co-location by July 2014.12 This report deals only with Service Centre operations for Centrelink customers.

2.31 DHS advised us that over 76 million face to face customer Centrelink enquiries were conducted between January 2012 and September 2013. Each Service Centre which delivers Centrelink services has trained Customer Service Officers (CSOs) who can provide face to face service. Consistent with DHS’ aim to encourage those people who can ‘self manage’ to do so, the demand for face to face service is managed by a Customer Liaison Officer (CLO), who greets and encourages customers arriving at the Service Centre to use self service options, if available, as a quick and easy alternative to waiting to see a CSO.

2.32 All Service Centres have a self service area, where customers can use computer terminals to conduct their business using Centrelink online services. There are:

- Centrelink Express PCs where customers can access a limited number of services (such as printing an income statement or applying for an advance payment) using their own login details
- self service terminals which provide access to all online services.

2.33 Centrelink staff can assist customers with accessing online services, depending on other demands in the Service Centre. We discuss Service Centre operations in more detail in Part 5 of this report.

Mobile offices

2.34 Mobile offices provide equivalent services to those available in a Service Centre. They travel to communities at specific times, sometimes at short notice (for

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example when there is a disaster) but usually according to a predetermined schedule.

2.35 Mobile offices can be equipped with services and staff (for example Indigenous Services Officers) tailored to meet the needs of specific communities. Other agencies such as the Australian Taxation Office (ATO) or state government departments may join Centrelink in a mobile office as service partners, where appropriate.

**Access points and agents**

2.36 Centrelink has access points in some communities where there is no Service Centre. Access points provide free self help facilities such as access to phone services, fax facilities and sometimes self service computers for customers to use online services.

2.37 In addition to the self help facilities provided at access points, agents provide face to face information services and an internet enabled computer and printer for customers as well as assistance to use them. Agents also receive claim forms, sight and photocopy proof of identity documents, and accept other documents for lodgement with Centrelink.

**Social media**

2.38 DHS updates official accounts on the social networking websites YouTube, Facebook and Twitter as an additional way of sharing information about government support, services and payments.
PART 3—COMPLAINTS TO THE OMBUDSMAN

3.1 Complaints about Centrelink, and its predecessors, have always made up a substantial proportion of the workload of this office. In each Ombudsman Annual report since 1998, Centrelink has been the Commonwealth agency about which we received the most complaints. In the main, the large number of complaints about Centrelink can be attributed to the very large number of people that it deals with, and the nature of the services that it delivers. Centrelink also tells its customers about their right to complain to the Ombudsman, a practice we encourage.

3.2 The number of complaints that we receive about Centrelink can fluctuate quite significantly from year to year. We often notice a spike in complaints when Centrelink is implementing a significant change in government policy. Centrelink complaints also increase when it experiences a heavy increase in demand because of a natural disaster, such as floods or bushfires.

3.3 The table below shows annual complaint trends to the Ombudsman about Centrelink since 1 July 2006.

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</tr>
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</table>

3.4 We do not investigate every complaint that we receive about Centrelink. If we decide not to investigate a complaint, we will suggest other avenues for the person to resolve it, such as seeking internal review of a decision, or contacting the agency’s complaint service, or appealing to a specialist tribunal. In 2012-13, we investigated just 17.4% of the complaints we finalised about Centrelink. However, we record details of the issues that the person complained about for all the complaints we receive, even those we don’t investigate, so we can monitor trends.
3.5 In the Ombudsman’s Annual Report 2011-2012 we noted that complaints to our office about Centrelink had increased, reversing a trend of falling complaint numbers. Our analysis of the issues in those complaints identified significant numbers of people contacting our office because they were unable to access Centrelink by telephone, or where telephone delays were one of several issues in their complaint. In 2012-13, although we received fewer complaints about Centrelink than in 2011-12, we attribute this decrease to changes that we introduced to cope with the volume of people calling to complain to us about Centrelink, without first using the DHS complaints service. Regardless of the reduced numbers, the same themes emerged in 2011-12 and 2012-13.

3.6 The people who complained to us about Centrelink told us they had experienced:

- waits of up to one hour in Centrelink’s telephone queues before they were able to talk to a Centrelink officer
- inaccurate recorded messages about the likely wait time, which in many cases far exceeded what they’d been told to expect in the message
- having their call transferred between phone queues multiple times
- being told to call another number when they finally spoke to a Centrelink officer.

3.7 Many people told us they had attempted to contact Centrelink by phoning on different days at different times and then attending a Service Centre only to be directed to use a telephone in the waiting area to call the same numbers they had unsuccessfully called before.

3.8 People also complained to us about their increased call costs. People calling from a land line can ring any of Centrelink’s telephone enquiry lines for the cost of a local call. However, a call to Centrelink is a timed call for most people using a mobile phone, except in limited circumstances discussed in paragraph 4.20 of this report.

3.9 We were concerned that DHS appeared not to be meeting its service commitment to at least a proportion of Centrelink customers. We met with DHS about this issue on three occasions in 2012-13. As we acknowledged in our 2011-12 Annual Report, DHS has taken measures to improve the responsiveness of its telephone enquiry service for Centrelink customers. These measures include smartphone apps to reduce the need for customers to call, an automated call back facility (PIQ) on its main enquiry lines, real time management of its telephony (discussed at 4.19 of this report) and the use of non-ongoing staff to provide additional ‘surge’ capacity. From July 2012, DHS introduced more accurate wait time estimates into its recorded messages, which had previously only stated that the estimated wait would be more or less than 10 minutes. However, this office continues to receive complaints about long delays to access Centrelink by telephone, with the numbers of complaints increasing again in July/August 2013 and November/December 2013.
3.10 Trends of complaints to the Ombudsman about Centrelink suggest other problems such as:

- confusing and misleading computer generated correspondence
- problems with accessing online services
- refusal/inability to deal with customer enquiries in person
- failure to call customers when they request a telephone call via an online form on the DHS website
- failure to respond to customers’ letters and emails
- loss of documents, with customers being asked to provide the same documents multiple times
- processing backlogs
- unquestioning acceptance of the accuracy of inter and intra agency data transfers
- inflexible procedures and a failure to identify or escalate exceptional cases
- failure to identify and respond to customers with serious disadvantage and vulnerability
- an inaccessible (and at times, ineffective) complaints service
- lengthy delays for internal reviews of decisions.

3.11 Consistent with our usual arrangements, we suggested that many of the people who contacted us to make a complaint about Centrelink raise their concerns with DHS’ internal complaints service. We assured many complainants that we were aware of the issues they complained about, but explained that we would not investigate their individual complaint because it was unlikely that we could get them a remedy. Some complaints we transferred direct to the DHS complaints service so that it could have the opportunity to resolve the complaint and communicate the outcome direct to the complainant. However, we recorded information about the nature of each person’s complaint about the problems they were experiencing with Centrelink and monitored the patterns of those complaints.

The decision to start this investigation

3.12 We were concerned that the themes emerging from the complaints we received about Centrelink suggested the possibility of systemic problems. Although we recognised that DHS had already commenced a program to transform service delivery for all of its customers, we wanted to satisfy ourselves that the changes would address the problems that led people to complain to us about Centrelink. Also, as DHS neared the mid-point of its five year service delivery reform program, we

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14 In 2012-13, the Ombudsman’s office investigated 17.4% of the complaints that we finalised about Centrelink. This proportion was lower than in 2011-12, when we investigated 24% of the complaints we finalised about Centrelink.
wanted to establish a baseline for assessing the service delivery improvements that it proposes to deliver in the second half of that program.

3.13 On 21 May 2013, the Ombudsman wrote to the DHS Secretary to inform her that this office would be conducting an own motion investigation into service delivery complaints about Centrelink.

3.14 On 27 May 2013, we provided DHS with a written briefing about the issues that the own motion investigation was likely to consider. This was followed by a meeting with senior DHS officers on 31 May 2013 to answer their questions about the scope of the investigation.

3.15 On 12 June 2013, we sent a list of questions to DHS about Centrelink’s service delivery channels and requested that it arrange for our staff to visit a number of Service Centres in Western Australia, Queensland and New South Wales. We previously visited a Centrelink telephone command centre in March 2013 to observe Centrelink’s call management procedures.

3.16 When we commenced this investigation, we considered that telephone delays were the most serious and immediate problem in Centrelink’s service delivery: we discuss this in Part 4.

3.17 However, our investigation also examined other areas of Centrelink service delivery, which we discuss in this report. Part 5 explores the problems that people have experienced in getting face to face service at Service Centres. Part 6 looks at weaknesses in Centrelink’s automated correspondence. In Part 7, we examine a range of other Centrelink service delivery problems, which have led people to complain to us.

3.18 We also examine the DHS mechanisms intended to address dissatisfaction with Centrelink service delivery: the internal review and complaints processes. In Part 8 we examine the backlog of applications for internal review of Centrelink decisions. In Part 9 we discuss DHS’ internal complaints service and whether it has been effective in addressing the problems that Centrelink’s customers complain about.

3.19 Part 10 of this report contains our conclusions about Centrelink’s service delivery, based on our complaints data and this investigation. At the end we make 12 recommendations intended to assist DHS to improve things.

3.20 This report includes 40 case studies drawn from complaints made to the Ombudsman about Centrelink. We have indicated in each case study the date we received the complaint; whether we investigated it, and if so, the outcome.

3.21 Two of the case studies were complaints made by community organisations on behalf of their clients. Twenty-one complaints were investigated at the time of receipt and DHS had an opportunity to respond and rectify the issues. Consistent with our normal practice, we decided not to investigate the remaining 19 complaints, usually because the person had yet to use the DHS complaint service or we considered there was unlikely to be a remedy for their complaint. We transferred seven of the ‘uninvestigated’ complaints to the DHS complaints service so that it could have the opportunity to resolve the issues and communicate the outcome direct to the complainant. Even though we did not investigate all of the complaints, they nevertheless show how Centrelink’s service was perceived by those customers.
PART 4—WAITING ON THE TELEPHONE

4.1 Our 2011-12 Annual Report highlighted the problems many customers had contacting Centrelink by telephone. We noticed a steady increase in complaints of this type, peaking in December 2010 and again in December 2011. They continue up to the time of this report, with another spike in July/August 2013, and again in November/December 2013.

4.2 Many people tell us that they have a simple enquiry, but they don’t think it is fair that it is so difficult to speak to Centrelink about it. One customer’s comments to us summed this view up:

*Wendy’s complaint* (received April 2013)

_Extract from Wendy’s online complaint to the Ombudsman’s office about Centrelink_

‘I would like to make a complaint regarding phone wait times for Centrelink. I am currently on hold and have been for 48 minutes so far. This is by no means fair or reasonable. I do not consider myself to be a second class citizen and nor should I be treated as one. Private business would never treat clients or customers in this way and not be accountable. My lunch breaks are 30mins and I can’t even make a call to Centrelink with regards to studying. They offer a call back service that cannot be accessed without a pin number and to establish a pin number I need to speak with someone to register.’

_We decided not to investigate Wendy’s complaint and suggested Wendy contact the DHS complaints service._

4.3 We also receive complaints from people who call us because they can’t find the number for the DHS complaints service.

*Laney’s complaint* (received March 2013)

Laney received a letter from Centrelink stating that she qualified for a low income health care card, and should call Centrelink to organise this. She tried to call the telephone number given in Centrelink’s letter for three weeks, without success. She wanted to know how to make a complaint about this to Centrelink and the only other number she could find on the letter was the one for the Ombudsman’s office so she called us.

_We decided not to investigate Laney’s complaint and gave Laney the telephone number of the DHS complaints service._

4.4 At the Ombudsman’s office, we adapted our own processes in late 2012 to deal with the increasing numbers of people calling because they could not get through to Centrelink by telephone. We introduced a recorded message on our own complaints telephone number, which tells people calling our office to complain about Centrelink that we are unlikely to be able to help them unless they have already tried to resolve their complaint by calling DHS Feedback and Complaints. Then we give them the telephone number to call. This simple strategy has helped us to manage the number of calls to our office (we discuss this further in Part 9).
4.5 In its 2005-06 Annual Report, Centrelink reported that it had developed and implemented a self service strategy for its customers, including automated telephone options and online claims, which it continues to expand. Nevertheless, there has been a steady increase in the number of phone calls that Centrelink has answered each year since then. This suggests that customers either prefer to contact Centrelink by telephone, or that they find they still need to call Centrelink, despite the growing number of online service options.

4.6 The information published in Centrelink’s and DHS’ annual reports show that as the volume of calls to Centrelink has increased, so too has the waiting time for Centrelink to answer those telephone calls. Figure 2 on the following page contains information about Centrelink’s telephone performance from 2008-2011.

4.7 In 2006-07, one of Centrelink’s performance indicators was the percentage of calls answered within 150 seconds. Centrelink answered a total of 30.97 million calls in 2006-07, with the actual average wait time for each calls being 110 seconds.

4.8 Centrelink changed the way that it reported its call answering performance from 2007-08. Rather than publish the average time taken to answer all calls, it published its performance against new Key Performance Indicators (KPIs), which, if met, would mean that Centrelink would have delivered a ‘reasonable level of service’ to its customers, according to its agreement with government. The KPIs included a measurement of unmet demand (i.e. callers presented with an engaged signal and therefore unable to get into the Centrelink call system); the percentage of calls answered on the first attempt and the percentage of calls answered within a target wait time.

Figure 2: Centrelink telephone performance 2008–2011

<table>
<thead>
<tr>
<th>Year</th>
<th>KPI: time to answer calls</th>
<th>Actual</th>
<th>KPI: callers able to get through on first attempt</th>
<th>Actual</th>
<th>KPI: unmet demand (engaged signal)</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>70% of calls answered within 180 seconds Met KPI (75%)</td>
<td>70% of callers successful on first attempt Met KPI (86.6%)</td>
<td>&lt;9% in 7 peak demand periods</td>
<td>Met KPI (8% in 6 non-peak demand periods)</td>
<td>Met KPI</td>
<td></td>
</tr>
<tr>
<td>2008-09</td>
<td>70% of calls answered within 150 seconds Did not meet KPI (57.9%)</td>
<td>80% of callers successful on first attempt Did not meet KPI (73.2%)</td>
<td>&lt;9% in 7 peak demand periods</td>
<td>Did not meet KPI</td>
<td>Did not meet KPI</td>
<td></td>
</tr>
</tbody>
</table>


18 Centrelink Annual Report 2007-08, p.73

19 Centrelink Annual Report 2008-09, p.94.
4.9 In 2011-12, Centrelink again changed the way it managed customer calls. In times of high demand, Centrelink had previously presented some callers with an engaged signal, so that calls already in the queue could be answered quickly.

4.10 Now Centrelink allows all callers into the telephone queue, unless the number of calls is so high that it may exceed the capacity of Centrelink’s telephone system. Currently, only calls beyond a ‘safe’ number are presented with an engaged signal.

4.11 As a result of this significant call management change, in 2011-12 the average waiting time for callers to Centrelink increased to 11 minutes 45 seconds. The DHS 2011-12 Annual Report was silent as to Centrelink’s target call wait time.

4.12 In March 2013, DHS told us that Centrelink now had a target call wait time of 16 minutes. We understand this changed target is a KPI for all DHS programs. The Human Services Portfolio Budget Statements 2013-14 sets out the KPI for ‘service users telephony’, which is to achieve an average speed of answer of no more than 16 minutes. The reported result is averaged across all DHS programs, not just Centrelink. However DHS has advised us that it is reviewing its KPIs and from 2014-15 it will be required to report on a program basis.

4.13 We acknowledge that this KPI reflects a government resourcing decision. However, we believe 16 minutes is a long time for a person calling Centrelink to wait before they can speak to someone about their enquiry. Although we acknowledge that it is difficult to find a like service to compare with Centrelink, we think it is worth noting that the Australian Taxation Office (ATO) currently aims to answer 80% of

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This figure was misstated in Centrelink’s 2008-09 Annual Report, but corrected in Centrelink’s Annual Report 2009-10, p133.

Centreflink Annual Report 2009-10 p.113.


calls within five minutes.\textsuperscript{25} Until 2012-13, the DHS Child Support program aimed to answer 80\% of calls within 30 seconds.\textsuperscript{26} Although Child Support did not meet that target in 2011-12, the average call wait time was still only 60 seconds. DHS ceased using this KPI for Child Support calls in 2012-13.

4.14 Our complaints suggest that some Centrelink callers wait considerably longer than 16 minutes, and sometimes for over an hour. DHS acknowledges there are occasionally times when Centrelink is overwhelmed with calls especially during peak times (for example, close to the end of the financial year and when there has been a recent natural disaster).

4.15 The DHS Annual Report for 2012-13 indicates that the target call wait time of 16 minutes is averaged across all DHS programs.\textsuperscript{27} In 2012-13 DHS took an average of 10 minutes and 2 seconds to answer calls from its customers. The Department did not report its call performance for each of Centrelink, Medicare and Child Support programs.

4.16 In 2009, the Welfare Rights Network published an article highlighting the burden that Centrelink’s administrative processes place upon many of its customers. The Welfare Rights Network observed that many Centrelink customers use the telephone as their main method of contact with Centrelink. It attributed this to the increased responsibility for reporting to Centrelink and the low literacy and numeracy skills of many Centrelink customers. The article also highlighted the costs to the many customers who do not have access to landlines and have to use mobiles which are more expensive than land lines when calling 13 and 1800 numbers. Welfare Rights also raised the high telephone costs associated with contacting Centrelink in a 2011 submission to the Australian Communications and Media Authority’s review into the costs of calling 13 and 1800 numbers from mobile phones.\textsuperscript{28}

4.17 The cost of calling Centrelink places an especially heavy financial burden on its customers, particularly when there are long wait times. When we raised with DHS our concerns about the costs associated with customers calling from mobile phones and having to wait in long telephone queues, it acknowledged this was a problem. However, the actual costs to each customer will depend on their individual mobile phone contract, which is not within DHS’ control. DHS advised us that it was working on a number of technology based solutions to reduce the expense for Centrelink customers calling from mobile phones, which we discuss below.

4.18 The DHS 2011-12 Annual Report says its five main strategies to address the increasing demand for phone services are:

\begin{itemize}
\item In 2011-12, Child Support answered 71.3\% of calls within 30 seconds, with the average time to answer all calls being 60 seconds, see DHS Annual Report 2011-12, available online at http://www.humanservices.gov.au/corporate/publications-and-resources/annual-report/resources/1112/chapter-04/phone-services accessed on 2 September 2013.
\end{itemize}
reduce the need for customers to call
increase the use of self service
improve call centre technology
increase the efficiency of the call network
adjust resources to cope with demand.

4.19 DHS told us that it responds to changes in demand on its Centrelink telephone enquiry lines in a number of ways. These include the recent recruitment of additional non-ongoing call staff to provide surge capacity in peak times, and a dedicated virtual team that monitors and manages the network to optimise access and resolve issues. DHS’ telephone software monitors the number of callers in each Centrelink queue and how long those callers have been waiting. The virtual team will work with telephony sites to apply a range of strategies to match resources to current demand, including by moving staff off phone work to another time; adding extra staff to telephony lines (including skilled processing staff from other areas); and changing the skill tags of suitably trained staff to assist on busy lines.

4.20 We discussed in Part 2 some of the technology based solutions that Centrelink has already introduced to reduce the unmet demand on its telephone lines. They include a range of smart phone ‘apps’ and ‘place in queue’ (PIQ), which DHS made available to mobile phone users in early 2013 to assist with high mobile phone costs, but then extended to calls from landlines.

4.21 Although we acknowledge that these new service options should provide some relief to customers, they will not address the overriding problem of people having to wait for too long to speak to a Centrelink officer on the telephone.

4.22 From 27 November 2012, Centrelink changed the telephone numbers from ‘13’ numbers to ‘1800’ numbers for five selected inbound telephone lines. Calls to these new 1800 numbers are free for people calling from landlines or using the Telstra mobile network. This change will reduce the cost of doing business with Centrelink for the small proportion of Centrelink’s customers who call those particular lines. We welcome this initiative but remain concerned that the majority of Centrelink customers, including many people on very low incomes, will continue to incur high telephone charges when they need to speak to Centrelink about their payments.

4.23 DHS advised us that extending the freecall service to other lines was likely to cost several million dollars. We note however that the Australian Communication and Media Authority (the ACMA) is reviewing issues relating to the cost of calls from mobile phones to 1800 and 13 numbers. The ACMA review may address the costs that Centrelink customers incur when calling Centrelink from a mobile phone.

4.24 We rarely, if ever, receive complaints about telephone delays from people calling DHS’ Child Support or Medicare programs. In 2011-12, Child Support’s average call wait time was 60 seconds; and Medicare answered 83.2% of incoming calls within 30 seconds. Although we do not necessarily think it is desirable for DHS

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29 These selected lines are: the ABSTUDY line; Income Management and Child Protection Line; the Indigenous line; the Basics Card line, and the Rural Agents Silver Service line.
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to reduce the level of service to Child Support and Medicare customers, we think it is hard to justify the disparity in call wait times between the three major DHS programs.

4.25 In the 2013-14 Federal Budget, the former government announced that it would provide supplementary funding of $30 million to improve Centrelink’s call performance. The Budget included an additional $10 million in 2012–13 and $20 million in 2013–14, for DHS to direct towards engaging additional staff to better meet call demand and, in particular, reduce call waiting times.30

4.26 We believe this additional telephone ‘surge’ capacity is likely to go some way towards addressing the problems we have discussed in this report. However, this is a temporary measure. We remain concerned about DHS’ ability to meet the demand on its telephone lines and recommend that it take action to address this (see Recommendation 1).

PART 5—PROBLEMS AT SERVICE CENTRES

5.1 The following case studies highlight some of the problems that people experienced when they tried to access face to face service from Centrelink in a Service Centre. These people could not use a self service option.

Luca’s complaint (received January 2013)

Luca had been receiving newstart allowance for a few weeks and had been exempt from job seeking activities for medical reasons. Luca attended his local Centrelink Service Centre seeking help to fill out a Centrelink form. A Centrelink officer told Luca it would be a two hour wait but Luca couldn’t wait that long as he was due to travel out of town. He left the Service Centre.

Luca called Centrelink later that day and made an appointment for the following week to receive assistance completing his form. Luca attended at the arranged appointment time but was told that he would be put in the queue along with everyone else.

Luca called our office to complain about his treatment and said that he believed Centrelink needed to change its culture which assumed that people receiving Newstart Allowance have the whole day to wait around.

We decided not to investigate Luca’s complaint and suggested some steps that Luca could take to resolve it with Centrelink.

Marin’s complaint (received August 2012)

Marin attended his local Centrelink Service Centre to renew his step-son’s health care card (HCC). The Service Centre’s advertised hours of business are 8.30 am to 4.30 pm. Marin arrived at 3.55 pm, but a customer service office advised him there were too many people in the queue for his query to be addressed that day and told him to come back the next day.

Marin said that he only wanted to drop in the renewal form and documents, but he was told he needed to talk to an officer.

Marin then spoke to a supervisor who confirmed the advice and added that the Service Centre does not handle ‘complex cases’ after 3.30 pm. The supervisor informed him that the preferred ‘walk-in’ times are between 8.30 to 11.30 am and 1.30 to 3.30 pm and offered Marin a reply paid envelope to post the renewal form and documents to Centrelink. Marin said that he was not satisfied with these options and the supervisor told him he could use the telephone in the waiting area to call DHS Feedback and Complaints.

When Marin spoke to DHS Feedback and Complaints, he was again told that the office would not be able to deal with his complex enquiry that day and he would have to come back the next day, or he could post the documents to Centrelink in a reply paid envelope.

Marin left the office and posted the HCC renewal form and documents to Centrelink. But he decided to complain to the Ombudsman’s office about this treatment.

Investigation outcome:

In response to our investigation, DHS advised us that Centrelink had renewed Marin’s step-son’s HCC the same day that it received the forms in the mail. DHS told us that a HCC renewal is not ‘complex’ but the processing can be time consuming depending on the
amount of documentation involved. DHS maintained that the Service Centre staff had correctly advised Marin to come back the next day.

5.2 Both Marin and Luca’s complaints were made to us before April 2013, when DHS introduced the FoH operating model to Service Centres (discussed at 5.9 of this report). We consider that the FoH model is likely to provide better access for people like Marin and Luca.

5.3 During our investigation of Marin’s complaint, DHS told us that at 3.30 pm each day, the leadership team at the Service Centre manages the services to customers already in the queue, so that customers are cleared by closing time. The ‘queue management’ takes account of staff capacity as well as the urgency and complexity of enquiries, and also involves telling some customers that there is insufficient time to deal with their inquiry.

5.4 As a result of our investigation, DHS changed the information on its website about attending a Service Centre. The new text says:

Check to see if you can do your transaction through our online services before you visit a service centre. We now offer a number of new services online or through our mobile phone applications.

When you are making a new claim there are a few quick tips.

• Claims take time to process in a service centre so come in early to make sure we have time to help you.

• Check what documentation you need to bring with you. Without the right information, it will slow things down when you talk to us.

• Our offices experience peak times. Check our opening and closing hours and plan your visit. This may help you to avoid a queue.

5.5 While this revised information addresses some of our concerns, it does not seem sensible for DHS to ask a customer to leave the office and send by pre-paid post the documents that they wished to lodge in person, but were unable to do so because the Service Centre was too busy to process them. To require this is likely to lead to delays and possible loss of documents in the mail. We think it would be sensible for Centrelink to allow customers attending a Service Centre to drop in forms and documents for processing in periods of peak demand, rather than send the person away with a pre-paid envelope to post the forms back to the office, or to another processing centre. We note DHS already offers this service for Medicare claims. We recommend that DHS extend this service to Centrelink customers (see recommendation 6).

Marin’s complaint (received April 2013)

When Marin’s step-son’s health care card was next due for renewal, he decided to send the renewal forms into Centrelink by post.

Marin complained to us that it took Centrelink nine weeks to issue a new card. Marin lodged a formal complaint with DHS about this and asked for a written explanation for the delay. DHS did not write to him. Instead, a team leader called Marin and told him that Centrelink was experiencing heavy demand for its services and this had led to processing delays.
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We decided not to investigate Marin’s complaint because we considered it was unlikely that we could obtain a further remedy for him.

Responding to people in more vulnerable situations

5.6 Centrelink endeavours to tailor its services to meet the special needs of its customers. But it cannot do so if those customers cannot contact them. Some Centrelink customers are at risk of (or already experiencing) homelessness and severe financial hardship. Some people have other personal vulnerabilities, such as chronic illness, physical frailty or disability, mental illness, caring responsibilities or a history of domestic violence. These people may be unable to use the other communication channels that Centrelink has introduced to supplement its traditional service delivery methods (in person and by telephone).

5.7 The next three case studies are examples of Centrelink failing to provide an appropriate level of service to people with particular vulnerabilities. It should be noted that we received these four complaints before April 2013, when DHS introduced the FoH operating model to Service Centres (discussed at 5.9 of this report). We consider that the FoH model is likely to provide better access for people with special vulnerabilities.

Kaylee’s complaint (received October 2012)

Kaylee was in financial hardship, homeless and was the primary carer of her son who required surgery. Kaylee and her son were both living in her car. She attended a Centrelink office and asked to speak to a social worker. She said the office was quiet and the officer who dealt with her counter enquiry said ‘no’, without further explanation. Kaylee said she asked for an advance payment and was told she would have to use the phones in Centrelink’s waiting area to make a formal request. She did use the phones and ultimately obtained an advance, but was not provided with a social worker appointment. When we spoke to Kaylee several days later about her complaint, she had an appointment to inspect accommodation, but she still felt that Centrelink had failed to help her when she needed it.

We decided not to investigate Kaylee’s complaint, but referred it to DHS Feedback and Complaints to resolve directly with Kaylee. DHS told us that as a result of Kaylee’s complaint, the staff in the Service Centre have all had refresher customer service training.

Lachlan’s complaint (received August 2012)

Lachlan had cancer, both hips replaced, suffered from neurological degeneration and more medical conditions. He attended a Centrelink Service Centre to show proof of identity forms for his application for Carbon Tax Essential Medical Equipment payment. Lachlan said he was required to stand in a queue of about 40 people to lodge his forms.

Lachlan telephoned Centrelink before attending the Service Centre to make an appointment but was told he could not make one. This was confirmed by staff at the Service Centre. He complained that the current practice of a queue discriminates against people with a disability and suggested that provision of seating and a ticketing system would help (as used in Medicare offices).

We decided not to investigate Lachlan’s complaint and suggested he contact the DHS complaints service.
Mavis’ complaint (received September 2012)

Mavis has a hearing impairment and a physical disability which makes it difficult and painful for her to stand or walk. She goes into her local Service Centre when she needs to talk to Centrelink, because it is hard for her to hear on the telephone.

Mavis complained that she had to stand in a queue at the Service Centre and when she asked about a chair she was told she didn’t need one as she wouldn’t be there long. Centrelink refused to give Mavis an appointment when she asked for one and told her she had to use the telephone for enquiries even though she found this difficult.

Investigation outcome:
Centrelink made a notation on Mavis’ computer record to alert staff that she is hearing impaired, and to say that she is allowed to attend a Service Centre at a time that suits and ensure a staff member is waiting for her arrival so she does not have to stand for an extended time.

5.8 ‘Mavis’ and ‘Lachlan’ had physical disabilities which made it difficult for them to access Centrelink services by telephone or by waiting in a queue at a Service Centre. We do not think it is reasonable that these Centrelink customers were unable to make appointments or have adjustments made so that they can access services. In the last case, Centrelink made adjustments to accommodate Mavis’ disabilities, but only after an investigation from this office.

Centrelink’s Front of House operating model

5.9 The case studies in Part 5 of this report all precede the introduction of Centrelink’s Front of House operating model (FoH) which applies to all Service Centres from 28 April 2013. We commend DHS’ efforts to more efficiently serve customers who wish or need to interact with Centrelink in person.

5.10 In July 2013, Ombudsman staff visited Service Centres on a number of occasions both by appointment and incognito to observe service delivery to customers. We observed some standard procedures across all Service Centres visited, such as the use of customer liaison officers (CLOs) with iPads who approach each customer when they arrive at a Service Centre and triage them into different queues for service.

5.11 In all Service Centres visited, a CLO was situated close to the access door and greeted customers upon entering. The CLO obtains details of the service the customer is seeking, can access a brief summary of the customer’s details on their iPad screen, use it to book customers into the different queues and make notes if necessary (such as customer needing quick assistance as they have an urgent situation or the customer needs interpreting services). The CLO triaged customers into three queues:

- a priority/quick queue for simple or urgent matters
- a general queue for most services such as payment claims, and
- a queue for customers waiting for appointments, for example, to see a multicultural services officer or have a booked job participation interview.

5.12 Centrelink aims to have a CLO greet and triage customers within two minutes of arrival. It attempts to achieve this by rostering on other CSO staff as CLOs in times
of peak demand. The CLO can talk with a team leader sitting in the office via a Bluetooth device, and request assistance to manage the queues if necessary. During our visits, we observed up to four CLOs working at one time, but at busy times, this two minute target was not achieved.

5.13 There were also some evident differences and variations to the model in the sites we visited:

- larger Service Centres seated customers in different areas according to their payment or enquiry type, whilst smaller Service Centres had one undifferentiated waiting area
- larger Service Centres were likely to have staff rostered onto the self service area to assist customers to use online services, whereas smaller Service Centres did not have staff available for this and relied on the CLO to provide assistance intermittently.

5.14 We were assured that Centrelink staff would always be available at service centres to assist customers with accessing online services. However, when Ombudsman staff attended some centres, all the CSOs were busy attending to other customers and there was limited assistance available. DHS has since advised us that it continues to review and refine the FoH operating model to ensure that customers receive greater assistance to use online services. Staff members assisting Centrelink customers in a Service Centre with an enquiry that might be able to be done through self service are now expected to talk to the customer about this and offer to assist them to set up or use their online account. The assistance may include taking the customer to a self service terminal and providing hands on support.

5.15 In the larger Service Centres, customers were also utilising the phones provided for self service. Providing access to self service options in Service Centres assists customers who don’t have access to computers or don’t have enough phone credit to make calls. However, if wait times for call centre access are longer than wait times for face to face service in a Service Centre, most customers in the Service Centre choose to wait to see a CSO.

5.16 After seeing the CLO, the customer can sit to wait for service. No-one need stand in a queue after seeing the CLO, unless as sometimes happens in very busy Service Centres, all the seating is taken. This simple initiative addresses some of the complaints we have received by customers, particularly those with mobility issues who have had to stand queuing for lengthy periods. In busy Service Centres, we observed seated customers waiting patiently for services even for periods in excess of an hour.

5.17 Wait times in Service Centres are minimised by team leaders managing their available staff by moving them between queues when the waiting time becomes too long. For example if the ‘quick queue’ time increases, staff can be moved from servicing the general queue and two staff can ‘tag team’ (with one CSO serving customers whilst the other CSO is processing the applications at a nearby computer).

5.18 Service Centres can also access other CSOs sitting in any DHS offices across Australia (Centrelink calls this ‘real time availability’). The Centrelink manager can arrange for a customer in their Service Centre to be connected by telephone to a CSO in another, less busy Service Centre who can help them with their enquiry or process their claim.
5.19 Through chat rooms, Centrelink managers keep informed about any issues that may affect the flow of customers to their Service Centre. For example, the manager will be informed if call centre wait times increase dramatically or the online services go down, as these problems are likely to trigger increased demand for face to face services.

5.20 The flexibility of the FoH model appears to efficiently utilise the staff available. Centrelink managers told us that they are constantly looking for ways to increase efficiency and improve service delivery, including liaising with community agencies and conducting outreach in their area, for example to homeless people or accessing students at their tertiary institution.

5.21 However, the Service Centres can be swamped by high volumes of routine enquiries. For example, when we visited Service Centres in July 2013, there were Centrelink customers attending to obtain a copy of their income statement (for tax purposes) as Centrelink decided to stop posting these statements out to customers as it had done in previous years. While these enquiries were simple, responding to them diverted resources away from people with more serious and complex problems.

5.22 The Centrelink Managers we spoke to in each site we visited were enthusiastic about customers using mobile phone apps and online services. However despite using online services, some customers still needed reassurance that the business they had conducted online had been successfully transacted and sought confirmation of this via a face to face interview. As at March 2013, 54% of customers were registered for online services. Of course not all services are available online, nor do all customers necessarily choose to transact their business online even if they are registered.

Digital service Centre with ‘app bar’

5.23 In December 2013, we visited the DHS’s newly opened Service Centre in Margate Queensland. DHS describes Margate Service Centre as a digital service centre, with an ‘app bar’ to assist customers to trial and use Express Plus apps to do their business with Medicare and Centrelink. Through personal help and step by step video demonstrations, customers are encouraged to deal with DHS online, rather than queue to speak to a CSO. However, face to face service is also available for those customers who choose not to do their business online.

5.24 Our observation was that the DHS officers in Margate were very enthusiastic and helpful, and did not limit themselves to demonstrating Express Plus apps and assisting customers to use them. They also helped customers to connect to online services using the computer terminals in the waiting area, and advised customers who chose to queue to see someone about other ways they could transact their business, if they wished. The DHS officers helped customers find information on Centrelink’s website, by downloading a scanning app to their smartphone. The scanning app can be used to read the barcodes listed on an electronic display board in the office, which opens a designated page with information about a particular Centrelink topic or payment type, reducing the need for Centrelink to produce printed information brochures and leaflets.

5.25 We consider the ‘app bar’ and digital Service Centre in Margate is an innovative way to encourage customers to do their Centrelink business online, where this is technically possible and feasible for the individual.

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31 As advised by DHS in an email dated 3 July 2013.
PART 6—POOR QUALITY CORRESPONDENCE

6.1 The rules about social security and family payments are very complex. Centrelink customers rely on Centrelink to provide them with the information that they need to understand their entitlements and obligations, and to exercise their rights to challenge a decision they think is wrong. While we acknowledge that Centrelink’s letters include clear information about the steps that a person can take if they disagree with a decision, they sometimes do not contain a clear explanation of the decision that has been made or the reasons for that decision.

6.2 DHS states in its Service Commitments that customers can expect quality information and that it is committed to providing consistent and correct information. Centrelink attempts to meet this commitment through its website, which is informative and up to date and contains accurate, accessible general information about Centrelink payments. But no matter how good the website, this does not always overcome the shortcomings of some of the letters that Centrelink sends to its customers about their individual entitlements.

6.3 DHS has told us that the deficiencies in some of Centrelink’s letters are due to the volume of letters generated daily and the limits on the type of information that its automated letter system is able to extract from the customer’s record for inclusion in those letters. As an indicator of the volume of letters generated each year, we note that in 2012-13, Centrelink sent almost 85 million mail house letters and 31.7 million online letters to its customers (plus a further 9.5 million letters about special initiatives and 9.5 million publications).

6.4 We do not receive large volumes of complaints that are solely about Centrelink’s correspondence. Nevertheless, confusing, misleading and inaccurate Centrelink letters feature in many of the complaints to the Ombudsman as shown in the examples discussed below.

<table>
<thead>
<tr>
<th>Complaint from a community organisation: Maria (received December 2012)</th>
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<tbody>
<tr>
<td>Maria is married with dependent children. She receives family tax benefit (FTB) for her children and carer payment (CP) because she cares for her elderly mother. Both payments are income tested, taking into account Maria and her husband’s combined household income. Maria must report her husband’s income to Centrelink as well as any personal income she receives.</td>
</tr>
<tr>
<td>Centrelink wrote to Maria to inform her she had been overpaid $7,800 in CP and asked her to repay it. Centrelink said the overpayment occurred because Maria had not correctly reported her husband’s income from employment.</td>
</tr>
<tr>
<td>Maria could not understand how she had been overpaid. She had told Centrelink about her husband’s income. She also received statements from Centrelink about her carer payment and family tax benefit. Each statement showed her estimate of combined income for FTB purposes. Maria believed that this meant Centrelink was also taking her husband’s income into account for her carer payment. However, Centrelink maintains separate databases for family tax benefit payments and although it took her husband’s income into account for her FTB, it did not take it into account for her CP.</td>
</tr>
<tr>
<td>Maria believed it was unfair that Centrelink was asking her to repay money which she received in good faith. She argued that she provided Centrelink with the information that it needed to work out what to pay her, and that its statements gave her the impression that</td>
</tr>
</tbody>
</table>
she was being paid the correct rate of CP. With the help of the Welfare Rights Centre, Maria made an application to the Social Security Appeals Tribunal (SSAT).

The SSAT affirmed Centrelink’s decision that Maria had been overpaid $7,800 in CP. However, the SSAT decided to waive the debt, because of the circumstances in which it had occurred. Maria was satisfied with this result, but she asked Welfare Rights to make a complaint to the Ombudsman to highlight the problems with Centrelink’s letters.

As Maria had already obtained a suitable remedy for her complaint we decided not to investigate it further.

6.5 The 2011-12 DHS Annual report stated that ‘During the year we continued to improve our services through simplified letters, online forms and more automated processes. For example, more letters were available online which reduced the need to mail so many letters to customers.’

6.6 We acknowledge that DHS has devoted significant efforts to reducing the amount of correspondence that it posts to its Centrelink customers. This is mainly through delivering letters in electronic form to customers’ online accounts. DHS has also introduced a ‘Personalised Customer Communication Hierarchy’, under which it will communicate with its customers in the channel of their choice (via online letter, email/SMS or paper letter, depending on the customer’s subscription and the nature of the message to be communicated). In 2012-13, DHS sent almost 27 million SMS messages to customers to point them to information available in their personal online accounts, or inform or remind them of decisions or reporting obligations. DHS is also reviewing how it can use its website and social media to reduce its reliance on letters as a means to provide general information to customers.

6.7 DHS advised us that it developed Plain English Guidelines in 2013 that it strictly follows when developing letter content. Also, as discussed at 6.9 of this report, in January 2013, DHS committed to review all of its letter templates over a six month period. However, at the time of writing, we have not seen any substantial improvement in the quality or clarity of Centrelink’s letters to its customers, the bulk of which are produced without human intervention as a result of changes made to a customer’s computer record. Sometimes the text of the letters is not appropriate to the person’s situation and causes confusion and unnecessary worry as the following case studies show.

**Lina and Stavros’ complaint** (received March 2013)

Lina and Stavros receive age pension. They went on a two week overseas cruise in 2013. They informed Centrelink of their planned absence and attended a Service Centre when they returned. Staff at the Service Centre said Lina and Stavros wouldn’t need to let Centrelink know they had returned to Australia because Centrelink already knew when they were due to come back.

Lina and Stavros subsequently received a letter from Centrelink saying their pension and supplements would be affected because they were still overseas. They called Centrelink and were told that because their passports weren’t scanned electronically when they got back into Australia they were ‘still considered to be overseas’. The Centrelink officer told

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Lina and Stavros they could not fix up their entitlement immediately because they didn't know how long it would take to get their return date manually entered on their record.

Lina and Stavros contacted the Ombudsman because Centrelink’s letter said they were no longer entitled to use their pensioner concession card and they were concerned that they would be unable to afford their medications.

**Investigation outcome:**
Centrelink amended its records to show that Lina and Stavros were back in Australia. Centrelink told us that the letter it sent to Lina and Stavros was intended to inform them that their pensions and supplements would be affected if they did not return to Australia within 42 days of their departure. Centrelink said it was considering suppressing this automatic letter for all customers travelling overseas because it was leading to confusion.

6.8 During this investigation, DHS advised us that it has now amended its staff procedures to make it clear that letters of the type sent to Lina and Stavros should be manually restricted, to ensure this issue does not occur again.

**Rowena’s complaint** *(received May 2012)*

Rowena was unable to work in 2011 because of a natural disaster in her local area. She applied for disaster income recovery subsidy (DIRS) and Centrelink granted her claim. She returned to work in late January 2011. In March 2011, Rowena asked Centrelink to stop paying her.

In 2012, Centrelink wrote to Rowena to advise her that she had to repay $1,272 for the DIRS she had received from 8 January 2011 to 1 March 2011. Rowena complained to us because she believed that she had not been overpaid by the amount Centrelink claimed. She told us that she was confused about the nature of the DIRS and her reporting obligations.

Centrelink sent a letter to Rowena on 18 January 2011 when it granted her DIRS. We agree with Rowena that the letter was ambiguous and capable of creating confusion about whether DIRS was a one-off or ongoing fortnightly payment. The letter:

- said Rowena was granted DIRS from 14 January 2011
- said $424.00 would be paid into her bank account on 14 January 2011
- did not say how long she will be paid for, or how often
- did not explain that returning to work could mean she no longer qualifies for DIRS
- did not advise Rowena to tell Centrelink when her circumstances change.

**Investigation Outcome:**
Although Centrelink told us that it explained the DIRS qualifications to Rowena when she made her claim, and that she signed the claim form which outlined her notification requirements, we commented that we did not think this was sufficient. People claiming DIRS are likely to have a lot going on when they make their claim and may not remember what they are told or the finer requirements of the payment.

6.9 Poor quality correspondence creates confusion and puts people at risk of incorrect payments. It also means that they are likely to have to contact Centrelink to ask questions and seek clarification. It should not be necessary for people to have to
call Centrelink to ask what a letter means, or to find out why the letter contradicts what they have previously been told in person. DHS advised us that one of the reasons why it initiated the Letters Taskforce in 2013 (discussed at 6.11 below) is to help to ensure customer communication is clear, informative, relevant to the target audience and delivered through the most appropriate mechanisms.

**Complaint from a community organisation** (received November 2012)

In the May 2012 Budget, the then government announced that it would change the rules about parenting payment (PP). From 1 January 2013, the ‘grandfathering’ arrangements that preserved PP qualification for people who had continued to receive PP after their youngest child turned six (if partnered) or eight (if single) would cease. This policy change was forecast to affect around 80,000 PP recipients.

Centrelink’s plans to implement the policy change involved making personal contact with each affected person to explain the change and invite them to claim an alternative payment (usually newstart), if they qualified. Centrelink told us it explained to each single principal carer who would transfer to newstart from 1 January 2013 that they could continue using their pensioner concession card after 1 January 2013. We were satisfied that Centrelink had carefully thought through the implementation of the change.

However, Centrelink’s thorough preparation was undermined by its use of standard template letters to advise people when it cancelled their PP. We received a complaint from a community organisation about the letter that Centrelink sent to every affected person on 17 December 2012. The letter was headed ‘Cancellation of your Parenting Payment’ and it contained the following advice:

‘Your Pensioner Concession Card is valid until 31 December 2012. Please destroy this card immediately after this date.’

This advice was wrong. Centrelink’s letter caused unnecessary worry and confusion for many people, who had to contact Centrelink to find out why they were being asked to cut up their pension cards even though they had previously been told they could keep using them. These people were already concerned about how they would manage on the lower rate of newstart when their PP was cancelled.

**Investigation outcome:**

Although we could not change the outcome for the people affected by the parenting payment changes, we wrote to DHS commenting on the shortcomings in its communication strategy.

6.10 In January 2013, the problems with Centrelink’s letter about parenting payment attracted media attention. Senator the Hon Kim Carr, the then DHS Minister, announced that there would be a wholesale review of DHS’ Centrelink automated letter system to ensure that the text used in automated standard correspondence was accurate and appropriately worded.

6.11 The DHS Letters Taskforce was established following the Minister’s announcement. The taskforce has overseen the development of a revised process to systematically scrutinise communication material for new initiatives and will review system generated and on demand letters throughout DHS. We welcome this initiative. DHS has advised us that the taskforce made 1,200 recommendations, of which 380 will be implemented in 2013/14, with the first changes to be implemented on 1 March 2014. We are keen to see examples of the improved letters introduced on 1 March 2014 and will be seeking updated information from DHS about the
implementation of the remaining taskforce recommendations. What will not change, however, is the extent to which DHS relies upon automation to produce letters to Centrelink customers.

6.12 In our investigation of certain complaints, we have taken the opportunity to highlight to DHS some deficiencies in Centrelink’s automated correspondence. We generally find that DHS is responsive to our comments and that it will undertake to improve letters to make the information clearer for its customers. However the following case study is a rare exception, where DHS has advised that it would not be able to adequately or accurately reflect each and every customer’s circumstances in a letter because of the complexity of the calculations involved.

**Loretta’s complaint** (received February 2013)

Loretta complained to us after Centrelink reduced her family tax benefit (FTB). She received a letter from Centrelink which advised her new rate of FTB with no explanation of the reason for the reduction, except for the statement ‘includes affecting maintenance’. Centrelink also sent Loretta another letter which told her that she had been overpaid FTB of $800, but also failed to explain why.

Loretta called Centrelink to find out why her FTB had reduced and the reasons for her overpayment. Centrelink told her that it was because she was entitled to receive increased child support from her former partner, backdated several years. However, Loretta had not known that she was entitled to receive more child support and hadn’t collected any of it. She thought it was unfair that Centrelink would reduce her FTB and raise an overpayment on the basis of an assumption that her former partner would immediately give her the money, or even that he would pay the arrears at all.

During our investigation of Loretta’s complaint we wrote to Centrelink about a range of matters, including the letters that it sent to her. These were automated letters. The text is based on standard templates that Centrelink’s computer system populates with data from the customer’s FTB record when it changes their FTB rate based on data transferred from the Child Support program.

**Investigation Outcome:**

In May 2013, Centrelink acknowledged that its letters did not provide enough information about the reason why Loretta’s FTB rate changed, and said it would review the template. At a subsequent meeting with DHS, it told us that this particular letter template was not a high priority for review. However, DHS said it would explore whether it was possible to include the amount of child support taken into account in working out a person’s FTB rate in the person’s online Centrelink statement.

In August 2013, DHS advised us that its Letters Taskforce had recommended that the FTB letter template be changed. However, DHS said the FTB rate letter may not be a high priority for review over other letter amendments recommended by the taskforce. DHS said it would provide us with an update by early November 2013 on the timing of the change.

As for the content of the revised letter template, the DHS Letters Taskforce recommended only that the new version inform the customer to contact DHS to discuss the impact on their FTB of a backdated change to their child support entitlement. DHS told us that it had decided against including in the letter a written explanation of the actual amount of child support taken into account or the projected maintenance calculation for the financial year. DHS said this would be extremely complex, with too many variables and the explanation would be likely to lead to confusion.
6.13 We do not believe that DHS’ response to Loretta’s complaint meets its commitment to ‘fair and transparent services’. We agree that FTB calculations are complex, but that is precisely why we think Centrelink’s letters should include an explanation. Although we accept that a customer can call or visit Centrelink to request a detailed explanation of the calculation, we think this will be more efficient if the customer already has a letter in front of them with the specific information that Centrelink has used to calculate their rate to assist them to understand what they are being told.

6.14 In the course of this investigation, we discussed with DHS the system limitations that prevent it from providing to people like Loretta an automatically generated letter that explains how it calculated the amount of child support taken into account in working out their FTB rate. We accept that at present, there are barriers to DHS extracting the data from its system and presenting it to the customer in a clear and comprehensible format. However, DHS told us it remains committed to improving the information that it provides to customers about the effect of their child support payments on their FTB rate. Recommendation 5 at the conclusion of this report deals with this issue.

6.15 In our view, each letter that Centrelink sends to a customer is an opportunity to provide clear, detailed, individually relevant information that will reduce the need for them to call Centrelink, rather than a mere formal or legal requirement. We also think it is vital that Centrelink’s letters and other correspondence are written in plain English, with accurate and complete information and include details of where people can get more information if they need it. In our view, it is not sufficient to tell people how to complain or appeal. If customers are not given the information on which decisions are based, they will not be able to understand how that decision was made, or decide whether they disagree with it and wish to use their appeal rights. We believe that improving customer correspondence is crucial to ensuring that DHS meets its service commitments and delivers an efficient and effective service to customers.
PART 7—OTHER SERVICE DELIVERY ISSUES

Lack of accessible information about entitlements:

7.1 The DHS website contains detailed information about Centrelink payments. DHS has advised us that in 2013, its website was independently assessed and rated at the ‘gold level’ by the Plain English Foundation. DHS has also developed a ‘Payment Finder’ tool on its website to help people navigate the complex system of social services. This allows people to enter in some basic information about themselves and identifies payments and services they may be entitled to. However, not all customers can access the website. Some may not understand the material available and others customers will want to ask clarifying questions. The case studies of ‘Daria’ and ‘Samuel’ below highlight the difficulty customers experience in accessing quality information to understand their entitlements. As these complaints highlight, despite the fact that information can be obtained by visiting a Service Centre, in times of peak demand, this option may not be practically available.

Daria’s complaint (received January 2013)

Daria went into her local Centrelink Service Centre to make an enquiry about youth allowance (YA) for her son, ‘Jared’. When Daria tried to ask questions about whether Jared would qualify, she was given a brochure and told Jared would have to apply online.

Part way through the online application at home, Daria and Jared were prompted to provide information which they had to find elsewhere. They were unable to save the information they had already entered in the application and had to abandon the application.

After obtaining the missing information Daria and Jared started again. They re-entered all the data and completed the application. When they tried to submit it, they received a message that the service was temporarily unavailable. None of the information entered had been saved.

The next day Daria and Jared re-entered the information and successfully submitted the application. They were required to take documents to Centrelink which they did the next day. They had to wait in a queue for 45 minutes only to be told that Jared probably didn’t qualify for youth allowance.

We decided not to investigate Daria’s complaint. She had already used the DHS complaints service and we did not consider an investigation was likely to lead to a remedy for her.

Samuel’s complaint (received January 2012)

Samuel tried to apply for youth allowance (YA) for his daughter, Charlotte, and Centrelink insisted he do this online. Samuel had difficulty with Centrelink’s online services to set up the initial application and Centrelink had to send out further forms for him to complete. Samuel advised he had been trying to organise youth allowance for over three hours online, to no avail.

Samuel said Centrelink told him that he could only make Charlotte’s claim online, despite public information about applying for YA on the DHS website that states: ‘If you are unable to make your claim online call Centrelink on 13 2490 for students, 13 3633 for Australian Apprenticeships or visit your local Centrelink Customer Service Centre to discuss.’
We decided not to investigate Samuel’s complaint, because we did not consider an investigation was likely to lead to a remedy for him.

Problems making a claim

7.2 Centrelink encourages people to lodge claims online. This is usually more convenient for Centrelink and many people find it convenient to put in a claim without having to visit a Service Centre. However, DHS’ push for customers to use online services does not necessarily result in efficiency savings or fair outcomes for all customers. Some people are experiencing unreasonable delays and others are missing out on payments to which they had a legal entitlement due to their inability to make an application using Centrelink’s preferred channels. As the following case studies show, online claims are not suitable for some people.

Investigation case study: Geoffrey’s complaint (received April 2012)

Geoffrey’s daughter left her two-month old premature newborn twins with him indefinitely. Both twins were very ill, had been in his care for a couple of weeks and he was struggling to care for them just on his newstart allowance. Additionally, Geoffrey had just broken his collarbone; was being tested for asbestos-related illnesses; and was taking medication for depression. He had not been able to buy his medication due to a lack of funds while he cared for the twins and had run out of money to buy formula and bottles.

Geoffrey said that when he attended his local Service Centre with the twins to seek financial assistance he was told to lodge an online claim for family tax benefit and baby bonus. He felt that he was rushed out the door without receiving any assistance. Centrelink also advised him to obtain proof from his daughter that the twins were in his care.

Geoffrey told us that he did not have ready access to a computer so he had not been able to lodge an online claim. Our investigation confirmed that Geoffrey had been advised to lodge an online claim for family assistance.

Investigation outcome:
Centrelink arranged for Geoffrey to attend his local Service Centre again so he could lodge claims and meet with a social worker. Centrelink granted Geoffrey an urgent payment and the matter was subsequently resolved in his favour.

Investigation case study: Joe’s complaint (received January 2012)

Centrelink encouraged Joe and his wife ‘Miranda’ to submit information online for their FTB claim. Joe and Miranda were inexperienced at using the internet but attempted to use the service. They believed that they had correctly completed the online application form with all the required information. Centrelink later told them that their application was not correctly submitted. By the time they were made aware of the problem, Joe and Miranda were out of time to lodge the application and missed out on around $10,000 worth of FTB.

Joe lodged a claim with Centrelink for compensation under the scheme for Compensation for Detriment caused by Defective Administration (CDDA) scheme. Joe claimed that Centrelink encouraged him and Miranda to use a service they did not know how to use and that the system was ‘down’ for many periods of time during which they tried to lodge the application.
Centrlink accepted some responsibility for Joe and Miranda’s financial loss. It admitted that its online system had slow response times and that some customers were presented with error messages when they tried to log in around the time Joe and Miranda tried to make their claim. However, Centrlink said Joe and Miranda could have lodged their claim earlier, and done more to confirm that their FTB claim had been correctly lodged and that by failing to do those things, had contributed to significantly to their loss. Centrlink offered to pay Joe an amount equivalent to 25% of the FTB that he and Miranda missed out on.

Investigation outcome:
We investigated Joe and Miranda’s complaint, but decided that there was not a sufficient basis for us to recommend that Centrlink increase its compensation offer.

Investigation case study: Andrea’s complaint (received November 2012)

Andrea applied online for the baby bonus. She was required to provide tax file numbers and proof of income which she did within Centrlink’s standard 28 day timeframe. Centrlink made Andrea’s claim ‘non effective’ before the end of the 28 day timeframe. Centrlink told Andrea that she had no appeal rights in relation to this decision and that she must lodge another claim.

Andrea believed she lodged a second claim with Centrlink, but Centrlink said it didn’t receive it. By the time Andrea realised that Centrlink did not have her second claim, the two year period for her to make a claim had expired. She had lost her opportunity to receive baby bonus.

Andrea applied to Centrlink for compensation under the CDDA scheme for the baby bonus she missed out on. Centrlink refused her claim because it said that she had been given the opportunity to ask for a review, it had never received her paper claim and she had waited too long to follow up with it about the payment. Andrea complained to this office.

Investigation outcome:
Our investigation uncovered that a combination of a system error and an incorrect decision by a Centrlink officer had resulted in Centrlink incorrectly making Andrea’s baby bonus claim non effective. Centrlink offered to pay Andrea compensation for the baby bonus she missed out on.

7.3 Joe, Miranda and Andrea lost their opportunity to claim benefits because of the problems they experienced with Centrlink’s online claim process. Andrea was able to receive the equivalent of her lost baby bonus entitlement under the CDDA scheme. However, Centrlink reduced its compensation offer to Joe by 75% because it considered that he and Miranda were largely responsible for delaying their claim. This is despite the fact that the sum Joe claimed was the amount of FTB that he and Miranda would have received if Centrlink’s online form had worked and they managed to lodge their claim in time. This suggests the risks associated with Centrlink’s online processes may unfairly fall upon Centrlink’s customers.

7.4 We are concerned that other Centrlink customers who miss out on payments may either be unaware of the CDDA scheme or have been refused a payment under this scheme and have not approached the Ombudsman to complain.
Commonwealth Ombudsman—Department of Human Services: Investigation into service delivery complaints about Centrelink

Processing delays

7.5 We acknowledge that Centrelink processes vast numbers of transactions every day and the majority of those transactions do not lead to a complaint. However, we have seen a trend of complaints about Centrelink delays in processing certain payments. When there are delays DHS does issue broadcast messages on its website. However, not all customers will read these messages and the Ombudsman frequently receives an increased number of complaints at these times.

7.6 Parvati’s complaint below is one of a number of complaints that we received in March 2012 about delays in processing baby bonus applications. Not surprisingly, many people were relying on their claim to assist them with the additional expenses of a new child, while some were having problems making ends meet.

Parvati’s complaint (received March 2012)

Parvati complained to us that she lodged a claim for baby bonus (BBY) in October 2011 and provided proof of birth on 30 January 2012. She complained to us on 9 March 2012 after Centrelink told her she would just have to wait for the application to be processed. Parvati said that when she spoke to the DHS complaints service, she had been told that there were 77,000 claims in front of her and she could be waiting a further two months for payment. She told us she was in financial hardship following a break in to her house. She was not working and had no money.

We decided not to investigate Parvati’s complaint because on 20 March 2013 she advised us that Centrelink had paid her BBY after she contacted the DHS complaints service.

7.7 Centrelink’s internal target for processing BBY claims is 85% within 21 days. DHS told us that as at 23 March 2012, Centrelink was only managing to process 47% of BBY claims within 21 days. DHS told us that Centrelink addressed the backlog of BBY claims by granting staff overtime to work on the claims and arranged for staff in other areas to assist with processing. However, Centrelink failed to achieve its KPI for processing BBY claims in 2012-13: the result for the full year was 68.2% of BBY claims processed in 21 days.

7.8 We have also received many complaints about processing delays for other Centrelink payments, especially claims for disability support pension (DSP). DHS has acknowledged a large backlog of DSP claims, but has advised us that the delay in some cases is outside of its control. Recommendation 7 at the end of this report is aimed at improving DHS transparency and accountability for processing claims for Centrelink payments.

Losing documents

7.9 We are noticing an increasing number of complaints from Centrelink customers asked to provide the same documents multiple times. Lost documents lead to frustration and delays in processing claims, and can place customers in hardship. The following complaints illustrate this.
Erin's complaint (received March 2013)

Erin complained that her carer payment and health care card had stopped once her daughter Tina turned 16 years despite Tina’s serious illnesses and need for medications. Erin had taken Tina out of school and waited two hours at a Centrelink office to make the application for the health care card, supplying all the documents that were required.

When Erin contacted Centrelink by phone two weeks later, she was told that the health care card had been mailed. However it didn't arrive, so she contacted Centrelink again. She said Centrelink told her she had to provide the documents again as Centrelink had lost them.

Erin complained to us as her daughter urgently required medications but she couldn’t afford to pay for them without the health care card. She told us that she had been waiting for three months for Centrelink to issue the card.

We decided not to investigate Erin’s complaint, because Centrelink issued her HCC soon after she complained to us.

Rita and Alex’s complaint (received February 2013)

Rita and Alex received Australian age pension. Alex also applied to the UK Government for a pension and was granted at the rate of $AUD 14.00 per year.

Centrelink requested that Alex provide documents to prove he had been granted a UK pension. Alex took all of the paperwork into his local Service Centre on two occasions and was told that everything would be OK.

Rita and Alex contacted us after they received a letter from Centrelink advising that Alex’s AP would be suspended as he had not provided the requested paperwork. They could not understand why Centrelink would suspend Alex’s pension after he had twice taken the documents in to the Service Centre and been assured that he had provided all that was needed. They were very worried about having to manage on Alex’s UK pension.

Investigation outcome:

DHS told us that when Alex first took the documents into the Service Centre, the Centrelink officer had sent them to the wrong team for processing and had marked them with incorrect codes. On the second occasion, the document had been sent to the right team, but the incorrect coding had not been fixed. Centrelink’s computer system did not recognise that the documents had been received and proceeded to suspend Alex's pension. Centrelink updated Alex and Rita’s records as a result of our investigation.

7.10 In a large agency like Centrelink, records management is critical. The central source of information about a customer is their record (or records) in Centrelink’s computer system. In most cases, Centrelink processes customer information without cause for complaint. However, if the computer record is not promptly and accurately updated to show that a customer has provided necessary information, their payments may be made at the incorrect rate, or may even be cancelled or suspended, as happened to Alex.

7.11 In the following complaint, Centrelink acknowledged that it had received documents from a customer in support of her claim, but it could not retrieve the information from its computer system when it eventually decided to grant her
Commonwealth Ombudsman—Department of Human Services: Investigation into service delivery complaints about Centrelink

She was significantly inconvenienced by Centrelink’s requirement that she bring in those same documents again, and unable to understand how the documents were ‘lost in the system’.

<table>
<thead>
<tr>
<th>Carly’s complaint (received February 2013)</th>
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<tbody>
<tr>
<td>Carly gave us the following account of her dealings with Centrelink. She said she telephoned Centrelink on 23 August 2012 to start a claim for youth allowance (YA). On 5 September 2012 she attended a Service Centre to complete the claim. Centrelink gave her some forms to complete and a list of documents to return within 28 days.</td>
</tr>
<tr>
<td>On 25 September 2012 Carly attended the Service Centre with the documents. She was told that she would not receive any back pay because she was supposed to lodge the documents within two weeks. Centrelink called her later that day and left a message saying she needed to supply some documents for her claim.</td>
</tr>
<tr>
<td>Carly called Centrelink on 27 September 2012 and was told she needed to bring in most of the documents she had already shown to Centrelink.</td>
</tr>
<tr>
<td>On 2 October 2012, Carly took the requested documents to the Service Centre. She received a call from Centrelink later that day asking for the same documents to be provided within one month.</td>
</tr>
<tr>
<td>On 5 October 2012 Carly phoned Centrelink to check what documents she needed to supply and was told she could receive back pay up to 13 weeks. She called again to check the information.</td>
</tr>
<tr>
<td>On 8 October 2012 Carly took her documents to the Service Centre, checking three times that she had supplied what was needed. Carly left the Service Centre expecting her YA to be granted and back pay of $1,549.50.</td>
</tr>
<tr>
<td>On 9 October 2012 she received her first payment of YA.</td>
</tr>
<tr>
<td>On 10 October she received $251.50 back pay. When she contacted Centrelink to query the amount, she was told her claim would be sent back to be fixed.</td>
</tr>
<tr>
<td>On 22 October 2012 Carly contacted Centrelink about her back pay and confirmed she would receive $1,549.50.</td>
</tr>
<tr>
<td>On 23 October 2012 Carly received a letter from Centrelink stating her back pay would be $624.64. She called Centrelink and was told there was a mistake and it would be fixed. That afternoon Centrelink called her to say she needed to supply the same documents as before within 28 days or she would not receive payments as they’d been accidently wiped from the system.</td>
</tr>
<tr>
<td>On 8 November 2012 Carly visited the Service Centre with the same documents again.</td>
</tr>
<tr>
<td>On 21 November 2012 she received an SMS message from Centrelink stating that her YA may be stopped as it didn’t have all her details. When Carly called Centrelink, it denied sending her an SMS.</td>
</tr>
<tr>
<td>Carly twice gave Centrelink a medical certificate stating that she was unable to work because of complications with her pregnancy. Despite this, she received a letter from Centrelink saying it was going to suspend her YA because she hadn’t attended a job appointment.</td>
</tr>
</tbody>
</table>
On 21 February 2013, Carly went into her Service Centre to explain that she had not attended the job appointment because of complications with her pregnancy. She was eight and a half months pregnant at this stage. Centrelink told her she didn’t have to attend job appointments after all. Although she had resolved her immediate problems with Centrelink, Carly decided to make a complaint to the Ombudsman about her experience.

Investigation outcome:
Centrelink told us that delays and errors in processing Carly’s YA claim had led to its records of the document she provided being wiped from her client record. Centrelink originally granted Carly’s YA claim from 25 September 2012. On 24 October 2012 it adjusted her payments to a higher rate and paid her arrears. On 18 December 2012, Centrelink backdated her YA to 23 August 2012 and paid her more arrears. At the conclusion of our investigation, Centrelink wrote a letter of apology to Carly.

7.12 In response to our investigation of Carly’s complaint, Centrelink said it was reviewing its systems for the collection and storage of customers’ identity documents. It intends that the review will mean that customers should not have to supply the same documents multiple times.

**Difficulty reporting to Centrelink**

7.13 Many Centrelink customers have to report their earnings or report their job seeking or training activities on a regular basis as their qualification and payment rate depends on what they earn and whether they satisfy job seeking or other activity requirements.³³ If required information is not reported on time (it can’t be reported early), Centrelink has the power to vary, suspend or cancel payments. Consequently time is of the essence when many customers are attempting to contact Centrelink.

7.14 Centrelink has increased the methods by which people can report such as online, by telephone, using a smartphone app, or in person. This is undoubtedly of benefit to customers who can use a range of options, but some cannot. Some customers are not computer literate, or cannot afford computer access to use online services. Some do not have smartphones, and cannot use Centrelink’s mobile apps. Some are geographically isolated. Some have mobility problems. For people with these limitations, an inability to effectively and communicate with Centrelink by telephone can have serious consequences.

7.15 The next three case studies show some of the challenges Centrelink customers faced when they tried to meet Centrelink’s reporting requirements.

<table>
<thead>
<tr>
<th>Charlie’s complaints (received July 2012 and February 2013)</th>
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<tbody>
<tr>
<td>Charlie worked part time and his wife received disability support pension. His earnings varied and affected her rate of pension. Charlie had to report his earnings to Centrelink on the same day each fortnight. Charlie had been calling Centrelink during his meal breaks to declare his income. Charlie decided to enrol to use Centrelink’s phone self service arrangements to avoid the phone queues.</td>
</tr>
<tr>
<td>Charlie called Centrelink to report his earnings, but he had phoned the number twice and the Interactive Voice Response (IVR) stated he was not eligible for phone self service. When Charlie spoke to Centrelink about this problem, the officer confirmed that he was not</td>
</tr>
</tbody>
</table>

³³ Under the social security law, the Secretary may require a person to give information, or produce a document that is in the person’s custody or under the person’s control.
eligible to report his earnings via phone self service, but said he could report his earnings online. Charlie was unable to use a computer.

*We decided not to investigate Charlie’s complaint but suggested he call DHS Complaints to raise his dissatisfaction about his reporting options.*

Seven months later, Charlie called us again. He said he was still having problems with Centrelink’s phone service. He was still not able to use the IVR system, and when he tried to report his earnings to a Centrelink officer on the telephone, he was put on hold for 20 minutes and then cut off. He decided to call us again instead of DHS Feedback and Complaints. He told us he wanted to be able to report his earnings to Centrelink without having to wait on the phone for long periods of time.

*We decided not to investigate Charlie’s complaint about Centrelink’s telephone delays as we did not consider it was likely that we would be able to get a remedy for him. We suggested Charlie call DHS Feedback and Complaints to discuss the problems he was having reporting his income.*

**Ivy’s complaint** (received January 2013)

Ivy receives disability support pension. Her payments are income tested and she has to report her husband’s earnings to Centrelink online. Ivy complained to us because she was having trouble meeting her reporting requirements.

Ivy told us that sometimes Centrelink’s online system doesn’t work. During a six week period it was taking her four hours to report. After complaining to Centrelink, that problem was fixed, but then she found she was blocked out of the system. Centrelink advised her that it would take her off reporting because of the technical problem with its online system.

Ivy was not happy with Centrelink’s solution. Her husband does intermittent work and she was worried that if she didn’t report his earnings to Centrelink, she would be paid too much. She tried calling Centrelink to report his earnings to an officer, but she waited for a long time and became worried about the cost because she only had a mobile telephone. Ivy could not get to a Service Centre as she lives in a rural area and has a chronic illness. She wanted to do the right thing but was very worried that she might get a debt due to her reporting difficulties.

*We decided not to investigate Ivy’s complaint, but referred it to DHS Feedback and Complaints to resolve directly with Ivy.*

**Investigation case study: Harold’s complaint** (received May 2012)

Harold receives age pension. He wanted to update his details with Centrelink but had trouble using the telephone self service facility. The IVR technology could not understand what Harold was saying. Harold attended a Centrelink Service Centre to update his details but, despite informing the staff member that he had difficulty with the IVR, he was again referred to use Centrelink’s telephone self service.

**Investigation outcome:**

Centrelink has now placed a note on Harold’s Centrelink record alerting any officer accessing his record that that Harold has difficulty using the phone system and prefers to
provide information in person. This means it is less likely that Harold will be directed to use one of the telephones in the Service Centre waiting area when he attends to speak to someone in person.

Communication problems for overseas customers

7.16 Some Centrelink payments can continue to be paid while a person is overseas. This means that Centrelink needs to ensure that its customers can contact it while they are outside Australia. As the next three case studies show, despite using a variety of channels available to them, people who are overseas have real problems communicating with Centrelink.

Wei and Bai’s complaint (received January 2013)

Wei receives parenting payment. Her husband, Bai, receives newstart allowance. They informed Centrelink of their intention to be outside Australia for three months. Centrelink told Bai that his newstart allowance would not be paid while he was overseas, and told Wei that her parenting payment would continue.

Whilst overseas Centrelink wrote to Wei to advise that it had cancelled her parenting payment because the children were not in her care (although they were actually still in her care).

Wei needed to urgently clarify her situation, but found it hard to do so as she did not have access to a computer. She tried to contact Centrelink by telephone, but spent a lot of money waiting on hold whilst she was trying to speak to someone about her case.

Wei sent letters to Centrelink asking to be contacted on her overseas number, but she said that she did not receive return calls from Centrelink.

Investigation outcome:
Centrelink had restored Wei’s payments shortly before we contacted it to investigate Wei’s complaint. DHS told us that Centrelink’s suspension decision was based on an automated data exchange with the then Department of Immigration and Citizenship, which suggested one of Wei’s children was not travelling with her. This proved to be incorrect, and the problem was a mismatch between the names recorded for that child on the records of the two departments.

Centrelink acknowledged that Wei’s difficulties contacting it were regrettable. As a result of our investigation, Centrelink attempted to call Wei on her overseas number to discuss the restoration of her payments. As this call was not successful Centrelink sent her an email and invited her to call it.

Ursula’s complaint (received February 2013)

Ursula lives in the UK and receives age pension. Between 5 December 2012 and 14 January 2013 she contacted Centrelink five times to attempt to notify her change of address and a significant change in her financial circumstances. Ursula was worried that a letter to Australia would be delayed in the mail. As the Centrelink website states that Centrelink can be contacted by email or secure online message to notify of a change in circumstances, she chose to contact Centrelink by secure online message and subsequently by direct email.
Ursula complained to us on 5 February 2012, after she checked her Centrelink online statement and found that her details had still not been updated. She told us that she received two responses from Centrelink. An email dated 14 January 2012 said Centrelink had not received her secure online messages and requested that she send them again, which she did. The second dated 20 January 2012 said that her privacy was important and invited her to call Centrelink’s complaints service on a reverse charge telephone number if she wished to discuss her ‘feedback’. Ursula told us that she did not call the complaint service because she assumed her record would be updated now that Centrelink had her information.

Investigation outcome:

We contacted Centrelink on 15 February 2012 to investigate Ursula’s complaint. Ursula contacted us on 17 February 2012 to withdraw her complaint after Centrelink updated her record and increased her payment.

Centrelink has since advised us that it updated Ursula’s details on 6 February 2013 and paid her arrears. This action was taken in response to a complaint that Ursula sent to DHS complaints on 21 January 2013. DHS advised us that Ursula had sent emails to Centrelink in March, April and May 2012, but that no changes had been made to her record because Centrelink could not verify that these emails had been sent by her.

Bob’s complaint (received March 2013)

Bob was receiving age pension (AP) and contacted Centrelink to find out if he could continue to be paid if he went overseas. He told Centrelink the country where he planned to move, but said that he would be travelling and would not have a fixed address. Centrelink advised Bob that his AP would continue to be paid indefinitely while he was overseas.

Bob gave Centrelink an email address to contact him on and advised he would organise a post office box once he was established. Shortly before he left Australia, Bob advised Centrelink that he could not get a post office box without a fixed address and he would contact it from overseas to provide a postal address.

Bob spoke to Centrelink twice more before leaving Australia because he did not receive written confirmation that his AP would continue while he was overseas. Centrelink told him that it could not send him a letter until closer to his departure date, but gave him an email address and telephone number to call if he did not receive his payments. Bob left Australia after he received Centrelink’s letter confirming that he would be paid while he was overseas.

Less than three weeks after Bob left Australia, Centrelink suspended his AP, on the basis that it did not know his address. Centrelink did not attempt to contact Bob before it took this action. When Bob realised his payments had stopped, he tried to phone Centrelink on the number he had been given using his mobile phone. Recorded messages advised Bob what he would be charged for this call. After a few minutes, Bob hung up because he was concerned about the cost of waiting and unsure how much credit he had on his phone. The toll free number that Centrelink gave him did not work on a payphone.

As Bob had a hearing impairment, he did not think it was productive to continue trying to contact Centrelink by telephone. He sent Centrelink an email. Centrelink sent Bob an automated acknowledgement which told him his message would be referred to the correct business area. Centrelink’s standard response time to an email message is 48 hours, but it failed to achieve this in Bob’s case. Bob sent more emails to Centrelink. He also tried to
contact Centrelink using online services, but the password he was given did not work and nor did the two new passwords that he requested.

Having been overseas for less than a month, Bob was running out of money and had given up on being able to sort out the problem with his Centrelink payments. Bob decided to return to Australia. Centrelink restored Bob's payments quickly after he visited a Service Centre in Australia.

Investigation outcome:
We are still considering Bob's complaint. However, at the time of writing this report Centrelink has admitted that it handled Bob's case poorly and that there were significant barriers to Bob resolving the problem while he was overseas.

Using multiple channels to contact Centrelink

7.17 People who contact us to complain about Centrelink have often tried to use a variety of methods (or 'channels' as DHS describes them) to raise and resolve their problems. Having tried and failed with Centrelink, many people are very frustrated by the time they decide to call our office. In many cases, their complaint is quickly resolved once they manage to communicate with someone in Centrelink.

7.18 The next two case studies are representative of the complaints that we receive from people who have reached the point where they really need to talk to an experienced Centrelink officer who can access their record, answer questions, and explain decisions and options to them. We do not think it is reasonable to expect customers to make multiple attempts to contact Centrelink. Nor is it effective or efficient service delivery.

Irina's complaint (received February 2013)

Irina contacted Centrelink to discuss her entitlement to family tax benefit, child care benefit and child care rebate. Centrelink told her she would not be able to claim childcare rebate because her husband, 'Andrew' was not working at the time.

Andrew subsequently started work and Irina attempted to contact Centrelink to claim child care rebate. Irina said she tried phoning Centrelink on 136 150 every day on her lunch break at work for almost three months, and between 6-8 pm most days after work, and had never been able to get through. Sometimes she was on hold for over an hour and other times she just got an engaged signal.

Irina tried several different numbers such as Centrelink's multilingual service number but she still couldn't get through. She emailed Centrelink using online forms several times, and received no reply.

Andrew visited a Centrelink office and was told he couldn't be seen without an appointment. He was directed to use a phone in the waiting area to arrange an appointment. He waited on hold for 30 minutes before giving up.

Irina and Andrew both tried again to phone to make an appointment to speak with someone but could not get through. They tried visiting a Medicare office but were told it had to be sorted out through Centrelink.

Irina then tried ringing the Centrelink complaints number and again waited on hold for over an hour and could not get through. She decided to call the Ombudsman.
We decided not to investigate Irina’s complaint, but referred it to DHS Feedback and Complaints to resolve directly with Irina.

Elizabeth’s complaint (received December 2012)

In December 2012 Elizabeth received a letter from Centrelink advising that her parenting payment had been suspended because Centrelink had not received a reply to an earlier letter it had sent her. The letter invited Elizabeth to call Centrelink if she did not understand the contents. Elizabeth did not recall receiving an earlier letter from Centrelink that required a reply. She phoned Centrelink to find out what she needed to do. Her call was answered after 30 minutes, but the officer transferred her to an incorrect section which could not assist her.

Elizabeth tried phoning Centrelink again, but a recorded message said there would be an hour wait. As she had two young children to care for she didn’t wait.

The next day Elizabeth went into a Service Centre and explained that she had not received the first letter that Centrelink referred to in its letter advising her payment had been suspended. Elizabeth was told that she would need to wait an hour to see a customer service officer. Elizabeth asked if she could talk to someone on the telephone instead. She was connected to a Centrelink officer and asked for an explanation as to why her parenting payment had been suspended. The officer was unable to offer her a satisfactory explanation, but transferred her call to the Ombudsman’s office.

We decided not to investigate Elizabeth’s complaint, but referred it to DHS Feedback and Complaints to resolve directly with Elizabeth.

7.19 Some of the people who complained to us about their inability to access Centrelink, despite trying to use a number of different channels, were trying to correct what seemed to be a misunderstanding or mistake on Centrelink’s part. Frank (below) had to go to great lengths to speak to someone who could fix what he believed was a simple error.

Frank’s complaint (received February 2013)

Frank received a letter from Centrelink stating that his family tax benefit had been cancelled because he did not ‘meet the Australian residence requirement for this payment’. Confusingly, Centrelink’s letter said that its decision was based on information from Frank or the Department of Immigration and Citizenship. Centrelink also sent Frank three other letters that said he needed to repay approximately $10,000, provided no reasons but invited him to contact Centrelink for more information.

Frank attended a Medicare/Family Assistance Office on 8 February 2013 and was told he would need to contact Centrelink.

On 11 February 2013, Frank attended a Centrelink Service Centre. He spoke to a Centrelink officer who was unable to explain the decision, but told Frank that someone else would contact him to do so.

On 12 February 2013, Frank sent an online message to Centrelink asking for an explanation of the decision, but received no answer. The same day, Frank phoned Centrelink and the officer told him he could not explain the decision and suggested he wait for a week for someone to contact him.
On 21 February 2013 Frank’s wife, ‘Adriana’ attended a Service Centre and she was connected by phone to another officer who undertook to allocate the case for investigation and told Adriana someone would contact her.

At this point Frank made a complaint to the Ombudsman. He told us that he knew of no change to his residence status that would affect his FTB. He did not think it was fair for Centrelink to expect him to start repaying the overpayment before it explained to him why it believed he did not qualify for FTB.

We decided not to investigate Frank’s complaint, but referred it to DHS Feedback and Complaints to resolve directly with Frank. DHS advised us that after it received our referral, a senior Centrelink officer contacted Frank, explained the error that had led Centrelink to cancel his FTB and raise a debt, restore his payments and refund the money that it had already recovered.

7.20 In Margaret’s case (below) it took persistence and an insistence that she be served for her to complete what turned out to be a very simple transaction.

Margaret’s complaint (received August 2012)

Margaret contacted our office because of problems she encountered while trying to provide information to Centrelink about her grandson, Troy, who had recently turned 16.

Centrelink wrote to Troy’s mother, Cheryl, to ask whether Troy was still a full time student. Cheryl is deaf and authorised her mother, Margaret, to communicate with Centrelink on her behalf. Margaret had been trying to advise Centrelink that Troy was still at school and would continue to study until the end of year 12.

Margaret tried to provide the information in person at two different Service Centres but kept being encouraged to use the internet or call on the phone. Margaret does not use the internet and she had spent hours on hold trying to speak to someone over the phone without success.

Margaret attended a third Service Centre and insisted that the information about Troy’s study be taken over the counter. The Centrelink officer directed her to the phones initially but Margaret refused to use them. The officer eventually accepted the information from Margaret over the counter. Margaret said it took 30 seconds for the staff member to update Cheryl’s record. Margaret complained that Centrelink did not provide adequate access for people to contact it by telephone and said it was inappropriate that it was so difficult to get staff to accept information from people who attend an office in person.

We decided not to investigate Margaret’s complaint because we considered it was unlikely that we could obtain a further remedy for her.

7.21 Margaret’s complaint suggests it would have been more efficient for Centrelink to accept this information from her over the counter than it was to repeatedly direct her to another service channel which she could not use. Her experience seems inconsistent with DHS’ service delivery agenda as outlined in its brochure Our Service Commitments and its statement that that service delivery reform ‘will make it easier for people to deal with government in a time and manner that suits their circumstances’. However, we acknowledge that since April 2013, when DHS introduced its FoH operating model into Service Centres, a Centrelink
customer is less likely to experience the lack of assistance and frustration that Margaret described.34

7.22 As noted in a 2012 UK Cabinet office report on the UK’s Government Digital Strategy:

...in some circumstances it is quicker to apply for some services by phone than by using the existing online service. In 2011, around 150 million calls a year coming into government were self-reported as avoidable. Such failure is frustrating and time-consuming for users but it is also costly for government. If users have to revert back to other channels, then meeting this additional ‘failure demand’ is an unnecessary additional cost.35

Data transfer and automated decision-making

7.23 Like many government agencies, Centrelink relies heavily on automated decision making. Automated decisions based on data transfers can simplify administration, leading to cost efficiencies and greater consistency. However, unless the data is accurate and the automated decision settings are correct, wrong decisions can be made.

7.24 The following case studies demonstrate problems in the transfer of data between Centrelink and Child Support under the ‘alignment of care’ process. The ‘alignment of care’ initiative was intended to remove the need for parents and carers to separately advise two different parts of DHS (Child Support and Centrelink) when their children’s care arrangements change. It was also intended to ensure that the two parts of DHS use the same information: Child Support for the purposes of payment of the child support liability between parents and Centrelink to ensure that the correct FTB is paid based on the percentage of time the child spends with each parent.

Lily's complaint (received November 2012)

Lily contacted the Ombudsman after she had tried to get Centrelink to pay her FTB for her two children. She had notified Centrelink that her daughter who had spent some time in the care of her father was back in her care. She said that her FTB was $100 less for over six weeks which was causing her financial hardship. She had phoned Centrelink for four weeks to be told by Centrelink that they agreed it was urgent and had sent emails to Child Support but were waiting for Child Support to rectify its records.

We decided not to investigate Lily’s complaint, but referred it to DHS Feedback and Complaints to resolve directly with Lily.

Grace’s complaint (received September 2012)

Grace had received FTB for her son since March 2010, but her rate decreased in July 2011 although there had been no change in her circumstances. In May 2012, Grace contacted

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Centrelink and was told the reduction was due to a system problem, but that it would apply a temporary manual workaround. On 7 June 2012, Centrelink commenced an investigation into the problem.

On 9 July 2012, Grace’s FTB rate again reduced due to an ongoing data transfer problem that had been identified between Centrelink and Child Support. On 23 July 2012, Centrelink applied a further manual workaround to pay Grace the correct rate of FTB whilst the investigation of the data transfer issue continued.

Grace complained to us in September 2012 because she was frustrated that it was taking so long for Centrelink to fix up her FTB payments. She had been told that the issue had been ‘escalated’ but was given no time frame for sorting out these issues.

**Investigation outcome:**
DHS confirmed that Grace had contacted Centrelink eight times to try to sort out the problem. In July 2012, when the first manual workaround was applied, Centrelink failed to pay Grace’s arrears of FTB for the period 17 July 2011 to 27 May 2012. DHS advised us that this was due to an oversight.

Centrelink contacted Grace on 25 September 2012 and apologised for the oversight in correcting her FTB record and arranged to pay her arrears. DHS advised that the data transfer occurred successfully on 30 September 2012 and Grace’s FTB payments were now paid at the correct rate.

7.25 The ‘alignment of care’ process commenced in July 2010. We received many complaints like Lily’s and Grace’s about problems with the exchange of data between Child Support and Centrelink. Many complainants told us they were shuttled between the two programs to try to resolve what turned out to be obvious errors in the data exchange. We worked closely with DHS to identify the reasons for the persistent complaints and received regular reports about the steps it was taking to improve the processes in Child Support and Centrelink. In 2012-13, we noticed a significant reduction in the number of complaints about this issue. In late 2013, DHS advised us that it was trialling a new integrated approach to care changes. Rather than relying on data transfers between programs, DHS made one part of the business responsible for investigating a customer’s advice that the care arrangements for a child have changed, and making any necessary adjustments to Child Support, Centrelink and Medicare records to reflect the change. DHS told us that the trial was successful and it has now decided to implement this ‘integrated service offer’ for all its customers.

7.26 As well as relying on data transfer between it and other parts of DHS, Centrelink also relies on accurate data transfer with other government agencies such as the Australian Taxation Office. In the following case study, Centrelink did not receive the data that it expected from the ATO and it failed to take action to ensure that the customer was not adversely affected.

**Isabel’s complaint (received August 2012)**

Isabel complained to this office on 31 August 2012 as she had not received her FTB lump sum payment from Centrelink and was in severe financial hardship, including being behind on her rent. Lump sum FTB is paid at the end of the financial year, on the basis of information from a tax assessment completed by the ATO and automatically transferred to Centrelink. Isabel had already received her notice of assessment from the ATO, but Centrelink insisted it had not received her income information from the ATO and it could not pay her FTB until it did.
The ATO and Centrelink gave Isabel conflicting advice about where the process was up to. The ATO told Isabel that it had transferred information twice to Centrelink, on 10 August and 23 August 2012, but on 4 September 2012 Centrelink advised her that it still had not received the data.

**Investigation outcome:**
On 5 September 2012, we advised DHS that we had decided to investigate Isabel’s complaint. On that same day, Centrelink manually recorded the amount of Isabel’s taxable income as assessed by the ATO into the Centrelink computer system so that it could pay Isabel the FTB she was entitled to receive.

DHS confirmed that Isabel had contacted Centrelink at least 10 times before we contacted it about Isabel’s complaint. At the conclusion of our investigation, Centrelink apologised to Isabel for its failure to address the problem and pay her more quickly.

7.27 In our investigation of Isabel’s complaint, we did not reach a conclusion about which agency was primarily responsible for the failure of the data transfer. However, we believe that Centrelink should have taken more responsibility to attempt to find a solution that would enable it to pay Isabel her FTB entitlement more quickly.

7.28 We accept that in most cases, the automated data transfer between the ATO and Centrelink is accurate. However, the case studies above highlight the importance of having a mechanism for addressing any inadequacies or faults with automated systems. They also show the need to institute a temporary manual workaround where a problem cannot be fixed quickly, if the incorrect automated decision will have adverse financial effects on the customer.
PART 8—INTERNAL REVIEW DELAYS

8.1 Almost every decision made by Centrelink can be appealed through an internal review process. The Ombudsman’s office has previously conducted an own motion investigation into Centrelink internal review processes. Investigation report 4/2011 Centrelink: the right of review – having choices, making choices looked at Centrelink’s internal review model.36 The report included five recommendations to address problems in Centrelink’s administration of its internal review process.37

8.2 Centrelink responded positively to the Ombudsman’s 2011 report and recommendations. It told us that it had commenced a trial of a new internal review model. One feature of the model was that it removed what we considered to be significant barriers to people using their review rights: a person dissatisfied with a Centrelink decision had to speak to the person who made it before they could request that it be reviewed by an authorised review officer (ARO). Centrelink also told us that the model would improve timeliness of reviews. As discussed below, the expected improvements in timeliness have not eventuated, leading to large backlogs, although we acknowledge that DHS is now working to urgently address this problem.

8.3 In 2011, Centrelink had a standard timeframe of 28 days to complete a review. This was an internal KPI and the target was to meet that standard in 75% of cases. Centrelink comfortably met the KPI in 2009-10 (89% of reviews finalised in 28 days) and 2010-11 (84% of reviews finalised in 28 days).38

8.4 In March and April 2012, Centrelink implemented its Enhanced Internal Review (EIR) model nationally. Centrelink briefed our office about the design of EIR and we visited several sites to see how it operated in practice. In the Ombudsman’s 2011-12 Annual Report we discussed what we considered to be the advantages of the new model over that which existed in 2011.39

8.5 Following the implementation of EIR, Centrelink changed its standard timeframe for reviews from 28 to 35 days. DHS has advised us that the extra seven days took account of the period previously allocated for original decision-maker reviews. From 1 July 2012, Centrelink’s KPI for finalising reviews is 75% within 35 days. Centrelink managed to meet this KPI in 2011-12, when it finalised 77% of internal reviews within 35 days.40

8.6 In late 2012, we started to receive complaints about long delays in Centrelink’s internal review process.

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37 The recommendations are reproduced at appendix two to this report (page 84).
Nadia’s complaint (received August 2012)

In October 2011 Nadia applied for a review of two separate Centrelink decisions made following a review of the valuation of her rural property. Centrelink used the revised value of her property as the basis of its decision to refuse her claim for an exceptional circumstances exit grant (ECEG) and to reduce her age pension. Centrelink actioned the review of the decision to reduce Nadia’s pension but the ARO was not familiar with ECEG, so did not deal with her request for review of the ECEG decision. Instead, they put the ECEG matter back into the ‘pool’ of cases awaiting review.

By 30 August 2012, Centrelink had still not finalised the review so Nadia complained to our office.

Investigation outcome:
We contacted DHS about Nadia’s complaint on 13 September 2012. Nadia’s review was finalised in October 2012 – a year after she requested it.

Joanna’s complaint (received October 2012)

Joanna complained to the Ombudsman’s office in October 2012 about Centrelink’s refusal of her DSP claim. Joanna had already asked Centrelink for an internal review of the decision, so we declined to investigate her complaint.

Joanna made another complaint to the Ombudsman on 14 February 2013. She was unhappy that Centrelink had still not granted her DSP, but was confused about what had happened to her request for internal review.

Investigation case study:
When we investigated Joanna’s complaint, Centrelink confirmed that it received Joanna’s request for review on 9 October 2012, but it had not been completed. The notes on Joanna’s Centrelink record said that reviews are allocated in the order they are received and that Joanna’s review was to be allocated to the next available ARO. However, Joanna’s review was only allocated to an ARO on 7 March 2013, as a direct result of our investigation. This was 149 days after Joanna requested a review. Centrelink told us that the delay was attributable to a large backlog of cases.

8.7 In March 2013, DHS advised us that Centrelink had some 25,000 reviews waiting to be decided, 50% of which were older than 100 days.41 In May 2013, Centrelink told us that its oldest review case had been waiting 308 days to be finalised. DHS told us that its information about the age of cases may not be entirely accurate, as the age of a review was previously calculated from the date of the original decision, rather than from the date it received the request to review that decision. However, DHS acknowledges that it has a significant backlog of ARO reviews and told us that it was exploring additional strategies to reduce that backlog.

8.8 At a meeting with DHS in March 2013, it advised us that the delays were attributable, in part, to large volumes of review requests about qualification for disability support pension (DSP), following the introduction of new, more stringent, disability criteria. DHS also said that the EIR process had led to further delays, because there was some unexpected double-handling of matters, but that it was attempting to re-engineer the process to address that problem.
8.9 DHS told us that Centrelink had introduced measures such as overtime to attend to the backlog, and that it was attempting to deal with requests in order of receipt. When we asked about special arrangements for more vulnerable customers, DHS said that some customers would qualify for payment pending review (continued payment while their review is being considered). DHS also told us that Centrelink has a triage process to identify customers eligible for payment pending review (see below) and to prioritise review requests from customers with serious vulnerabilities (e.g. homelessness, mental health problems, no source of income).

8.10 We understand that there are resource limitations that may prevent Centrelink from fully addressing the backlog or preventing delays in the future. We support the importance of prioritising reviews where customers are in vulnerable circumstances, but we think that the current delays are unacceptable. We welcome the steps that DHS has already taken to reduce the number of review cases on hand and to devise strategies to ensure that all reviews are processed within a reasonable timeframe.

8.11 In December 2013, DHS established a branch within the Debt, Appeals and Health Compliance Division with sole focus on the ARO function in Centrelink. We are keen to see improvements flowing from this change. We were encouraged to learn that Centrelink had reduced the number of reviews on hand by almost 25% since June 2013.

Payment pending review

8.12 We acknowledge that payment pending review (PPR) can alleviate the financial hardship associated with a delayed review for a customer. However, as discussed in our 2011 report *Centrelink: The Right of Review—Having Choices, Making Choices*, we understand there are legislative restrictions to the circumstances when PPR is available.42

8.13 Although we acknowledge that Centrelink has a triage process for ARO reviews that includes identifying whether a person is eligible for PPR, we think that it should also ensure that customers are aware of the option so that they can request that it apply to them. We note that there is no information about PPR on the DHS website page that tells people how to apply for review of a Centrelink decision.43 However, the optional ‘Review of a decision form’ that can be accessed via the DHS website does ask at question 15 ‘Has your pension/allowance been cancelled?’ and then asks at question 17 ‘Do you need your payment continued while your case is being looked at?’44 This information should also be sought from people applying for review via other channels.

Recovering disputed Centrelink overpayments

8.14 Overpayments of Centrelink payments are recoverable debts. Centrelink does not suspend recovery of a disputed debt while the person is seeking review of Centrelink’s decision that they were overpaid. That is, Centrelink continues to recover a debt even whilst the decision to raise the debt is being reviewed. In the context of


8.15 The next case study illustrates the possible consequences of Centrelink recovering a debt while the decision to raise it is in dispute.

Ralph’s complaint (received February 2013)

Ralph's house was destroyed in a fire. The house was insured and Ralph deposited the insurance payout in his bank account. He was living in a rented caravan on the property.

Centrelink decided to cancel Ralph’s DSP because it considered his property and the money in his account was an assessable asset. Centrelink also raised a debt for approximately $95,000.

Ralph asked for a review of the valuation of his property and Centrelink’s decision to cancel his pension. The review took 18 months to complete with Centrelink not meeting its own timelines. The internal review did not go in Ralph’s favour. Centrelink decided to recover the debt, taking the insurance money in his bank account, leaving Ralph with a small balance to live on.

Ralph appealed to the Social Security Appeals Tribunal (SSAT). The SSAT found that Ralph’s property and insurance money was not an assessable asset for DSP. The SSAT overturned Centrelink’s decision reducing the debt owed to approximately $900. Centrelink returned the incorrectly recovered money to Ralph and paid him compensation for the interest he missed out on before Centrelink returned his money.

Investigation outcome:
Ralph’s complaint to us concerned the amount of compensation that Centrelink paid him. We decided there was no basis for us to recommend that Centrelink increase its offer, however we made some comments to Centrelink about the delays in its handling of Ralph’s request for review of the overpayment decision.

8.16 We discussed debt recovery pending review in our 2011 report Centrelink: The Right of Review—Having Choices, Making Choices. Recommendation 3 in that report was that Centrelink ‘Limit negative consequences of incorrect decisions pending review outcomes’ and in debt cases ‘analyse cost effectiveness of suspending debt recovery action through write off during reviews’.

8.17 In June 2013, DHS advised us that it had consulted with two of the policy departments responsible for social security payments about recommendation 3. DHS told us the policy departments did not support the recommendation, believing there was enough flexibility already, including in the tribunal process, to address any hardship concerns that a customer may experience during the review and appeals process. DHS supported this position. We consider that DHS’ position is particularly harsh when it is directly responsible for lengthy review delays, through its own processes.

8.18 The following case study illustrates the negative consequences for a customer of a long delay for an ARO review.

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Jennifer’s complaint (received September 2013)

Jennifer complained to us about Centrelink’s delay reviewing its decision to require her to repay almost $4,000 of FTB she received for her son Harry. She had been waiting more than eight months for a review and thought this was too long. Even though Jennifer had sought review of the decision, Centrelink told her she was obliged to enter into a payment arrangement, or it would refer the debt to an external debt collector. Jennifer was paying $90 per fortnight towards the debt and said that she was forced to juggle her family’s finances in order to do so.

Jennifer told us that she contacted DHS before Harry started a full time apprenticeship in January 2012 at the age of 17. After speaking to DHS she understood she would still be entitled to FTB for Harry until he turned 18. A year later, Centrelink asked Jennifer to repay all the FTB she received after Harry started work.

On 14 December 2012, Jennifer asked Centrelink to review the overpayment decision. She received a letter from Centrelink dated 29 January 2013 which acknowledged her request for an Authorised Review Officer (ARO) review. Jennifer contacted Centrelink several times to check on progress of the review. On 12 July 2013 she received a call from Centrelink to advise that there was a backlog of reviews and to ask her if she wanted to continue with the review. She confirmed that she did. In September 2013 she contacted our office.

Investigation outcome:
On 12 September, after we contacted Centrelink to investigate Jennifer’s complaint, it allocated Jennifer’s case to an ARO. On 23 September 2013, the ARO decided to waive Jennifer’s FTB debts and Centrelink refunded to Jennifer the money she repaid while she was waiting for a review.
PART 9—DHS’ INTERNAL COMPLAINT SERVICE

9.1 The Ombudsman’s office strongly supports and promotes the value of internal complaints processes for the agencies in our jurisdiction. In 1997, we published a ‘Good Practice Guide for Effective Complaint Handling’. The purpose of that guide was to encourage all Australian government agencies to establish effective complaints handling mechanisms. However, Centrelink was one of the first Commonwealth agencies to introduce an internal complaints mechanism, with Customer Relations Units (CRUs) opening in most area offices in 1997.

9.2 From the beginning, Centrelink’s CRU was a model of an accessible, informal complaints service. People could access it by telephone. Centrelink widely promoted the CRU in brochures and by providing its telephone number in all customer correspondence. By agreement with this office, Centrelink’s letters also included the number of the Commonwealth Ombudsman’s office complaints line, and told people to call the Ombudsman if they could not resolve their complaint by speaking to the Centrelink CRU. Visibility and ease of access continued to be the hallmarks of Centrelink’s complaint service after it was renamed the ‘Service Recovery Unit’.

9.3 From 1 July 2011, DHS established and promoted a single telephone number, 1800 132 468, for customers to contact its ‘Feedback and Complaints Line’. When a customer calls DHS Feedback and Complaints line, a recorded message asks them to identify whether they are calling about Medicare, Child Support or Centrelink. Centrelink calls are directed to officers working in the Centrelink SRU, which continues to exist alongside the internal complaints processes for the Child Support and Medicare programs.

9.4 In the first few months of DHS integration, we saw little change in the pattern of Centrelink customers contacting our office to complain about Centrelink. However, in late 2011, we started to receive many more complaints from people who were unable to contact Centrelink by using the telephone number for their particular payment type. As is our usual practice, we suggested that the callers first try to resolve their problem by contacting the DHS Feedback and Complaints Line. It soon became apparent that not only were there significant delays on Centrelink’s enquiry lines, many of the people who called us to complain about those delays had not realised that there was a DHS Feedback and Complaints line they could call. We think this can be attributed to DHS changing the way it promoted the DHS Feedback and Complaints line in Centrelink letters, despite that information being available via a number of sources.

9.5 DHS’ 2011-12 Annual Report states that Centrelink customers can provide feedback (including complaints) in a number of ways including:46

- visiting the department’s website at humanservices.gov.au and completing an online feedback form
- phoning the Service Feedback line (1800 132 468)
- talking directly with staff

• completing a feedback brochure
• writing to the department.

9.6 All of these feedback channels are still available, however, from early 2012, DHS was progressively amending its standard letters to Centrelink customers by removing the telephone number for people to give feedback. The revised letters still told people they could complain, but told people that in order to do so they should ‘go to humanservices.gov.au/feedback’. This is a page on the DHS website that contains information about complaint handling procedures and the way customers can access them.

9.7 Immediately following that instruction, the revised Centrelink letters included the Ombudsman’s telephone number for people to call if they remain dissatisfied with Centrelink’s service. DHS’ intention was that people should first try to resolve their problem by using its internal complaints service, and check the website for the way to contact it, but many Centrelink customers skipped that step and called the Ombudsman instead.

9.8 Some of the people who called our office actually believed they were calling an ‘ombudsman’ within DHS. Others were aware that they were calling the Commonwealth Ombudsman’s office, but rang us anyway because they were not given the DHS complaints number, they preferred to complain by telephone and it was easier for them to get through to us than to Centrelink. Thus, our public contact staff spent significant amounts of time directing people back to the DHS complaints service.

9.9 In late 2012, to prevent DHS complaints overloading our capacity, we implemented changes to our own complaints line. If we had not done so, there was a risk that our staff would spend all their time talking to people with Centrelink problems (who really needed to get in touch with Centrelink) at the expense of all those people experiencing problems with other areas of Commonwealth and ACT administration, such as the Australian Taxation Office, the Department of Immigration and Border Protection, DHS’ Child Support program and Australia Post (the four agencies that make up our ‘top 5’ along with Centrelink).47

9.10 We now have a ‘queuing’ arrangement on the Ombudsman’s complaints line and recorded messaging asking callers to identify the agency they are complaining about. This allows us to encourage those people ringing us about Centrelink to call the DHS Feedback and Complaints Line before making a complaint to the Ombudsman. Before these callers are connected to one of our public contact staff, they will hear a recorded message that explains that they have called the Commonwealth Ombudsman’s office; that we are unlikely to be able to help them if they have not already tried to resolve their complaint by calling the DHS Feedback and Complaints Line; and gives them the telephone number. This has helped us to manage the substantial numbers of calls that we receive about DHS, and reduced the potential number of complaints that we would otherwise have received about Centrelink.

9.11 We repeatedly raised with DHS our concern about the way it promoted the Feedback and Complaints line to its customers, including by discussing it in our

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47 The Commonwealth Ombudsman is also the Defence Force, Immigration, Law Enforcement, Taxation, Postal Industry, ACT, and Overseas Students Ombudsman.
2011-12 Annual Report. DHS reconsidered its position but told us that it did not intend to re-introduce the Feedback and Complaints telephone number into Centrelink letters at that time. DHS’ position was that customers had not been disadvantaged by its decision to remove the Feedback and Complaints number from Centrelink letters, because the majority of letters included a ‘Contact Information Block’ which provided a range of contact details and it could provide more information about the complaints and feedback process on its website than could be included in letters.

9.12 We believe that DHS’ reluctance to include the telephone number of the Feedback and Complaints Line in its letters was, at least in part, attributable to its concern that the complaints service was being used as an ‘overflow’ line by people unable to get through to Centrelink using the usual telephone number for their payment type. This made it difficult for the Feedback and Complaints Line to deal with what DHS considered were ‘real complaints’. However DHS has advised us that this was not its primary consideration. DHS said it introduced the website reference to reduce customer confusion caused by having multiple telephone numbers in letters. The revised text allowed DHS to direct them to an internet page that is easy to update, contains all available feedback channels and detailed information about all available avenues for making a complaint.

9.13 We acknowledge DHS’ position. Nevertheless, we do not think that limiting the information about how to complain was appropriate. Reducing access to the internal complaints mechanism is likely to disadvantage the more vulnerable customers. The more capable and resourceful are likely to find their way to the DHS complaints service anyway.

9.14 Shortly after we advised DHS of our intention to conduct this investigation, DHS decided to reinstate the number for the DHS complaints service on Centrelink letters over a period of 18 months, as it revises all of its Centrelink letter templates. We are pleased that DHS has agreed to include its complaints number in all its Centrelink correspondence. DHS told us it made this decision as it is moving towards an improved model of complaint lodgement and resolution. At the time of writing, some letters from Centrelink do not contain the DHS complaints number and others do. By January 2014, 97% of Centrelink letters included the telephone number for the DHS complaints service, and this will increase to 100% by June 2014.

9.15 We also consider that Centrelink needs to make it easier for people to make an online complaint. Although there is a form to use on the DHS website to give feedback, the fields in the form are not well-suited to a person who wishes to make a complaint about the service they have received from Centrelink. The form asks the person to identify the office or service they are commenting on, and the name of the officer who served them. Many Centrelink complaints we receive are about online processes, correspondence and decisions and actions of unknown officers, or even computer generated actions and decisions. It is difficult to fit such a complaint into the structure of the form, particularly when the free text field to describe the complaint has a limit of just 250 words.

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Malina’s complaint (January 2013)

On 30 January 2013 Malina told us she was ‘sick and tired of having to wait in phone queues for over 1 1/2 hours - today being possibly the sixth time since December having to wait in call queues’. Malina also complained that she had to wait in a queue at the Centrelink office for over 30 minutes even when she had made an appointment. Malina tried to make a complaint on the DHS website, but she couldn’t set everything out in the space allowed.

We decided not to investigate Malina’s complaint, but referred it to DHS Feedback and Complaints to resolve directly with Malina.

9.16 In August 2013, DHS briefed our office about a project to improve its complaint handling capacity. DHS is trialling a new complaints procedure integrated across all DHS which involves a two step process similar to the current complaint procedure in Child Support. It is based on the principle of early resolution of complaints by an appropriately skilled staff member by telephone. Complaints which are complex (for example across programs) or where the customer is vulnerable (for example where they have mental health issues) are escalated to more senior experienced staff but with the same principle that one staff member takes responsibility for ensuring the resolution of the complaint.

9.17 We are encouraged by what DHS told us about this trial. The model would seem to address many of the issues raised by the complaints in this report, such as the difficulty accessing a complaints service by phone, customers having to deal with many different staff when they make a complaint, delays in responding to complaints. We do not believe it is desirable or sustainable for Centrelink customers to regard the Ombudsman’s office as the first option to resolve a problem with Centrelink. We will continue to encourage DHS to take first and major responsibility for receiving and resolving Centrelink complaints.
PART 10—CONCLUSION AND RECOMMENDATIONS

10.1 Before DHS started its process of service delivery reform, it consulted with its customers to find out what they wanted. People said they wanted a service that was personalised and individually tailored; better co-ordinated; accessible by clear and simple processes and forms; flexible; about good communication and information and empathic and understanding. The DHS service commitments reflect what people said they wanted from an integrated DHS. If DHS can deliver on those service commitments in the Centrelink program, it is likely that its customers will be satisfied.

10.2 The 40 case studies included in this report are just a small sample selected to illustrate what Centrelink’s customers told us about their actual experience of using Centrelink since DHS integration. We are still receiving similar complaints about Centrelink at the time of publishing this report. Those complaints suggest a service that sometimes finds it difficult to cope with demands. When Centrelink is under most pressure, it cannot service all of its customers. At these times, despite DHS’ commitment to provide additional support to vulnerable customers, there is a risk that the more resourceful, persistent and able will find a way to navigate through barriers, leaving the vulnerable behind. We therefore consider it is imperative that DHS consider how it can ensure that it provides equitable access to all the people who are likely to use its services, particularly those who are unable for whatever reason to take advantage of the digital service delivery innovations being introduced.

10.3 We do not expect a department the size of DHS, or its Centrelink program, to be error free. But the cases discussed in this report illustrate problems that some people experienced in a number of areas of Centrelink’s service delivery. People had difficulty finding information about payment qualifications. They had trouble making a claim because of a lack of accurate information. They could not understand Centrelink’s correspondence which they said was sometimes confusing and contradictory. As well, they occasionally experienced online services not functioning, and could not readily access help by telephone or in person at a Service Centre. Although we acknowledge that the number of complaints we receive about Centrelink is small compared to the total number of Centrelink customers, or the total number of Centrelink transactions, we nevertheless consider these complaints are important, and deserve to be heard.

10.4 Most of the people who complained to us about Centrelink only contacted us after they tried, but were unable, to sort things out directly with Centrelink. For some, this was because they were not given a phone number to make a complaint to DHS. Others called us because they were frustrated by the long wait to speak to Centrelink on the telephone and the cost of making those calls on their mobile phone. Some could not attend a Service Centre due to isolation or mobility issues. When some attended a Service Centre they were directed to use the phones; made to stand in a queue for longer than was reasonable (whether they had an appointment or not); or were told to use online services they didn’t understand. The service that these people experienced did not meet DHS’s statement that service delivery reform would provide ‘increased choice and greater convenience for customers to interact with [DHS] in the way that suits them best’.50

10.5 We acknowledge that DHS is working hard to improve service delivery to all of its customers and commend it for many of the initiatives it has already implemented, such as Express Plus mobile apps, place in queue for its telephone enquiry lines and the Front of House operating model for Service Centres. In December 2013, DHS launched a digital office in Margate Queensland, where staff encourage and assist customers to use online services. The strategies that DHS has put in place to actively shift many Centrelink customers to confidently self manage services are intended to allow it to redirect resources to customers who require additional assistance. Nevertheless, we remain concerned that some of Centrelink’s customers are not experiencing improvements in service and some are at risk of being left behind as their access to traditional service channels reduces.

10.6 We recognise that the Ombudsman’s office does not have expertise in service delivery on the scale of DHS’ Centrelink program. However, we consider DHS should take a range of actions to address the specific shortcomings illustrated by the 40 case studies included in this report. On the following page, we make 12 recommendations which focus on improving Centrelink’s customer service. We believe that by implementing those recommendations, DHS will better meet its service delivery commitments to customers of the Centrelink program.

10.7 This report is being published at the midpoint of DHS’s five year project to reform service deliver for all of its customers, including those of Centrelink. We believe our report will provide a useful baseline to measure DHS’ success at the end of the five year project. We are very keen to see positive changes in the way Centrelink does business. We intend to monitor DHS’ progress in implementing our recommendations. We will seek written briefings from DHS every three months about the steps that it is taking to implement them. We will also monitor the future complaints that we receive about Centrelink for signs of improvements. We plan to report on DHS’s progress in implementing the recommendations in the Ombudsman’s 2013-14 Annual Report.

10.8 We are grateful to DHS for its cooperation and assistance through the course of this investigation.
RECOMMENDATIONS

The Ombudsman recommends that DHS takes the following actions to improve service delivery to customers of the Centrelink program:

Recommendation 1: telephone service

Provide more affordable and equitable telephone access for customers.

(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).

Recommendation 2: be more responsive to online enquiries via the DHS website

Improve the arrangements for customers to make online enquiries of Centrelink with the following aims:

(a) Categorise and prioritise each enquiry.

(b) Link the enquiry with the customer’s Centrelink record.

(c) Acknowledge receipt and respond to each enquiry.

(d) Develop a performance standard for responding to online enquiries.

Recommendation 3: written correspondence

Improve written correspondence.

(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.

Recommendation 4: income processing for customers who receive income support and Family Tax Benefit (FTB)

Improve the accuracy of payments made to customers (or couples) with earnings.

(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.

(b) Improve letters sent to those customers to ensure that they clearly state what income is taken into account for each payment.
Recommendation 5: Maintenance Income Test for FTB

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:

(a) the actual amount of child support used to calculate the person’s rate of FTB each fortnight

(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

(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).

(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.

Recommendation 6: online services

Increase support and assistance for customers to use online 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.

Recommendation 7: Service Centres

Introduce a ‘form drop’ service for paper claims, renewal and reporting forms at Service Centres for use in periods of peak demand.

Recommendation 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.

(b) Publicise and regularly report Centrelink’s performance against the standards developed under recommendation 8(a) and actual average processing times.

(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 the claim will take to process (based on regularly updated and contemporary average processing times).

Recommendation 9: service delays and interruptions

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.
Recommendation 10: records management

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.

Recommendation 11: internal merits review

Improve management of requests for internal review of Centrelink decisions.
(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).

Recommendation 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) 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.
(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.
DHS’ response to the report and recommendations

On 9 April 2014, we provided a draft of this report to the DHS Secretary, Ms Kathryn Campbell CSC. Ms Campbell’s letter responding to the report is at Appendix one.

DHS supported all of the recommendations in this report, either fully or in part. Set out below are DHS’ detailed comments on each of the recommendations.

Recommendation 1: telephone service

<table>
<thead>
<tr>
<th>Provide more affordable and equitable telephone access for customers.</th>
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<tr>
<td>(a) Investigate the possibility of extending ‘place in queue’ to all callers on all enquiry lines.</td>
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DHS’ response to recommendation 1(a):

**The department supports this recommendation.**

In considering extending ‘Place in Queue’ (PiQ) to all enquiry lines there are practical considerations that must be assessed which may affect the department extending it more broadly.

PiQ currently operates within a set of criteria. Specifically, when the wait time in the queue is estimated to be at least five minutes, and:

- the call is between 8:00am to 3:00pm local time;
- the caller is registered for telephone self-service;
- the caller has entered their Customer Access Number and PIN (or authenticated through voice authentication) when prompted by the recording at the beginning of the call.

Changes have been recently made on the main lines of business which allow callbacks to be offered to customers who enter their Customer Reference Number only.

If numbers of callers registering for PiQ increase substantially, then the PiQ service offer would need to be reviewed and the times that PiQ is offered wound back, to ensure that all calls are answered. Also, callers who do not elect to use PiQ, or who are unable to use PiQ due to privacy reasons (such as nominees), may potentially be disadvantaged and would continue to wait longer as PiQ calls take a priority over standard calls, even if they arrive at exactly the same time.

(b) Review the automated triage arrangements for incoming calls to identify and provide priority assistance to vulnerable callers and customers with urgent enquiries.

DHS’ response to recommendation 1(b):

**The department supports this recommendation.**

The department already provides a triage functionality. The department operates an extensive routing system that prioritises calls based on the ‘utterance’ from the caller. For example, someone calling about bereavement receives priority over someone calling about income and assets.
DHS’ response to recommendation 1(c):

The department partially supports this recommendation.

The department reviews its key performance indicators every year in the context of the development of the Portfolio Budget Statements. Indicators of telephony performance will be considered in that context. The department does not support establishing separate performance standards for each enquiry line as this would potentially lead to rigidity and impede the department’s ability to undertake real time management.

DHS’ response to recommendation 1(d):

The department partially supports this recommendation.

The department will regularly report on performance to the Ombudsman’s Office. The department does not support publicising performance more broadly because of the risk of customers ‘queue surfing’ resulting in adverse outcomes for customers.

Recommendation 2: be more responsive to online enquiries via the DHS website

Improve the arrangements for customers to make online enquiries of Centrelink with the following aims:

(a) Categorise and prioritise each enquiry.
(b) Link the enquiry with the customer’s Centrelink record.
(c) Acknowledge receipt and respond to each enquiry.
(d) Develop a performance standard for responding to online enquiries.

DHS’ response to recommendation 2:

The department supports this recommendation.

The department continues to seek improvements in its service arrangements for customers who make online enquiries.

For instance, the department notifies customers via its webpage not to use the web channel if an urgent answer is required, as response times may vary depending on demand. A general triage is currently undertaken on all incoming Secure Internet Message System (SIMS) enquiries with at least two staff every day actioning the administration and sorting into categories of payment types and online enquiries. Key words which indicate an urgent response is required are searched for manually and the SIMS are addressed as a priority. To further triage each enquiry would divert necessary resources from actually processing the enquiry, potentially leading to longer processing times. While triaging each and every enquiry would be preferable, at this stage, this would be a manual process which is unreasonably resource intensive because each enquiry and customer record would need to be reviewed manually to determine its priority.
In response to online enquiries, and consistent with industry standards, the department currently provides an automated acknowledgement to customers. An automated receipt number is provided once the SIMS enquiry has been submitted. The department is investigating a more effective system to support online enquiries and in the future the development of a performance standard will be part of that process.

Recommendation 3: written correspondence

<table>
<thead>
<tr>
<th>Improve written correspondence.</th>
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<tr>
<td>(a) Develop a performance standard for responding to customers’ enquiries sent by post or email.</td>
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DHS’ response to recommendation 3(a):

**The department partially supports this recommendation.**

Customer enquiry response times are heavily dependent on the volume and type of customer correspondence that is sent to the department. For example, in the Older Australians, Disabilities and Carers space over 60% of all work is for non-new claims. A reasonable proportion of this work does not affect payments and does not require the department to action. Any key performance indicators that are developed would need to take into account the type of work and the impact of the work on the claimant’s payment and would need to be developed in consultation with other agencies.

The department will consult with stakeholders and will consider the recommendation and its implications as part of its periodic review of performance standards.

(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.

DHS’ response to recommendation 3(b):

**The department supports this recommendation.**

The department already has arrangements in place for the ongoing review of correspondence and has a commitment to engaging with customers, identified peak bodies, community groups and external providers to ensure customer communications are clear, informative, relevant to the target audience and delivered through the most appropriate mechanism(s).

The department has formally committed to a broader refresh program for customer communication through the procurement of a new, enterprise strength communication system. The staged transition to this new system will allow the department to more effectively simplify and improve customer communication through improved capability. Underpinning this transition work is a range of communication, service and process design activities that are being undertaken to establish an agreed scalable, flexible and customer centric future state.
Recommendation 4: income processing for customers who receive income support and Family Tax Benefit (FTB)

(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.

DHS' response to recommendation 4(a):

*The department partially supports this recommendation.*

The different income tests which apply for FTB and income support payments mean that income changes reported for one payment cannot be automatically applied to the other.

Income reporting is a critical component of the notion of mutual obligation around many payments such as Newstart Allowance. The same policy drivers do not necessarily exist for family payments. Whilst it may be possible to align income tests across payments to a greater degree, the differing policy drivers may limit the ability to implement this recommendation.

The department has made improvements to the tools used by staff and customers to record and report changes in income to ensure customers are aware of the separate reporting requirements for FTB and other payments.

Where customers update their income or earnings with a Customer Service Officer (in person or over the phone), they will be asked to update their income or earnings for the other payment at the same time if appropriate, or will be reminded to include the changed circumstances when reporting their earnings on their next regular reporting day.

Where the customer uses self-service channels to update their income or earnings, the self-service tools include warnings and messages to advise the customer of the need to update their income for the other payment separately, and will provide links and directions where appropriate.

Staff training material and e-Reference procedures have also been reviewed and updated to emphasise the importance of reinforcing this message to customers. A copy of these e-Reference procedures will be included in updates regularly provided to the Ombudsman’s Office. The department will continue to investigate additional strategies to address the risk of customers being overpaid in this situation.

The department’s My Profile project which plans enhancements to the family income service will improve accuracy through an updated reasonableness test, support for the customer with a Centrelink Payment Summary feature that provides year to date information on Centrelink payments received and a message for income support payment customers reminding them to also update their reported earnings.

(b) Improve letters sent to those customers to ensure that they clearly state what income is taken into account for each payment.

DHS' response to recommendation 4(b):

*The department partially supports this recommendation.*

In conjunction with the improvement strategies outlined in response to Recommendation 4 (a), the relevant customer correspondence to Families and Income support customers will also be reviewed. In addition, the
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Department will examine whether the amendments to the correspondence requested by the Ombudsman would require significant system enhancements.

Recommendation 5: Maintenance Income Test for FTB

<table>
<thead>
<tr>
<th>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:</th>
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<tbody>
<tr>
<td>(a) the actual amount of child support used to calculate the person’s rate of FTB each fortnight</td>
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<tr>
<td>(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</td>
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<tr>
<td>(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).</td>
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<tr>
<td>(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.</td>
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DHS’ response to recommendation 5:

The department partially supports this recommendation.

The department investigated the possibility of including the information noted at recommendation 5 (a) and (b) above, in customer letters. In investigating this option, the department found that the letters would need to be changed extensively; they would be much lengthier and contain information unique to each customer. Including a full breakdown of how the amount of maintenance income received interacts with the FTB calculations is likely to lead to customer confusion.

As such, given the complexity of the information involved, and the number of factors that could impact upon the FTB amount being assessed, the department was concerned that it would be unable to adequately or accurately reflect each and every customer’s circumstance in such a letter. In light of these factors, the department considered the better approach would be for customers to contact the department for an explanation if and when they required one.

The department notes that additional information was published on the department’s website in September 2013 to further explain Child Support and Family Tax Benefit (see: http://www.humanservices.gov.au/customer/enablers/child-support-and-family-tax-benefit-part-a ).

This additional information specifically highlighted the issues noted at recommendations 5 (c) and (d) above. The information specifically refers to the impact that the different collection methods can have on a person’s rate of FTB, as well as advising the importance of contacting the department if customers are not receiving their full amount of child support. Again, given the complexity of the factors involved in these issues, the best course of action is always for the customer to receive individual advice for their specific case – rather than general information which might not be relevant to their particular situation.

Further specific information regarding the Income test for Family Tax Benefit A was also published on 20 September 2013. This content includes detailed

Generally, all content on the website is reviewed annually at a minimum. Review of content is commissioned when a gap in information is identified or following feedback from customers, staff and stakeholders.

**Recommendation 6: online services**

<table>
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<tr>
<th>Increase support and assistance for customers to use online services.</th>
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<tr>
<td>(a) Research and address barriers preventing or limiting customer take up of online services, or causing people to stop using them.</td>
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</table>

**DHS’ response to recommendation 6(a):**

*The department supports this recommendation.*

*In 2012-13 the department saw significant growth in its online and self-service capabilities, with the launch of self-service mobile apps that give customers using Apple and Android mobile devices and smartphones access to services. These apps contributed to the strong increase in customer use of self service across programmes, including Centrelink, Medicare and Child Support. During 2012-13 the apps were downloaded more than 750,000 times.*

*As part of the development of new digital products, the department will continue with its ongoing research into the barriers preventing or limiting customer take up of online services, or causing people to stop using them.*

*The department is aware that there will be limitations to online take-up for a variety of reasons, but has sought to maximise the take-up rate for customers who do have the ability to self-manage.*

*In developing its digital service offers the department has already commissioned formal research reports, made use of ABS data, analysed the online behaviour of its customers and investigated international e-Government approaches.*

| (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. |

**DHS’ response to recommendation 6(b):**

*The department supports this recommendation.*

*The department already provides support products for our customers through the online guides and demonstrations which are available on our website to assist customers to self-manage their business with Centrelink. These include step by step guides and video demonstrations on topics such as: online reporting, capturing and uploading documents, printing a payment summary and how to use the Centrelink statement.*

*Information about how to register for an online account is also translated into Korean, Persian (Farsi), Vietnamese, Arabic and Chinese.*
DHS’ response to recommendation 6(c):

The department supports this recommendation.

Customer materials promoting our digital service offer were provided to 21 service centres before the end of 2013. These resources include Quick Reference codes to encourage access to the humanservices.gov.au self-service page. The products and campaign are currently being evaluated. Social media messages encouraging the use of online services are also placed on Twitter and Facebook.

Promotion of the department’s online services is contained in several places on our website. Customers can click and logon to customer online services from the top right hand corner of the homepage. There is a link on the homepage under General Subjects to Self Service. If the customer clicks onto each of the Centrelink, Medicare or Child Support icons on the homepage, the page has a further link to online services for each service delivery brand. The department is able to capture and monitor online enquiries data which assists with future service improvements to customers. Where funding permits, we would also support the recommendation to enhance online reporting.

The department has online guides and demonstrations available on its website to assist customers to self-manage their business with Centrelink. These include step by step guides and video demonstrations on topics such as registering for an online account, updating personal and study details, requesting cards and documents, managing a BasicsCard and reporting employment income. Information about how to register for an online account is also translated into Korean, Persian (Farsi), Vietnamese, Arabic and Chinese.

The department has a network of self service computers and phones in its service centres where customers can undertake their business online. There are also touch screen self service terminals in most service centres and all Agents and Access Points. These are supported by staff who are dedicated to assisting customers in their use.

Recommendation 7: Service Centres

Introduce a ‘form drop’ service for paper claims, renewal and reporting forms at Service Centres for use in periods of peak demand.

DHS’ response to recommendation 7:

The department partially supports this recommendation.

The department is already investigating the feasibility of this recommendation. The department is considering ways to balance the need to provide a quicker service to customers who are dropping in forms and documents, while also ensuring that, by not seeing these customers, there are no risks to their payments and the need to recontact them does not increase.
Recommendation 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.

DHS’ response to recommendation 8(a):

The department supports this recommendation.

The department proposes to progress the development of performance standards for processing claims for Centrelink payments with relevant agencies. If the aim is to provide customers with an idea about when to expect a decision, then recommendation 8 (c), if adopted, would facilitate this.

The department notes it is difficult to estimate the time a claim will take to process at the time of lodgement, as this depends on a wide variety of different factors, including the provision of customer information. Providing processing information would be resource intensive, diverting resources from the actual work of determining the claim, potentially leading to longer processing times.

(b) Publicise and regularly report Centrelink’s performance against the standards developed under recommendation 8(a) and actual average processing times.

DHS’ response to recommendation 8(b):

The department supports this recommendation.

The department reports on its claims processing target externally through the Portfolio Budget Statements and publishes performance against the target in its Annual Report. These reports and targets are currently being reviewed.

(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 the claim will take to process (based on regularly updated and contemporary average processing times).

DHS’ response to recommendation 8(c):

The department supports this recommendation.

The department will investigate the feasibility of this recommendation and may consider other strategies which may be more feasible and still achieve a similar outcome.

It is difficult to estimate the time a claim will take to process at the time of lodgement, as this depends on a wide variety of different factors, including the provision of customer information.

By way of example, there is a wide variation in complexity of medical and other circumstances for DSP new claims. Providing standard advice may introduce unrealistic expectations and unnecessary confusion for some claimants. However, to complement the recent publication of Video On Demand resources for DSP claimants, the department is also working on updates to the website to provide more comprehensive and readily-accessible information about the claim and assessment process.

The department’s systems do not currently have the functionality to automatically calculate the estimated time to process a claim and this would need to be manually calculated and provided for each claim. There would be
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a diversion of resources required from inbound telephony or processing to undertake this work. As more claims are actioned online by claimants, this capability may be able to be developed by the department.

Recommendation 9: service delays and interruptions

| 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. |

DHS’ response to recommendation 9:

*The department supports this recommendation.*

The department already provides information of this nature through a number of different channels. For instance, the department provides real time communication across various channels when there is an office closure or disruptions to service delivery. Social media (such as Twitter), the department’s web page and telephony IVR updates are all utilised when there is a customer service concern.

By way of example, when online accounts are unavailable, the department provides a notification on the department’s home page. The duration of the outage is also provided when that information is known. The website notice will normally recommend customers use the most appropriate alternative service channel (for example, Express Plus app).

The department also has contingency arrangements with the Reserve Bank of Australia to accept the department’s payment file (containing customer payment amounts and delivery details) later than usual in certain circumstances. This ensures staff and customers have more time to complete any business that is payment critical such as reporting income. The department is able to use Real Time Gross Settlement facilities to provide immediate payment directly to customer bank accounts where that is necessary.

Recommendation 10: records management

| 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. |

DHS’ response to recommendation 10:

*The department supports this recommendation.*

The department effectively operates scanning technology to store customer documents on their electronic record.

The department actively manages its current system to ensure that documents that are provided are uploaded correctly and that all information is present. At times, claimants do not understand what documents are required and need to supply additional documents and the department continues to look at ways of making this easier for customers to understand. In certain circumstances, claimants can be requested to provide original documentation for verification even if they have lodged copies via online services such as proof of identity.

The department is also investigating which documents are actually required to be scanned and stored.
Recommendation 11: internal merits review

<table>
<thead>
<tr>
<th>Improve management of requests for internal review of Centrelink decisions.</th>
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<tr>
<td>(a) Continue to address the backlog of internal review requests.</td>
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DHS’ response to recommendation 11(a):

**The department supports this recommendation.**

The department has already introduced improvements to the management of internal reviews in order to address the number of reviews on hand, resulting in a reduction in the number of cases on hand by 31% from July 2013 to the end of March 2014 (with numbers continuing to trend downwards). Specifically, management improvements introduced in June 2013 include the following:

- The Authorised Review Officers are now organised into specialised teams. This specialisation has improved productivity and increased the numbers of cases completed each week from approximately 1,500 to 1,700 per week since July 2013.
- A new triage process was trialled to support the new delivery model. Customers were contacted to ensure they understood the reasons for the decision under review, to determine if more information was required to complete the review and to assure the customer the review was in progress.
- This improved triage process has been adopted and requests for review that can be resolved quickly are completed without the customer waiting. For other customers, the process is more streamlined as the customer has had a fulsome explanation of the decision and has provided all the information required for the review.

DHS’ response to recommendation 11(b):

**The department supports this recommendation.**

The department has always had a triage process that identifies potentially vulnerable customers to ensure they are given a high priority for review, and for all customers, whether payment pending review can be offered. With the introduction of Enhanced Internal Review the process has been extended to consider complexity of reviews.

The department already considers whether it is appropriate to continue payment pending review for all requests for review where the payment is cancelled or reduced. This is considered by the departmental officer who takes the request for review.

When an adverse decision is being reviewed a customer’s payment can, and in some cases must, continue as though the decision had not been made. Payment must continue when the decision was to apply a serious failure or unemployment non-payment period. This is made under a disallowable instrument.
(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.

DHS’ response to recommendation 11(c):

**The department supports this recommendation.**

All reviews are triaged to establish the urgency of cases. At the Quarterly Liaison Meeting with the Ombudsman’s Office held on 4 March 2013, the department outlined the procedures in place to prioritise the reviews of vulnerable customers. This process has been in place for a number of years, prior to the introduction of the Enhanced Internal Review process.

The customer groups eligible for priority reviews are:

- **Customers with no income** - the customer has no income as a result of a decision and no other means of support from any source. For example, employment income, liquid assets, investments.
- **Customers who are currently homeless** - a customer is considered to be homeless when they do not currently have access to stable accommodation.
- **Customers who are currently in crisis or extremely vulnerable** - for example, due to a recent traumatic relationship or recent significant mental health issues.

For the 2012-13 financial year, over 93 per cent of cases involving vulnerable customer requests were actioned within 14 days. This ensured that vulnerable customers were not adversely impacted by the number of reviews on hand.

(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).

DHS’ response to recommendation 11(d):

**The department notes this recommendation.**

The department will consult with the policy department around the possibility of suspending recovery of any debt where a customer has requested a review of the debt on reasonable grounds including any legislation changes. It should be noted that this is the policy department’s decision.

Recommendation 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) which includes all the methods a person can use to make a complaint.

DHS’ response to recommendation 12(a):

**The department partially supports this recommendation.**

The plain English text currently in use for letters which was agreed with the Commonwealth Ombudsman in June 2013 is: “To give us feedback or make a complaint

- Go to humanservices.gov.au/feedback to give feedback or call our Customer Relations Team on 1800 132 468 to make a complaint.
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- If we do not resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to ombudsman.gov.au or calling 1300 362 072.”

Due to the costs associated with changing letters there are no plans to change this text in the foreseeable future.

(b) Encourage and train Centrelink staff to identify and escalate complaints which they cannot resolve themselves.

DHS’ response to recommendation 12(b):

The department supports this recommendation.

The department is progressively implementing a new department wide complaints system. This includes complaints being escalated to a specialist team according to a complexity and priority criteria. Otherwise staff should attempt to resolve the complaint at first contact. If the staff member requires technical or other support from a colleague or team leader to resolve the complaint, they will seek that assistance and retain ownership of the complaint until resolved.

The department has researched best practice, including the Ombudsman’s Better Practice Guides, in developing its new approach.

(c) Promote the DHS complaints service to Centrelink staff and customers as the primary means for resolving complaints.

DHS’ response to recommendation 12(c):

The department supports this recommendation.

As noted above, staff will be progressively trained in the use of the new complaints and feedback data base and the new business model during 2014.

(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.

DHS’ response to recommendation 12(d):

The department supports this recommendation.

The wording of the www.humanservices.gov.au site is being reviewed. The department intends to seek feedback from the Ombudsman’s Office on the revised wording.

Currently, the departmental internet page is titled “Complaints and Feedback – tell us what you think”. The online feedback/complaint form is accessed from this page by clicking on “Send us a secure online message”. This takes the person to a “Contact Us” page which includes a selection titled “Complaints and feedback”. When “Complaints and feedback” is selected, the page remains titled “Complaints and feedback” but the Online form is titled “Service feedback details” as the form combines both feedback and complaints. The staff member to whom the feedback is allocated then makes the call on classifying the feedback as either feedback, a complaint or a compliment.
A new online complaint form is under development. Input on the design of the form was sought from the Ombudsman’s office in January 2014. The new form will capture the nature of a person’s complaint and provide more space to describe the complaint. The current design does not provide for supporting documents to be attached but the ability to attach documents will be available to a staff member.
Appendix one

DHS Secretary’s letter to the Ombudsman responding to the draft report

Australian Government
Department of Human Services

Kathryn Campbell CSC
Secretary

Ref: EC14/34

Mr Colin Neave AM
Commonwealth Ombudsman
GPO Box 442
CANBERRA ACT 2601

Dear Colin

I refer to your letter of 9 April 2014 and thank you for the opportunity to review and provide comments on the draft Own Motion Report “Department of Human Services: Investigation into Service Delivery Complaints about Centrelink” (the report).

I would like to begin by acknowledging the hard work and professionalism of your officers in the conduct of the investigation, and the constructive manner in which they have worked with officers of the Department of Human Services (the department) in progressing the report.

The department is committed to continuous service delivery improvement and therefore welcomes the report. The department supports, or partially supports, each of the recommendations and detailed comments in response to these are provided at Attachment A. The department notes that many of the recommendations have been, or are in the process of being, implemented.

In respect of the report more broadly, the department is pleased that it acknowledges that the majority of Centrelink programme services are delivered without cause for complaint, that the department is exploring a range of innovative service delivery options, and that the problems highlighted in the report are experienced by a minority of customers only. The report also acknowledges the scale of the department’s operations, noting that in 2012-13, the department processed 2.8 million claims for Centrelink related payments, and paid over $116.1 billion in payments to individuals on behalf of the Government.

Notwithstanding the above, the department considers the report could better acknowledge the considerable reforms which have been implemented as part of the Service Delivery Reform agenda, and the very small number of complaints that are made about Centrelink programme services as a percentage of customer transactions. For example, during the period January 2012 to September 2013, only 0.004% of over 250 million Centrelink-related transactions resulted in the customer registering a complaint with the Ombudsman.

Note: The text of Attachment A is included at pages 67-79 of this report.
While this figure suggests a very high level of overall efficiency, the department acknowledges the critical importance of minimising customer complaints and continues to work hard to improve its level of customer service.

I am especially proud of the department’s performance in responding to national disasters and emergencies. This involves providing services to affected people at short notice and redeploying significant numbers of staff and facilities. This can impact on the department’s ability to provide as timely a service as it would like in other areas of its business.

The report highlights 40 case studies where complaints have been made to the Ombudsman’s office. However, only 21 of these complaints were investigated by your office. While the department acknowledges that all of the complaints referred to in the report reflect customer perceptions of the service they received, the department queries the value of the report focusing on complaints which were not investigated, and therefore not verified, by your office.

The department also notes that some of the case studies relate to complaints that were made more than a year and a half ago. In many instances, the department has already taken steps to address the issues identified in these complaints through initiatives such as the introduction of the Front of House Operating Model, the work undertaken by the Letters Taskforce, the improvements to online services, the measures undertaken to address the backlog of review decisions and the department’s new complaint management model.

A new way of managing face to face customer interactions in service centres has been progressively implemented since April 2013. Customer Liaison Officers stationed in the front of house can access customer information on tablet devices to enable them to direct customers to their best service option, provide general information and minimise wait times. Vulnerable customers are quickly identified and triaged and able to be afforded the appropriate priority.

The department is improving services to its most vulnerable customers all the time and shares the Ombudsman’s concerns that the vulnerable are not left behind. For example, a network of Community Engagement Officers are deployed to provide targeted assistance to people who are homeless or at risk of homelessness, and who find it difficult to access mainstream services. Community Engagement Officers also provide information, assistance and outreach to community organisations to ensure they have an accurate understanding of assistance and obligations for their clients.

Social workers assist individuals and families with multiple complex needs by providing early intervention and crisis responses. Assistance is provided through direct intervention, engagement with local community agencies and groups and referrals to support services.

The department is seeking to improve the seamless nature of its services. One such example is the pilot of an integrated approach to processing changes in care of children to provide a consistent and responsive customer service.

The department engages with customers, identified peak bodies, community groups and external providers to conduct ongoing reviews of its letters and other communications. By encouraging inclusiveness in service design, the department promotes and recognises the
value of collaboration, open communication, information exchange and consultation to
improve its communications with customers. A new multi-channel correspondence system is
being implemented to allow for more timely updates to customer letters and greater
responsiveness to customers’ suggestions for improving communication.

A range of self-service and online options have been implemented to provide customers with
opportunities to manage their own matters at a time when it best suits them. By using their
Centrelink online account and express plus mobile apps, customers can:

- update their personal details and circumstances
- claim a range of payments
- report employment income
- access letters and past payment information
- request a replacement concession card or other documents, and
- submit documents.

The ‘Payment Finder’ tool assists customers to quickly locate assistance they may be eligible
for and has proven to be extremely popular, having received 1.6 million visits in the last six
months. This tool helps people to navigate the complex system of social services, allowing
them to enter in some basic details about themselves and identify payments and services for
which they may be eligible.

Call back technology and call prioritisation based on voice analytics have been implemented
and continue to be refined to reduce call wait times and ensure urgent and sensitive calls are
identified. The department also advises customers about known service delays and
disruptions through social media, the department’s web page and updated Interactive Voice
Response messages.

Specialised teams of Review Officers undertake reviews of Centrelink decisions and contact
customers more frequently to ensure they are kept informed of progress, that they have
provided all necessary information and that support services are made available to any
vulnerable customers experiencing hardship. The department has introduced a number of
measures to help manage internal review requests.

A new approach to managing customer complaints based on best practice is being
implemented. This includes advanced training in complaints management for staff and
importantly an increased focus on first contact resolution. This will be complemented by an
escalation process to a specialist complaints team for complex or sensitive complaints.
Departmental letters and the website are being updated to contain clearer information about
how to make a complaint or provide feedback to the department.

In closing, I would emphasise that the department’s performance needs to be considered in the
context of the extremely challenging environment in which it operates. Notwithstanding these
challenges, the department continues to strive to meet service standards and prevent service failures. The department is therefore looking forward to working with your office to address any outstanding matters highlighted in the report.

Thank you again for giving the department an opportunity to provide formal comments on the report.

Yours sincerely

Kathryn Campbell

April 2014
Appendix two

Ombudsman’s 2011 recommendations: Centrelink’s internal review process

Recommendation 1: Access to appropriate review
a. Ensure that customers’ seeking review are given timely access to experienced, independent and knowledgeable review officers.
b. Ensure that reviews are referred in the first instance to reviewing officers with the authority and capability to:
   • review the decision about which the complaint was made
   • make decisions on issues which will minimise the impact of decisions under review, such as payment pending review, and debt write-off pending review.
c. Ensure that any prioritisation of immediate access to ARO review is determined by factors relevant to the customer’s circumstances, as well as administrative efficiency.
d. Where a review is not conducted by an ARO and does not result in the outcome sought by the customer, it should be escalated to an ARO without further request from the customer.

Recommendation 2: Improving timeliness of reviews
Conduct further and ongoing analysis to identify and remedy causes of delay in all review models, including obstacles to requests for review being recognised, acted on, and monitored within existing review monitoring systems.

Recommendation 3: Limit negative consequences of incorrect decisions pending review outcomes.
In addition to appropriate allocation of reviews to appropriately authorised reviewing officers (Recommendation1):
In debt cases:
a. analyse cost effectiveness of suspending debt recovery action through write off during reviews
b. where this does not occur, clearly advise customers that a request for a review of a decision giving rise to a debt does not, in itself, suspend debt recovery
In all appropriate cases:
c. provide customers with information about mechanisms such as debt write-off, and payment pending review and the circumstances in which they may apply, and the opportunity to present relevant information to inform decision making relevant to those mechanisms

Recommendation 4: Improving original decisions
a. Analyse the role of further information in decisions changed on review and:
   • consider options for improving the collection of relevant information at first instance

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- as early as possible within the review process, clearly communicate information requirements to the customer.

b. Conduct ongoing analysis of the circumstances, processes and outcomes of review cases to identify opportunities for business improvement including addressing common areas of misunderstanding by customers and staff.

Recommendation 5: Legislation, policy, and procedural alignment

Work with relevant policy departments to ensure that legislation, policy guides and Centrelink procedures align to support the implementation of these recommendations

Agency Response

Centrelink was given an opportunity to review and comment on a draft of this report. In response, it agrees to recommendations 2 to 5. In relation to recommendation 1, it notes that it has undertaken considerable work to improve the customer experience and outcomes in internal review, and specifically, that ‘Centrelink has commenced the design and testing of an enhanced and affordable internal review process aiming to replace the current ODM checking process’. More information on that trial, as provided by Centrelink, is [set out below].

Centrelink’s Internal Review Trial

The new framework will reform the current two tiered internal review structure and replace it with a new process that facilitates quality referrals to Authorised Review Officers (ARO) and increased engagement with the customer throughout the decision and review process.

A trial is under way to test elements of the enhanced internal review framework.

The key principles underpinning the development of the new framework are designed to ensure;

- It is consistent with the current legislative framework and the requirements of administrative law principles.
- The customer receives the correct information about their review rights.
- A single point of entry for review of decisions to improve ease of access.
- Removal of the current Original Decision Maker checking process.
- Increased transparency for customers about the process.
- Improved timeliness for customers in achieving an outcome.
- The framework is tailored to the individual circumstances of the customer, using a triage approach.
- Feedback mechanisms to improve the quality of decision making.

This model encompasses suggestions and recommendations from key bodies such as the Commonwealth Ombudsman, Australian National Audit Office and the Social Security Appeals Tribunal.

Centrelink has extended an invitation to the Commonwealth Ombudsman to work with the design and review of the new process.

As previous Budget submissions (in 2003 and 2007) seeking funding for additional AROs were unsuccessful, this model is designed to be affordable and within current funding arrangements.