

The Auditor-General
Audit Report No.37 2011–12
Performance Audit

The Child Support Program's Management of Feedback

Department of Human Services

Australian National Audit Office

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Canberra ACT
31 May 2012

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Department of Human Services in accordance with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit, and the accompanying brochure, to the Parliament. The report is titled *The Child Support Program's Management of Feedback*.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely



Ian McPhee
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act* 1997 to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Abbreviations

ANAO	Australian National Audit Office
CHAS	Customers Having a Say [survey]
CSA	Child Support Agency (now known as the Child Support Program)
CSNSEG	Child Support National Stakeholder Engagement Group
CSP	Child Support Program (formerly known as the Child Support Agency)
CSO	Customer Service Officer
DHS	Department of Human Services
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs

Glossary

CSA collect	One of two collection types: customers rely on the CSP to collect and transfer child support payments (see private collect).
CSAOnline	CSP's online self service system that allows customers, who have registered for the service, to check their statements, read correspondence and lodge feedback.
Cuba system	CSP's customer record management system.
iRegister	CSP's intranet-based recording and tracking system for suggestions.
Private collect	One of two collection types: customers collect and transfer child support payments without the assistance of CSP, however, most private collect customers rely on CSP to determine the amount of child support that is transferred (see CSA collect).
Quality Assurance Framework	The Quality Assurance Framework is a two-tiered process. Tier One consists of reviewing a random sample of transactions and phone calls each month against a checklist of 20 core qualitative principles. Tier Two involves business lines developing a Quality Monitoring Plan, which outlines the quality monitoring activities to be undertaken, including the sample size to be assessed; who will be responsible for performing the assessment; and who will be accountable for analysing and addressing the results of these checks.

Summary and Recommendations

Summary

Introduction

1. The Child Support Agency was established in 1988, as part of the Australian Taxation Office, to administer the Child Support Scheme and assist separated parents to transfer child support payments. In 2004, the Child Support Agency became part of the Department of Human Services (DHS) and its services are now referred to as the Child Support Program (CSP).

2. The introduction of the Child Support Scheme was designed to address concerns about the poverty of women and children following separation and divorce; and the increasing government expenditure required to support children whose parents were not meeting their financial obligations.¹ The Child Support Scheme provides an administrative avenue to determine and enforce the transfer of child support payments between separated parents, without the involvement of courts.

3. CSP can assist separated parents with the calculation, collection and transfer of child support (CSA collect), or can calculate the amount of child support payable and leave it to separated parents to directly transfer these payments (private collect). The objective of CSP is to:

ensure that both parents contribute to the cost of their children, according to their capacity.²

4. During 2010–11, the total amount of child support transferred between separated parents was \$3.1 billion for 1.2 million children.³

5. The *Child Support (Registration and Collection) Act 1988* and the *Child Support (Assessment) Act 1989* govern the administration of the Child Support Scheme. The Department of Families, Housing, Community Services and

¹ Ministerial Taskforce on Child Support, *In the Best Interests of Children – Reforming the Child Support Scheme*, Commonwealth of Australia, Canberra, 2005, p. 43.

² Commonwealth of Australia, *Human Services Portfolio: Portfolio Budget Statements 2011–12*, Canberra, 2011, p. 39.

³ Department of Human Services, *Department of Human Services Annual Report 2010–11* [Internet]. DHS, Canberra, 2011, available from <http://www.humanservices.gov.au/spw/corporate/publications-and-resources/annual-report/resources/1011/html/dhs/chapter04/part03_improved_collection.html> [accessed 26 October 2011].

Indigenous Affairs (FaHCSIA) is responsible for developing child support legislation and policy.⁴

6. DHS is responsible for the development, delivery and coordination of government services, and the development of service delivery policy. In July 2011, the *Human Services Legislation Amendment Act 2011* integrated the services of Centrelink and Medicare into DHS. The integration formed part of the Service Delivery Reform program⁵ and is designed to provide a more efficient and effective service delivery model that gives customers convenient access to services. This includes co-locating a number of Centrelink, Medicare and CSP offices to provide one-stop-shop access to departmental services.

Feedback

7. As part of a sound approach to public administration, agencies should actively seek to design and implement processes and systems that support efficient and effective service delivery. It is also important that agencies use customer and stakeholder experiences to inform a cycle of continuous improvement. One way of gathering these experiences is through a feedback system.

8. Feedback can be in the form of complaints, compliments and suggestions. Feedback, particularly complaints, can be a good indicator of the effectiveness of service delivery and customer confidence in an agency. By establishing robust mechanisms to collect and manage customer feedback, Australian Government service delivery agencies can address customer dissatisfaction and identify improvements to systems and processes.

9. An effective feedback management system is timely, objective and incorporates:

- accessible channels for customers to provide feedback, and referral and categorisation processes to manage feedback appropriately;

⁴ Department of Families, Housing, Community Services and Indigenous Affairs, *Child Support: Overview* [Internet]. FaHCSIA, Canberra, 2010, available from <<http://www.fahcsia.gov.au/sa/childsupport/overview/Pages/default.aspx>> [accessed 24 February 2012].

⁵ Announced in December 2009, and running until 2021, the Service Delivery Reform program has three objectives: to make people's dealings with government easier through better delivery and coordination of services; to achieve more effective service delivery outcomes for government; and to improve the efficiency of service delivery.

- training and guidance for staff that includes an emphasis on consistently recognising and recording feedback, investigating customers' issues and communicating with customers at key points in the complaints management process;
- escalation and review processes, quality assurance checks and balanced performance indicators to ensure accuracy and consistency of outcomes; and
- relevant analysis and accurate reporting of feedback information so that business improvements can be identified.

CSP's feedback management system

10. CSP encourages customers and stakeholders to provide feedback on the services it delivers. This is consistent with the broader DHS approach to feedback reflected in a publicly available service commitments document which promotes, among other things, 'genuine consultation'. Genuine consultation represents a positive attitude that conveys to customers and stakeholders a commitment that:

We value your feedback and will work with you to understand how to improve our services.⁶

11. Customers can provide feedback to CSP directly or through third parties, such as the Minister for Human Services (the Minister), a Member of Parliament, the Commonwealth Ombudsman (the Ombudsman) or a stakeholder group.

12. CSP also receives feedback directly from stakeholder groups. One of the feedback avenues available to stakeholder groups is the Child Support National Stakeholder Engagement Group, which is a meeting held three times a year convened by DHS, in conjunction with FaHCSIA. During these meetings, issues specific to individual cases as well as emerging issues concerning service delivery, policy and legislation are raised and discussed.

13. While CSP receives compliments and suggestions, complaints represent the majority of feedback.

⁶ Department of Human Services, *Our Service Commitments* [Internet]. DHS, Canberra, 2011, available from <http://www.humanservices.gov.au/corporate/about-us/service-commitments/> [accessed 3 April 2011].

Complaints

14. Complaints can be used to address customer dissatisfaction. Complaints can also be used to identify service delivery improvements as, collectively, they provide a measure of program and administrative effectiveness. That is, improvements to service delivery based on complaint information may lead to a corresponding reduction in complaint numbers as customer satisfaction increases.

15. Complaints can be lodged through a number of different channels:

- CSP's general enquiries or dedicated complaints telephone lines;
- in writing;
- CSP's web-based service portal, known as CSAOnline⁷; and/or
- in person at a CSP office.

16. In managing complaints, CSP uses a range of staff and teams, and has a framework based on a three-step model. How a complaint is classified within the three-step model can depend on a number of factors, including: the channel used to lodge the complaint; the party lodging the complaint (that is, either the customer or a third party on the customer's behalf); the nature of the complaint; and whether the complaint has previously been investigated. Broadly, the three-step model comprises:

- Step 1: a customer makes a complaint directly to CSP and this is received and investigated by a customer service officer (CSO);
- Step 2: if a customer is dissatisfied with the outcome of a step 1 complaint, the complaint is escalated to a team leader for further consideration. However, step 2 is not simply an escalation point, and all complaints regarding staff behaviour are automatically referred to step 2 without the need to pass through step 1; and
- Step 3: if a customer remains dissatisfied with the outcome of a step 2 complaint, the complaint is further escalated to a Complaints Services team for consideration. In addition, certain complaints are referred directly to Complaints Services teams as step 3 complaints, including

⁷ CSAOnline is a secure online service option available through CSP's website where a customer can view their correspondence and payment summary, and lodge feedback.

complaints received through the dedicated complaints telephone line⁸; step 1 complaints referred directly by a CSO⁹; and complaints received from third parties.¹⁰

17. Complaints to CSP relate to a range of issues, including service delivery, staff behaviour, and child support policy and legislation. While customers can complain about the decision-making process, for example, the level of consultation involved or the time taken to make a decision, CSP's complaints management system does not involve reviewing decisions. Instead, customers who are seeking a review of a decision are referred to a separate process.¹¹

18. In finalising a complaint, an officer must consider each of the issues and then decide if the complaint is upheld, partially upheld or disallowed.¹² In 2010–11, 70 per cent of step 2 and 3 complaints were disallowed.

19. Finalising a complaint does not necessarily involve resolving the issue which generated the complaint. The work associated with addressing the issue underpinning the complaint can be followed-up or referred for action while investigating the complaint, or after it is finalised. Importantly, due to their nature, some complaints may never be resolved to a customer's satisfaction. These could include complaints about threshold matters such as policy or legislation.

Compliments and suggestions

20. Compliments and suggestions can be made through the same channels as complaints. Compliments are managed on an individual basis and are provided to the relevant CSP staff member or their team leader.

21. Until recently, CSP managed suggestions through a number of electronic mailboxes where staff could lodge either customer suggestions or

⁸ In contrast, complaints received from the general enquiries line are classified as step 1, without any clear rationale for the difference in approach.

⁹ Complaints can be directly referred by a CSO when: the customer declines a call back from a team leader; the customer requests to talk to the Complaints Services officer; and the complaint is being managed by a team leader in a Regional Service Centre and the customer is dissatisfied with how the complaint is being managed or the team leader does not have access to the Cuba system.

¹⁰ Complaints received from external parties are managed by Customer Review teams, which are separate from Complaints Services teams.

¹¹ This process is known as objections. An objection is a request to CSP to formally review a decision.

¹² Upheld: all issues relating to the complaint are upheld. Partially upheld: some but not all issues are upheld. Disallowed: no issues are upheld.

proposals of their own. In June 2011, CSP commenced trialling a new intranet-based recording and tracking system for suggestions called the iRegister. Staff can record all suggestions in the iRegister, which are then forwarded to the relevant business line for consideration and action. Based on the success of the trial, CSP advised that it intends to roll-out the iRegister functionality to all staff by June 2012. CSP also collects suggestions from customers through its phone-based customer satisfaction survey—Customers Having a Say (CHAS).

Audit objective, criteria and scope

22. The objective of the audit was to examine the effectiveness of CSP's feedback management system. CSP's performance was assessed against the following criteria:

- CSP has appropriate channels to collect customer feedback;
- CSP effectively manages and resolves complaints; and
- CSP accurately reports on customer feedback, and analyses the information to improve aspects of child support administration.

23. The audit scope did not include an examination of the process that customers are referred to when they request CSP to formally review a decision, such as a child support assessment.

Overall conclusion

24. The Child Support Scheme helps over 1.4 million separated parents provide ongoing financial support for their children's wellbeing. In 2010–11, CSP assisted with the transfer of \$3.1 billion between separated parents, to support 1.2 million children. The sensitivities of the policy area and the nature of the relationships mean the administration of the Scheme necessarily requires adherence to legislative and policy requirements, and an understanding of all parties' circumstances.

25. Capturing and using feedback is consistent with the public expectation that the Australian Government deliver high quality services that are client-centric and developed in consultation with users.¹³

¹³ Advisory Group on Reform of Australian Government Administration, *Ahead of the Game* [Internet]. Commonwealth of Australia, Canberra, 2010, available from <http://www.dpmc.gov.au/publications/aga_reform/aga_reform_blueprint/docs/APS_reform_blueprint.pdf> [accessed 18 January 2010].

In March 2010, an advisory group to the Australian Government presented its plan for reforming government administration. The plan identifies better services as one of nine proposed major reforms, all of which were accepted by the Government in May 2010.

26. Consistent with these reforms, DHS has made a commitment to quality customer service, including delivering fair and transparent services that are easily accessible, and providing consistent and accurate advice to customers.¹⁴ CSP relies on complaints as one useful means of gauging customers' satisfaction with its service delivery and has a range of performance indicators to inform this measure, including reducing the number of complaints as a percentage of the number of customer cases. Feedback, whether it is complaints, compliments or suggestions, can play a key role in promoting better services through addressing customer dissatisfaction and highlighting areas for business improvement.

27. CSP's feedback management system is effective in that key characteristics of the system include: a range of channels for providing feedback; a framework for recording, managing and responding to feedback (including a three-step model for managing complaints, as previously mentioned); and a process of reporting and analysis of feedback information which is used to improve services. There are however, some areas where the framework and existing practices could be improved to assist CSP to build on the quality of child support services available to customers.

28. The majority of feedback received by CSP is in the form of complaints. In 2010–11, CSP finalised 17 110 complaints, consisting of 3077 step 1, 6318 step 2 and 7715 step 3 complaints. This result continued the trend of declining complaint numbers since 2008–09. In recent years, the issues that have generated the highest numbers of complaints are: allegations that CSP staff failed to action cases; customer concerns with CSP's decision-making process; staff behaviour perceived as being unprofessional; and disagreements about the fairness or affordability of a child support assessment.

29. CSP classifies all complaints according to a three-step model. The three-step model provides customers with access to an internal review mechanism if they remain dissatisfied after a complaint has been investigated.

¹⁴ Department of Human Services, *Our Service Commitments* [Internet]. DHS, Canberra, 2012, available from <<http://www.humanservices.gov.au/corporate/about-us/service-commitments/>> [accessed 16 April 2012].

Since September 2011, the model has also incorporated a prioritisation approach where staff are required to identify those complaints that would benefit from immediate attention and resolution.

30. Under the model, rather than categorising complaints based on complexity or sensitivity, categorisation depends on a number of factors such as the channel used to lodge a complaint and whether a complaint has been escalated through the complaints process. This adds to the overall complexity of the model and results in situations where complaints of the same character are classified differently and managed by different staff.

31. The three-step model has some factors which limit the conclusions that can be drawn about the number and nature of complaints at each of the steps. This reduces CSP's ability to interrogate the data and identify potential training opportunities and process or systems changes, which could improve service delivery and address any systemic issues. Three key areas where the model could be improved to address the limitations identified are:

- Promoting the consistent recording of all step 1 complaints to provide a more complete information set.
- Classifying complaints based on their complexity or sensitivity rather than the channel through which they are lodged, so that complaints are appropriately managed or referred in the first instance.
- Understanding the number and nature of complaints that are escalated through steps 1 to 3 if a customer is dissatisfied with the outcome at the previous step; and those initially classified as step 2 or 3. This could assist to identify staff training requirements and improvements to the complaints management system.

32. CSP's collection, investigation and resolution of complaints is supported by: training and guidance; the three-step model; a feedback mechanism for staff; and recently introduced quality assurance activities. CSP has demonstrated an increased focus in these areas in recent years and has also undertaken initiatives, such as complaints management workshops for staff, to reinforce the important and beneficial role feedback can play in improving services.

33. Ongoing and clear communication with parties who have lodged a complaint is an important part of achieving a successful outcome. Existing training and guidance material could be strengthened in this regard to more clearly outline the expected level and frequency of communication by staff with those people who have lodged a complaint.

34. In order to effectively use complaints information to improve overall service delivery, staff should receive feedback on the outcome of complaints, particularly those that are upheld. For those step 2 and 3 complaints that are upheld, CSP's procedures outline that staff should receive feedback forms containing information about any issues identified by the investigation and subsequent areas for improvement. These forms are also expected to be used to provide feedback where staff have displayed excellent customer service. While this process provides a framework for effectively informing staff members about their performance, currently, CSP is unable to track if the process is being followed as intended. Through centrally recording, analysing and reporting on the information contained in the feedback forms, CSP could more effectively use the investigation insights to identify business-wide issues and better practice, which could be addressed or shared (for example, through training and guidance).

35. CSP uses two main performance indicators for feedback. The first relates to reducing the number of step 3 complaints. Through using a performance indicator based on complaint numbers, CSP is linking increased customer satisfaction with the Child Support Scheme and its administration, with lower levels of complaints. In 2010–11, CSP achieved three of its four performance targets relating to reducing the numbers of step 3 complaints. This included reducing the number of complaints as a percentage of the number of customer cases. The performance indicator not achieved related to reducing the number of complaints from Members of Parliament and the Ombudsman as a proportion of total complaints.

36. The second performance indicator relates to assessing the operation of the complaints management system, and measures the time taken to finalise complaints. In 2010–11, 77 per cent of customer complaints were resolved within the 14 day target. The focus on quantitative indicators such as volume and timeliness is important when managing complaints, however, other administrative characteristics, such as fairness and accuracy, are also important. Introducing complementary qualitative performance indicators for complaints management would help provide CSP assurance that the system is operating as intended and delivers accurate and consistent outcomes to customers.

37. CSP collects and internally reports a variety of information relating to the performance targets and other areas such as common issues underpinning complaints. CSP's external reporting through the DHS Annual Report is limited to the number of step 3 complaints received. In order to improve

transparency and provide greater information to external parties, CSP could draw on the existing data collected as part of internal reporting to expand the range of feedback information provided in annual reports.

38. Feedback information can be valuable to agencies if it is analysed and used to identify business improvements. CSP periodically uses feedback information to improve business systems and practices. This feedback is generally limited to step 3 complaints. By expanding the focus to include all complaints and comparing this information with the feedback received through other sources (including stakeholder groups and customer surveys), CSP could better identify and prioritise improvements based on factors such as commonality and urgency.

39. In administering the Child Support Scheme, CSP staff can be faced with many difficult circumstances, including making financial determinations and interpreting the care arrangements of parents. Capturing and learning from feedback can help to build on the current service delivery approach and provide lasting benefits to both customers and staff.

40. The ANAO has made five recommendations directed at supporting CSP's capture, management, and use of feedback on the child support services administered by the department. In this context, the Service Delivery Reform program provides DHS with a timely opportunity to consider the role and effectiveness of CSP's feedback system; in particular, through sharing and adopting better practice across the services delivered by the department.

Key findings

Promotion, collection and categorisation of customer feedback (Chapter 2)

41. CSP collects feedback through a range of channels and promotes the complaints management system through the CSP website and an online publication—*Objections, complaints and reviews – your rights following Child Support Agency decisions*. While the feedback channels available are diverse, to prevent cost being a barrier to receiving feedback, CSP could investigate providing customers with cost-free options for lodging feedback, similar to those used by other services in DHS. Further, by expanding the level of information provided, and including information on feedback options in key publications (such as newsletters and high-volume letters), CSP could better promote its system and commitment to receiving feedback.

42. To support the recognition and collection of feedback, CSP has a high-level definition of a complaint and provides examples relating to the three-step model to staff. CSP's three-step model enables customers to have their complaints reviewed if they remain dissatisfied after a complaint is investigated.

43. Generally, in a three-step model where customers are encouraged to follow a process, it would be reasonable to see a progressive decrease in the number of complaints at each level. In 2010–11, the number of complaints finalised increased with each step, which could indicate that complaints are not being resolved at the lower levels. However, there are a number of factors that limit the conclusions that can be drawn from the figures, including: step 1 complaints are not consistently recorded; complaints are not classified according to their complexity or sensitivity; and CSP is currently unable to track escalated complaints. These factors impact on the reliability and usefulness of complaints information to identify areas such as staff training requirements and business improvements.

44. Within the three-step model, CSP has recently introduced a prioritisation framework for complaints. CSP also applies two approaches to categorising complaints; one approach for step 1 complaints and another approach for step 2 and 3 complaints. Categories within these two approaches do not align and consequently, CSP cannot easily identify the issues that generate the most complaints. Adopting a uniform categorisation approach for all complaints could assist CSP to effectively analyse the information and identify complaint trends.

Feedback management and complaints resolution (Chapter 3)

45. CSP provides staff with a range of training and guidance to support feedback management and complaints resolution. Building on the work undertaken in recent years, including conducting complaints management workshops, CSP could identify other ways for staff to share experiences. For example, staff who manage step 1 and 2 complaints could benefit from engaging with those staff who manage step 3 complaints to identify how their experiences could translate to improving the resolution of step 1 and 2 complaints and so avoid their escalation to step 3.

46. Based on procedural instructions and processing guidelines, CSP has an established framework for investigating and resolving complaints. Staff are encouraged to resolve complaints at the first point of contact. Where complaints cannot be resolved at the first point, CSP could improve the

efficiency of its system by assessing the complexity of a complaint and referring it to the most appropriate point of management, rather than escalating all complaints in a similar manner through the system.

47. CSP's complaints management system incorporates a feedback mechanism to advise staff where improvement is required or where work was well done. This feedback process is targeted at the individual staff member. If centrally collated and analysed, the information collected could also assist CSP to identify and act on common staff development requirements and business-wide issues.

48. Prior to July 2011, CSP had limited quality assurance measures for complaints management activities. In July 2011, CSP introduced a new quality assurance framework across the business. Complaints management activities are subject to the new processes, which include the random and targeted selection and review of work—both upheld and disallowed complaints.

49. CSP does not directly measure customer satisfaction with the complaints management process. Implementation of a survey or other measures, such as focus groups, aimed specifically at customers who have lodged complaints, could allow CSP to identify potential improvements to the complaints management system.

Reporting and business improvement (Chapter 4)

50. CSP assesses two main types of performance indicators using complaints information. The first relates to customer satisfaction with CSP's administration of the Child Support Scheme and is measured by complaint numbers. For example, CSP aims to reduce the number of step 3 complaints, as a measure of increased customer satisfaction. The second group of performance indicators relate to the time taken to resolve a complaint, which is one measure of the effectiveness of the complaints management system.

51. The current performance indicators focus on quantitative measures. Developing complementary qualitative measures that consider issues such as the effective resolution of complaints and customer satisfaction with how a complaint is managed could improve the performance indicators and provide incentives for staff to investigate and resolve complaints consistent with these principles. A wider range of performance indicators would also help provide assurance to CSP that the complaints management system is providing accurate and consistent outcomes to customers.

52. CSP produces detailed internal reporting on the number and type of step 2 and 3 complaints. In 2011–12, CSP also commenced reporting on the number of step 1 complaints. However, the accompanying analysis of the complaints data focuses on step 3 complaints, which can limit the conclusions drawn. By analysing all complaints information (that is step 1, 2 and 3 issues) and comparing this information with feedback from other sources, CSP could better identify the underlying drivers of customer dissatisfaction, or weaknesses in systems and processes, and subsequently prioritise business improvements.

53. In contrast with the detail of CSP's internal reporting on complaints, the level of information included in external reports is limited. For example, the only information included in the 2010–11 DHS Annual Report was the number of step 3 complaints finalised. CSP could improve its external reporting by incorporating information about all complaints, suggestions and compliments received; common areas of customer concern and any strategies being implemented to address them; and performance against the timeliness targets set to finalise complaints.

54. Stakeholder feedback can provide useful insights to CSP which reflect customer experiences and expectations. CSP uses the Child Support National Stakeholder Engagement Group meetings, which are held three times a year, as a means to gather this information. While there has been an improvement in stakeholders' satisfaction with CSP's use of feedback information, CSP could enhance its engagement with stakeholders to confirm that issues raised have been adequately addressed.

Summary of agency response

55. The Department of Human Services (the department) agrees with the recommendations of the audit of Child Support's management of customer feedback. These recommendations will assist the department to further review and develop its procedures, particularly within the context of the integration of the Child Support, Centrelink and Medicare services. The department is pleased that the ANAO has acknowledged the overall effectiveness of the current feedback management system and that the department has already taken steps to address the issues raised in the report.

Recommendations

Recommendation No.1

Para 2.26

To improve the completeness and use of complaints information, the ANAO recommends that CSP:

- identify and remove barriers to recording step 1 complaints; and
- investigate opportunities to separately identify escalated complaints and new complaints at each step of the complaints model.

DHS response: Agreed.

Recommendation No.2

Para 3.18

To improve communication with customers and to support the efficient management of complaints, the ANAO recommends that CSP update the *Complaints Handling* procedural instruction to require:

- an initial assessment of a complaint's complexity so that it can be referred to the most appropriate staff member for investigation; and
- staff to keep a customer or third party periodically informed, as necessary, on the progress of their complaint.

DHS response: Agreed.

**Recommendation
No.3**

Para 3.45

To more effectively use staff feedback information, the ANAO recommends that CSP:

- centrally capture the information contained in all feedback forms;
- introduce a framework for classifying common issues identified in feedback; and
- analyse and report feedback information on a consolidated basis.

DHS response: Agreed.

**Recommendation
No.4**

Para 4.19

To provide for an effective, customer-centric complaints management system, the ANAO recommends that CSP develop qualitative performance indicators based on administrative principles, such as consistency and fairness, which underpin sound service delivery.

DHS response: Agreed.

**Recommendation
No.5**

Para 4.28

To improve the relevance and transparency of CSP's external reporting of customer feedback, the ANAO recommends that the DHS Annual Report include information on the:

- total number of complaints, compliments and suggestions received;
- issues that receive the most complaints and any action being taken; and
- performance against the timeliness targets set to finalise complaints.

DHS response: Agreed.

Audit Findings

1. Introduction

This chapter provides background information on the Child Support Agency and its feedback management system. The chapter also outlines the audit objective, scope, methodology and previous ANAO audit coverage.

Child Support Program

1.1 The Child Support Agency was established in 1988, as part of the Australian Taxation Office, to administer the Child Support Scheme and assist separated parents to transfer child support payments. In 2004, the Child Support Agency became part of the Department of Human Services (DHS) and its services are now referred to as the Child Support Program (CSP).

1.2 The introduction of the Child Support Scheme was designed to address concerns about the poverty of women and children following separation and divorce, and the increasing government expenditure required to support children whose parents were not meeting their financial obligations.¹⁵ The Child Support Scheme provides an administrative avenue to determine and enforce the transfer of child support payments between separated parents, without the involvement of courts.

1.3 CSP can assist separated parents with the calculation, collection and transfer of child support (CSA collect), or can calculate the amount of child support payable so that separated parents can directly transfer these payments (private collect). The objective of the CSP is to:

ensure that both parents contribute to the cost of their children, according to their capacity.¹⁶

1.4 During 2010–11, the total amount of child support transferred between separated parents was \$3.1 billion for 1.2 million children.¹⁷

¹⁵ Ministerial Taskforce on Child Support, *In the Best Interests of Children – Reforming the Child Support Scheme*, Commonwealth of Australia, Canberra, 2005, p. 43.

¹⁶ Commonwealth of Australia, *Human Services Portfolio: Portfolio Budget Statements 2011–12*, Canberra, 2011, p. 39.

¹⁷ Department of Human Services, *Department of Human Services Annual Report 2010–11* [Internet]. DHS, Canberra, 2011, available from <http://www.humanservices.gov.au/spw/corporate/publications-and-resources/annual-report/resources/1011/html/dhs/chapter04/part03_improved_collection.html> [accessed 26 October 2011].

1.5 The *Child Support (Registration and Collection) Act 1988* and the *Child Support (Assessment) Act 1989* govern the administration of the Child Support Scheme. The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) is responsible for developing child support legislation and policy.¹⁸

1.6 DHS is responsible for the development, delivery and coordination of government services, and the development of service delivery policy. In July 2011, the *Human Services Legislation Amendment Act 2011* integrated the services of Centrelink and Medicare into DHS. The integration formed part of the Service Delivery Reform program¹⁹ and is designed to provide a more efficient and effective service delivery model that gives customers convenient access to services. This includes co-locating a number of Centrelink, Medicare and CSP offices to provide one-stop-shop access to departmental services.

Feedback

1.7 As part of a sound approach to public administration, agencies should actively seek to design and implement processes and systems that support efficient and effective service delivery. While this approach is underpinned by a proactive and engaged approach to agency management, it is also important that agencies use customer and stakeholder experiences to inform a cycle of continuous improvement. One way of gathering these experiences is through a feedback system.

1.8 Feedback can be in the form of complaints, compliments and suggestions. By establishing robust mechanisms to collect and manage customer feedback, Australian Government service delivery agencies can address customer dissatisfaction and identify improvements to systems and processes.

¹⁸ Department of Families, Housing, Community Services and Indigenous Affairs, *Child Support: Overview* [Internet]. FaHCSIA, Canberra, 2010, available from <<http://www.fahcsia.gov.au/sa/childsupport/overview/Pages/default.aspx>> [accessed 24 February 2012].

¹⁹ Announced in December 2009 and running until 2021, the Service Delivery Reform program has three objectives: to make people's dealings with government easier through better delivery and coordination of services; to achieve more effective service delivery outcomes for government; and to improve the efficiency of service delivery.

1.9 An effective feedback management system is timely, objective and incorporates:

- accessible channels for customers to provide feedback, and referral and categorisation processes to manage feedback appropriately;
- training and guidance for staff that includes an emphasis on consistently recognising and recording feedback, investigating customers' issues, and communicating with customers at key points in the complaints management process;
- escalation and review processes, quality assurance checks, and balanced performance indicators to ensure accuracy and consistency of outcomes; and
- relevant analysis and accurate reporting of feedback information so that business improvements can be identified.

Complaints

1.10 Complaints should be managed according to better practice guidelines and resolved effectively to remedy situations where customers have been disadvantaged. By effectively resolving complaints, an agency can foster and improve its relationships with customers and stakeholders.

1.11 Through the CSP website and one CSP publication²⁰, customers who are dissatisfied with the service they have received are encouraged to make a complaint. When making a complaint, CSP outlines three steps that a customer should take:

- **Step One:** Phone the CSA to speak to a Customer Service Officer. They will try to solve the problem or let you know if you can object to a CSA decision.
- **Step Two:** If you are still not satisfied, you may ask to speak to the Customer Service Officer's Team Leader.
- **Step Three:** If you are still not satisfied, call the CSA's Complaints Service and speak to a Complaints Resolution Officer.²¹

²⁰ Child Support Program, *Objections, complaints and reviews – your rights following Child Support Agency decisions* [Internet]. CSP, Canberra, available from <<http://www.CSP.gov.au/publications/1313.php>> [accessed 23 March 2012].

²¹ *ibid.*

1.12 The above process is just one of the ways that customers can make a complaint. Broadly, customers can lodge a complaint either directly with CSP or through a third party, such as the Minister for Human Services (the Minister), a Member of Parliament, the Commonwealth Ombudsman (the Ombudsman) or a stakeholder group. Complaints to CSP can be lodged through a number of different channels:

- CSP's general enquiries or dedicated complaints telephone lines;
- in writing;
- CSP's web-based service portal, known as CSAOnline²²; and/or
- in person at a CSP office.

1.13 CSP classifies all complaints according to a three-step model. Rather than categorising complaints based on complexity or sensitivity, categorisation depends on either the channel used to lodge a complaint, or if it has previously been investigated.

1.14 Step 1 complaints include those received: through CSP's general enquiries line, in writing, via CSAOnline, or in person. A complaint is classified as step 2 if the customer is dissatisfied with the outcome of their step 1 complaint and requests further action, or if the complaint relates to a customer service officer's (CSO) behaviour.

1.15 If the customer remains dissatisfied after CSP has reviewed their step 2 complaint, it is escalated to step 3. Complaints received directly through the dedicated complaints telephone line and those referred from third parties such as the Minister are also classified as step 3 complaints.²³

1.16 While customers can complain about the decision-making process, for example, the level of consultation involved or the time taken to make a decision, CSP's complaints management system does not involve reviewing decisions. Instead, customers who are seeking a review of a decision are referred to a separate process.²⁴ The audit scope did not include an examination of this process.

²² CSAOnline is a secure online service option available through CSP's website through which a customer can view their correspondence and payment summary, and lodge feedback.

²³ Complaints received from external parties can be either new complaints not previously raised with CSP, or previous and existing complaints lodged directly with CSP by a customer who remains dissatisfied.

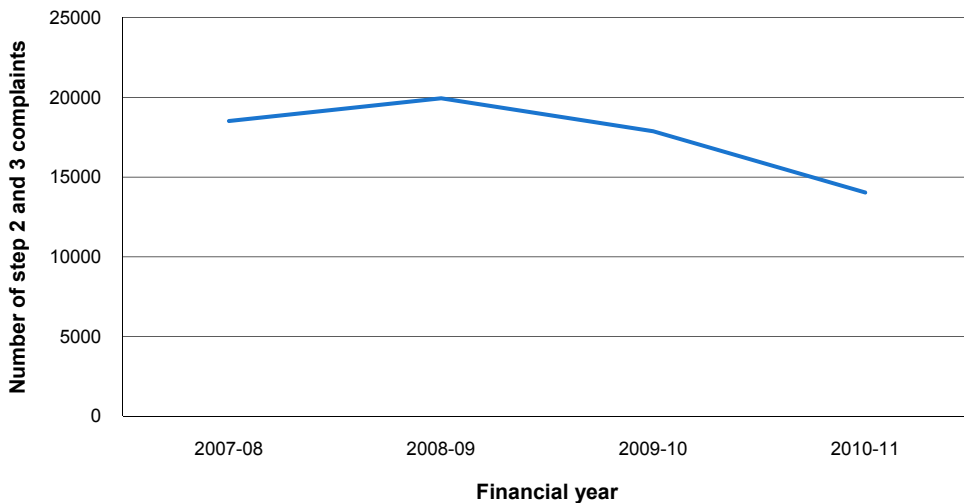
²⁴ This process is known as objections. An objection is a request to CSP to formally review a decision.

Number of complaints

1.17 In 2010–11, CSP finalised 3077 step 1, 6318 step 2 and 7715 step 3 complaints, for a total of 17 110 complaints. Figure 1.1 shows that since 2008–09, CSP has finalised a decreasing number of step 2 and 3 complaints.²⁵

Figure 1.1

Number of step 2 and 3 complaints finalised from 2007–08 to 2010–11



Source: ANAO analysis.

1.18 In the first seven months of 2011–12, the total number of step 2 and 3 complaints is tracking consistently with 2010–11. Within this total there has been a small decrease in the number of step 2 complaints (-3.3 per cent) and a small increase in the number of step 3 complaints (+4.9 per cent).

1.19 The increase in the number of complaints during 2008–09 is likely to be related to the Child Support Scheme Reforms. Stage three of the reforms commenced on 1 July 2008, and involved a new child support formula which resulted in a change to every child support assessment.

1.20 Coinciding with the decline in complaints from 2008–09 was the introduction of an organisational performance target to reduce the number of

²⁵ Internal and external reporting mainly focuses on step 2 and 3 complaints as CSP only began reporting step 1 complaint numbers in 2011–12. Consequently, most of the analysis in the audit report focuses on step 2 and 3 complaints.

step 3 complaints. Following the introduction of this measure, CSP implemented a number of initiatives including:

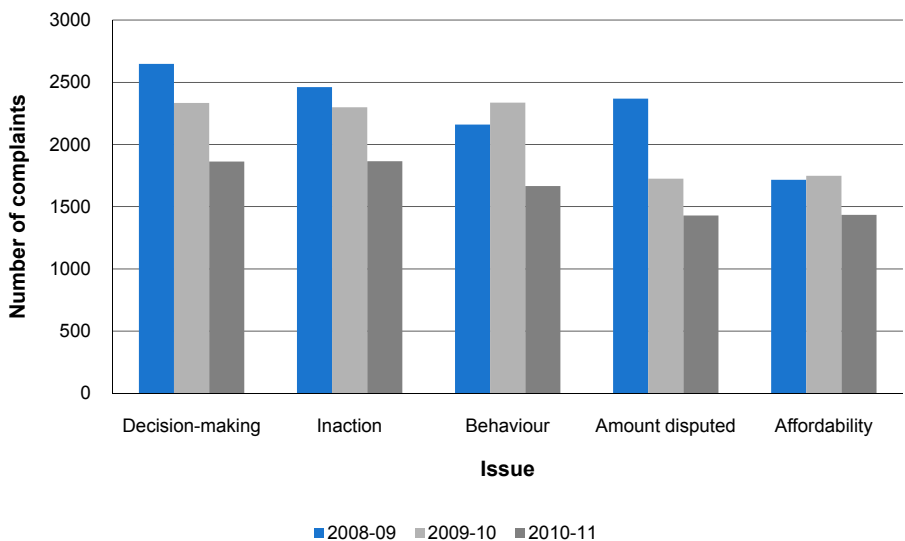
- providing team leaders with access to call recordings to investigate and/or help understand the nature of some complaints;
- conducting complaints management workshops with staff; and
- emphasising to staff the importance of effective complaints management at the step 1 and 2 levels.

Types of complaints

1.21 CSP receives complaints about a range of issues, including service delivery, staff behaviour, and child support policy and legislation. Figure 1.2 outlines the five issues which generated the highest number of step 2 and 3 complaints in 2010–11. Consistently, the largest number of complaints are about CSP’s decision-making processes, including inadequate consultation with customers. The issue that causes the second largest number of complaints is CSP not taking action on customers’ cases, for example, not taking action to collect child support payments (inaction).

Figure 1.2

Five issues that generate the most step 2 and 3 complaints



Source: ANAO analysis.

Compliments and suggestions

1.22 By acknowledging and passing on compliments to the relevant individuals or teams, agencies can promote continued high-level service and improve staff morale.

1.23 In CSP, compliments can be received through the same channels as complaints. Compliments are recorded (as a customer communication) in CSP's customer records management system, known as Cuba, and the details are then provided to the relevant CSO or their team leader. CSP does not report internally or externally on compliments.

1.24 Staff and customer suggestions can also assist agencies to identify and prioritise improvements to service delivery, systems and processes. Until recently, CSP managed suggestions through a number of electronic mailboxes where staff could lodge either customer suggestions or provide their own. In June 2011, CSP commenced trialling a new intranet-based recording and tracking system for suggestions called the iRegister. Staff can record all suggestions in the iRegister, and these suggestions are then forwarded to the relevant business line for consideration and action. Customers and other external parties do not have access to the iRegister so CSP staff are responsible for recording external suggestions in addition to their own. Staff can track the progress of suggestions through the iRegister. Based on the success of the trial, CSP advised that it intends to roll-out the iRegister functionality to all staff by June 2012.

Other feedback sources

1.25 In addition to receiving feedback directly from customers, CSP receives feedback from a variety of stakeholder groups that represent CSP customers. In 2007, DHS and FaHCSIA established the Child Support National Stakeholder Engagement Group (CSNSEG) as a means of gathering feedback from stakeholders. Representatives from stakeholder groups attend the CSNSEG meetings which are held three times a year. The CSNSEG meetings aim to examine both specific cases and emerging issues concerning service delivery, policy and legislation. The meetings also provide the opportunity for CSP and FaHCSIA to deliver information to stakeholders.

1.26 CSP measures customer satisfaction using a phone-based survey called Customers Having a Say (CHAS), which rates customer satisfaction against

CSP's five customer service principles.²⁶ Monthly reports are prepared on the CHAS survey results by individual business line and for the organisation overall. Based on the results, the report also includes recommendations about how CSP can improve customer service and satisfaction.

Complaints about CSP to the Commonwealth Ombudsman

1.27 In 2009–10, the Ombudsman received 2121 approaches and complaints²⁷ about CSP, which was the fifth largest number of approaches and complaints about an Australian Government agency or authority.²⁸ This represented an improvement from 2009–10, when the Ombudsman received 2280 approaches or complaints about CSP.

1.28 The Ombudsman refers some complaints to CSP for resolution, but also investigates a proportion of them. In 2010–11, the Ombudsman investigated 28 per cent of complaints received²⁹ about CSP and identified four key complaint themes:

- child support debt enforcement, including the failure to collect debts and inadequate communication with customers about action being taken to collect debts;
- management of international child support cases, for example managing customers' expectations, the level of communication with customers, delays in actioning cases and lack of responsiveness;
- administration of third-party garnishee notices, including the monitoring of compliance with notices and timely withdrawal of notices; and

²⁶ These five principles are: the child support system is fair; staff are well trained and motivated; CSP does what it says it will; CSP makes it easy for customers to deal with them; and CSP helps customers to manage their choices.

²⁷ Approaches are contact made with the Ombudsman's office while complaints are approaches within the Ombudsman's jurisdiction. Source: Commonwealth Ombudsman, *Commonwealth Ombudsman 2011–12*, Commonwealth Ombudsman, Canberra, 2012, p. 2.

²⁸ The Ombudsman received the highest number of approaches and complaints about Centrelink (4954), followed by Australia Post (3123), the Australian Taxation Office (2589) and the Department of Immigration and Citizenship (2137).

²⁹ The Ombudsman can choose to decline a complaint, investigate a complaint and/or produce a formal report, depending on the complexity and severity of the matter.

- management of child support overpayments from both the payee and payer perspectives.³⁰

The Richmond Review

1.29 In September 2009, the then Secretary of DHS commissioned a review—*Delivering Quality Outcomes: Consistency, Continuity and Confidence* (the ‘Richmond Review’)—to assess CSP’s decision-making processes and quality assurance arrangements. The review was released in November 2009 and made 40 priority recommendations.³¹ CSP advised the ANAO that all of these recommendations have been implemented, including one which related to CSP’s complaints management system:

- attempt to resolve complaints when they are initially captured;
- ensure complaints are escalated quickly and effectively; and
- revise the complaints management system so that the initiating CSO is responsible for resolution of a complaint.³²

1.30 In response to this recommendation, in July 2011, CSP began trialling an initiative called the Customer Review Gateway (CRG). The CRG aims to quickly identify, refer and escalate complex customer issues or obstructive customer behaviour. The trial involves referring customers from CSOs to a team staffed by Complaints Services officers if they meet specific criteria, including if the customer intends to escalate an issue to a third party.³³ The CRG was rolled out across all CSP business lines between August and October 2011.

Previous ANAO audit coverage

1.31 In 2009–10, the ANAO tabled two audit reports on CSP: Audit Report No. 19 2009–10 *Child Support Reforms: Stage One of the Child Support Scheme Reforms and Improving Compliance*, which made six recommendations; and

³⁰ Commonwealth Ombudsman, *Commonwealth Ombudsman 2011–12*, Commonwealth Ombudsman, Canberra, 2012, pp. 56–58.

³¹ There were 115 recommendations in total. Richmond D, *Delivering Quality Outcomes: Consistency, Continuity and Confidence*, Australian Government, Canberra, 2009.

³² Richmond, D., op cit.

³³ The other criteria are: a case review is required (there is a potential discrepancy in the customer’s record); the customer’s behaviour prevents issue resolution (customer is being abusive or unreasonable); or the customer intends to object to a CSP decision.

Audit Report No. 46 2009–10 *Child Support Reforms: Building a Better Child Support Agency*, which also made six recommendations.

1.32 Recommendations in the previous reports related to:

- performance measurement and monitoring;
- service delivery, including customer communication, staff training and guidance; and
- the administration of CSP's compliance program.

Audit approach

Audit objective and criteria

1.33 The objective of the audit was to examine the effectiveness of CSP's feedback management system. CSP's performance was assessed against the following criteria:

- CSP has appropriate channels to collect customer feedback;
- CSP effectively manages and resolves complaints; and
- CSP accurately reports on customer feedback, and analyses the information to improve aspects of child support administration.

Audit Methodology

1.34 The audit was conducted by:

- interviewing CSP staff in:
 - operational service delivery roles, including Mainstream Customer Services; New Customers; Customer Review and Complaints Services; and
 - business support roles, including Quality Analysis, Policy and Procedures, and Technical Skills;
- interviewing government and non-government stakeholders;
- observing staff recording and resolving complaints;
- reviewing CSP documents, including staff training and guidance material and internal reporting; and
- analysing data extracts of complaints and suggestions information.

1.35 Fieldwork for the audit was primarily conducted from July to September 2011.

1.36 The ANAO referred to the Ombudsman's *Better Practice Guide to Complaint Handling*³⁴ (the Ombudsman's guide) and the Australian standard for managing complaints³⁵ as measures of better practice.

1.37 The audit was conducted in accordance with the ANAO's auditing standards at a cost to the ANAO of approximately \$418 991.

Structure of the report

1.38 The remaining chapters in the report are:

- Chapter 2: Promotion, Collection and Categorisation of Feedback.
- Chapter 3: Feedback Management and Complaints Resolution.
- Chapter 4: Performance Indicators, Reporting and Business Improvement.

1.39 Appendix 1 includes a description of step 2 and 3 complaint qualitative issues.

³⁴ Commonwealth Ombudsman, *Better Practice Guide to Complaints Handling*, Canberra, 2009.

³⁵ Standards Australia, *Customer satisfaction guidelines for complaints handling in organisations*, Sydney, 2006.

2. Promotion, Collection and Categorisation of Feedback

This chapter examines how CSP raises customer awareness about the feedback management system. The chapter also discusses CSP's processes for collecting and recording customer feedback and categorising customer complaints.

Introduction

2.1 Obtaining and recording customer feedback provides opportunities for agencies to gather information about customer perceptions and expectations. Effectively recording and categorising complaints supports agencies to better highlight and address urgent issues, and to undertake analysis of complaint trends. This analysis can be used to identify improvements to systems, processes and service delivery.

2.2 An effective feedback management system includes:

- mechanisms to raise customer awareness of the system;
- accessible channels for customers to provide feedback;
- a process to collect feedback; and
- a categorisation and prioritisation model for complaints.

Customers' awareness of CSP's feedback management system

2.3 By effectively promoting their feedback management systems, agencies can improve customers' awareness of how to seek resolution to perceived disadvantage, suggest improvements and compliment good service. Agencies should encourage customers to provide feedback by advising customers that feedback is valued and is used to help improve policies, systems and service delivery.

2.4 An effective feedback management system is based on customers knowing how to submit feedback. In relation to lodging complaints, customers should also be made aware of:

- timeliness standards for managing complaints;

- review mechanisms available to customers if they remain dissatisfied after the agency's investigation of a complaint; and
- limitations to an agency's complaints handling process.³⁶

Information provided to customers

2.5 CSP's two main sources of customer information about the feedback management system are an online publication, *Objections, complaints and reviews – your rights following Child Support Agency decisions*, and CSP's website.³⁷ For customers wanting to register a complaint, the CSP website provides a link on the homepage to an objections, complaints and reviews webpage. This webpage and the online publication include information about CSP's complaints management system, objections process and the Social Security Appeals Tribunal appeals process.

2.6 The online publication and webpage contain the same information about the complaints management system, including:

- customers can complain if they are dissatisfied with CSP's service;
- complaints assist CSP to improve its service;
- customers' requests for CSP to review a decision are resolved using a different process to that used to resolve complaints;
- an overview of CSP's three-step complaints model; and
- customers can contact the Ombudsman if they remain dissatisfied after accessing CSP's complaints management system.

2.7 While the online publication and the webpage provide some basic information there are a number of enhancements that, if implemented, would assist customers' understanding of the framework and the process. These include advising customers:

- about all of the channels available to lodge complaints and CSP's timeframes for resolution;

³⁶ Commonwealth Ombudsman, *Better Practice Guide to Complaints Handling*, Canberra, 2009, pp. 11–12.

³⁷ Child Support Program, *Objections, complaints and reviews – your rights following Child Support Agency decisions* [Internet]. CSP, Canberra, undated, available from <<http://www.CSP.gov.au/documents/publications/1313.pdf>> [accessed 27 October 2011].

- that complaints about child support legislation and policy should be directed to FaHCSIA;
- that complaints are treated confidentially and there are no adverse consequences for lodging a complaint; and
- that compliments and suggestions are also welcomed.

Promotion of CSP's feedback system

2.8 Agencies can use posters, pamphlets and correspondence as avenues to raise customers' awareness about feedback management systems. Measuring customers' awareness of feedback systems can assist agencies to identify when additional promotion may be required. In examining CSP's promotion of its feedback management system, the ANAO reviewed CSP's five highest volume letters, a number of general publications and fact sheets, and the most recent newsletters available on CSP's website. The majority of documents contained no reference to CSP's feedback management system.

2.9 CSP does not undertake any activities to measure customers' awareness of the feedback management system, so the effectiveness of the current approach is unknown. However, given the documents reviewed are central to CSP's customer communications strategy, they provide an existing avenue through which CSP could better promote its commitment to receiving feedback.

Channels for customer feedback

2.10 Providing a variety of accessible feedback channels empowers customers to provide feedback to an agency. Further, by tailoring channels so that they are more accessible to vulnerable groups, agencies can identify whether additional support may be required for those groups.

Feedback provided to CSP

2.11 Customers can provide feedback to CSP through a number of channels. Depending on how the feedback is received, it will be managed in accordance with CSP's three-step model. The channels for providing feedback and the process for managing the feedback are:

- The general enquiries telephone line: a CSO attempts to resolve the customer's feedback in the first instance (step 1). Despite also having a dedicated complaints telephone line that is directly accessible by customers, the general enquiries line is CSP's preferred first telephone

channel for feedback. In the event the feedback is not resolved to the customer's satisfaction, the customer can choose to escalate their concern to the CSO's team leader (step 2).

- The dedicated complaints telephone line: a Complaints Services officer attempts to resolve the customer's feedback (step 3).
- In writing: complaints are managed by the Complaints Services team, where a Complaints Services officer will assess the complaint as either a step 1, 2 or 3 complaint depending on whether the complaint has already been managed by CSP, or is a complaint about staff behaviour.³⁸
- CSAOnline: customers who have registered for a CSAOnline account can provide feedback through CSP's web-based customer service portal. These complaints are assessed in the same manner as a written complaint.³⁹
- In person at a CSP office: these complaints are treated in the same manner as complaints that have been received through the general enquiries line.

2.12 In 2010–11, the majority of step 2 and 3 complaints finalised were lodged via the general enquiries and dedicated complaints lines (10 682 complaints). The second and third most popular channels for registering complaints were when a CSP officer called a customer and the customer used that opportunity to lodge a complaint (1338 complaints); and complaints lodged through CSAOnline (1152 complaints).

Feedback received via the DHS feedback line

2.13 As part of the Service Delivery Reform program⁴⁰, DHS has initiated a project to provide customers with a single telephone number for lodging feedback about any of the services it delivers. Customers identify the relevant service delivery area using voice recognition software, and the call is then routed to either Centrelink's or Medicare's feedback line or, for CSP, the

³⁸ Complaints about staff behaviour are escalated to step 2.

³⁹ CSAOnline allows customers to access a variety of CSP services including lodgement of online enquiries, viewing correspondence from CSP or providing feedback.

⁴⁰ Announced in December 2009, and running until 2021, the Service Delivery Reform program has three objectives: to make people's dealings with government easier through better delivery and coordination of services; to achieve more effective service delivery outcomes for government; and to improve the efficiency of service delivery.

general enquiries line. The telephone number was activated on 1 July 2011 and is advertised on the DHS website.

2.14 Providing three different telephone options (general enquiries, complaints and the DHS feedback line) for customers to lodge complaints results in inconsistencies in CSP's classification within the three-step model. Calls placed with the general enquiries and DHS feedback lines are categorised as step 1 and initially handled by a CSO, whereas those complaints first lodged through CSP's dedicated complaints line are categorised as step 3 and are initially managed by a specialised Complaints Services officer. The absence of a standard approach to classifying complaints, in addition to other limitations with CSP's complaints management system⁴¹, limit the conclusions that can be drawn about the number and nature of complaints at each of the steps.

Comparison of feedback options available to DHS customers

2.15 The channels available for customers to provide feedback should be easily accessible. One factor that can impact on accessibility is the cost to the customer of providing feedback. To prevent cost being a barrier, agencies should provide customers with cost-free options to submit feedback.

2.16 Table 2.1 shows the feedback channels available to CSP customers, and compares them with those available to customers receiving Centrelink or Medicare services.

Table 2.1

Comparison of customer feedback options

Feedback channel	CSP	Centrelink	Medicare
In person	✓	✓	✓
Email	×	× ¹	✓
Secure messaging ²	✓	✓	×
Free-call number	×	✓	✓
Reply paid postal address	×	✓	✓

Source: ANAO analysis of CSP's, Centrelink's and Medicare's websites.

Note 1: No email address is provided; however, customers are directed to the secure messaging option on Centrelink's website.

Note 2: Secure messaging usually involves a personal online account for customers to communicate with the relevant agency. In CSP, secure messaging can be used by customers who are registered for a CSAOnline account.

⁴¹ Other limitations of CSP's complaints management system are outlined in paragraphs 2.23 to 2.26.

2.17 While CSP customers have access to the same high-level feedback channels⁴² as those available to people receiving Centrelink or Medicare services, Table 2.1 shows that this does not extend to cost-free options such as free-call numbers and reply paid postal addresses.

2.18 Part of the focus of the Service Delivery Reform program is to provide better access to services regardless of location or circumstances. This approach should extend to providing feedback. In the context of the ongoing implementation of the program, consideration should be given to standardising the feedback options (including cost-free) available to all DHS customers.

Customer feedback provided through third parties

2.19 In addition to directly contacting CSP, customers can provide feedback through third parties. CSP customers can contact the Minister, the Ombudsman, a stakeholder organisation or their local Member of Parliament to provide feedback. In relation to complaints, customers can request that these parties advocate on their behalf at any point in the process. Customers may also contact third parties if they are dissatisfied with CSP's management of feedback, are uncomfortable providing feedback to CSP directly, or believe they will receive a better outcome by contacting a third party.

2.20 Third parties have direct channels to refer complaints to CSP. Complaints referred by an external party to CSP are automatically categorised as a step 3 complaint, and are managed by a Customer Review officer. Providing a direct escalation approach allows CSP to be responsive to third parties. It can, however, also have an unintended consequence if an increasing number of customers use this approach to avoid CSP's normal complaints process. This is particularly the case if customers use third parties to lodge complaints that would have otherwise been managed at steps 1 or 2. To minimise this potential impact on resources, CSP could consider directing complaints from stakeholders that are not escalated or complex to a CSO to be managed as a step 1 complaint.

Recognition and collection of customer feedback

2.21 To effectively collect feedback for subsequent analysis and resolution, staff need to be able to recognise and accurately record feedback. For

⁴² Such as telephone, in writing, in person and internet-based.

complaints that cannot be resolved in the first instance, an assessment of the complexity, priority and type of complaint can assist the agency to effectively resolve the complaint and provide information about potential service delivery improvements.

Complaints

2.22 To support staff to accurately recognise and record complaints, an agency requires a clear definition of a complaint. Table 2.2 outlines CSP's definition of a complaint and illustrates the examples relating to the three-step model that are provided to staff.

Table 2.2

CSP definitions of complaint types

Term	Definition
Complaint	An expression of dissatisfaction from a customer.
Step 1 Complaint	<p>Step 1 complaints are new complaints that can be resolved by a CSO. A step 1 complaint is recorded when a customer advises a CSO that they are not satisfied with CSP's:</p> <ul style="list-style-type: none"> • service; • processes; or • decisions.
Step 2 Complaint	<p>Occurs when a customer is referred to a team leader for one or more of the following reasons:</p> <ul style="list-style-type: none"> • a CSO has attempted to resolve the issue but the customer is not satisfied with the outcome; • a customer has specifically requested to speak to a team leader and declined the CSO's offer to resolve as a step 1 complaint; • a customer is complaining about the behaviour of a CSO; • a written complaint has been assessed as a step 2; or • a CSAOnline complaint has been assessed as a step 2.¹
Step 3 Complaint	<p>Occurs when a customer is referred to a Complaints Services officer for one or more of the following reasons:</p> <ul style="list-style-type: none"> • a customer calls the dedicated complaints line; • a team leader has attempted to resolve the issue but the customer remains dissatisfied with the outcome; • a customer has requested to speak to a supervisor but the CSO cannot locate a team leader and the customer declines a call-back⁴³; • a customer has specifically requested to speak to a Complaints Services officer after the three-step model has been explained and the CSO has offered to assist or transfer the complaint to a team leader; or • a written complaint that has been assessed as Step 3.²

Source: ANAO analysis of CSP's procedural instruction on complaints handling.

Note 1: A complaint received in writing or through CSAOnline may be assessed as a step 2 complaint if it has already been managed as a step 1 complaint.

Note 2: A complaint received in writing may be assessed as a step 3 complaint if it has already been managed as a step 2 complaint.

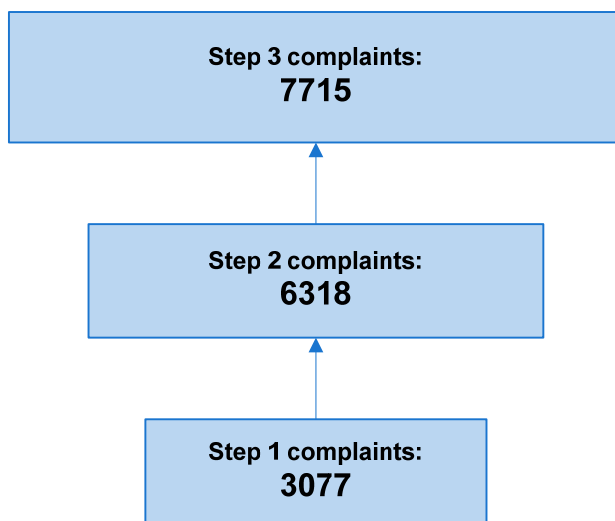
2.23 Generally, in a three-step model where customers are encouraged to follow a process that begins with a step 1 complaint, it would be reasonable to

⁴³ A call back from a team leader is offered by a CSO if a customer requests to speak to a team leader and there is no team leader or senior officer available.

see a progressive decrease in the number of complaints at each level. Figure 2.1 shows the number of complaints finalised at each step in 2010–11.

Figure 2.1

Number of complaints finalised in 2010–11



Source: ANAO analysis.

2.24 Figure 2.1 shows that the number of complaints finalised in 2010–11 increased with each step. This could indicate that complaints are not being resolved at the lower levels and are being progressed to step 3 where staff dedicated to complaints resolution are managing the issues. However, there are a number of factors within CSP’s model that limit the conclusions that can be drawn from the figures:

- The high-level definition of a complaint is broad and this can impact on a CSO’s ability to recognise the difference between an enquiry and a complaint, and therefore record a complaint where appropriate.
- If a CSO escalates a complaint to their team leader before processing or investigating a complaint, the complaint is not recorded as a step 1 complaint.
- CSP has in place arrangements to assist with the efficient management of customer calls. These include CSOs receiving automated reminders if they are not available to receive incoming calls after two minutes and CSOs being required to inform their team leader if they will be unavailable for some time after completing a call. In addition to receiving complaints, CSOs also carry out a number of other tasks. Together, the focus on assisting customers and the time pressures can

create an incentive for staff to prioritise the work associated with addressing a customer's issue, rather than recording a complaint. This increases the risk that the number of complaints, particularly step 1, is under-recorded.

- Not all complaints start at step 1. For example, complaints relating to staff behaviour are automatically classified as step 2, while complaints received from third parties, such as the Minister, are classified as step 3.
- CSP is unable to track escalated complaints. Therefore, CSP is unable to determine how many step 3 complaints are attributable to complaints that have been escalated through the system (either starting as step 1 or step 2 complaints), compared with those that are initially classified as a step 3.

2.25 Understanding the number and nature of complaints at all stages can contribute to improvements in service delivery and can help identify systemic issues. To help achieve these objectives, all step 1 complaints should be recorded and complaints data interrogated so as to determine those that have been escalated and those that have been initially classified as a step 2 or step 3 complaint. This information would assist CSP to identify means to address customer dissatisfaction, including training opportunities, process or system changes and service delivery methods.

Recommendation No.1

2.26 To improve the completeness and use of complaints information, the ANAO recommends that CSP:

- identify and remove barriers to recording step 1 complaints; and
- investigate opportunities to separately identify escalated complaints and new complaints at each step of the complaints model.

DHS response

2.27 Agreed. The *Complaints Handling* procedural instruction for staff has been amended to include a simpler approach for recording step 1 complaints. This will be supported by training for staff in June 2012. The business requirement to separately identify escalated complaints and new complaints at each step of the complaints model has been developed and the necessary computer system changes are scheduled for December 2012.

Compliments and suggestions

2.28 Service delivery can be further improved by encouraging customers to provide compliments and suggestions. Agencies should have a system in place to record such feedback and pass it on to the relevant teams or individuals for noting or action.

2.29 Compliments can help identify high-performing areas in an agency and aid decision-making; for example, compliments may indicate that recent training was effective in improving staff skills so further training can be planned and resourced. In CSP, staff are required to record compliments in the Cuba system and advise either the relevant CSO or team leader of the compliment. CSP also includes details of compliments in staff newsletters as a way of recognising good work.

2.30 Suggestions can also be useful for identifying improvements to systems, processes or service delivery. In CSP, while Complaints Services teams and Customer Review teams are instructed to consider recording customer suggestions in CSP's iRegister (refer paragraph 1.24), there is no guidance on recognising and recording suggestions for CSOs or team leaders.

2.31 Business lines are expected to respond to a suggestion made through the iRegister within 48 hours. Table 2.3 shows that of the 154 suggestions logged in the iRegister during the trial period⁴⁴, 67 suggestions (or 43.5 per cent) were responded to within 48 hours. Responding to suggestions in a timely manner allows urgent issues to be addressed but also communicates that suggestions are valued.

Table 2.3

Suggestion response times

Response time	Number of suggestions responded to
Within 48 hours	67 (43.5 per cent)
2 to 5 days	42 (27.3 per cent)
6 to 10 days	19 (12.3 per cent)
11 to 30 days	20 (13.0 per cent)
Over 30 days	6 (3.9 per cent)

Source: ANAO analysis.

⁴⁴ The iRegister was trialed from April to July 2011.

2.32 Suggestions reflect customer and staff experiences which can be of value in identifying practical improvements to business processes and systems. CSP could improve the capture and management of information gained through customer and staff suggestions by:

- expanding the existing guidance about recording suggestions in the iRegister to include CSOs and team leaders; and
- monitoring the timeliness of business lines' responses to suggestions, so that staff are encouraged to continue providing suggestions.

Categorisation and prioritisation of complaints

Categorisation of complaints

2.33 A categorisation approach that allows similar types of complaints to be identified and recorded supports agencies to accurately analyse feedback and identify systemic trends. To provide for the consistent application of such an approach, agencies should provide clear definitions and encourage staff to record all appropriate issues for each item of feedback.

2.34 CSP has two categorisation approaches that are used at different steps in the complaints escalation process. Step 1 complaints are assigned a category (for example enforcement) and issue (for example incorrect advice). Step 2 and 3 complaints are assigned a qualitative issue (for example information inaccurate), a category (for example collection, enforcement, and disbursement) and an issue (for example litigation, fines, and costs). Notably, a number of the categories and issues for step 1 complaints differ from those used for step 2 and 3 complaints.

2.35 Further, in CSP's guidance for recording complaints, the definitions for some step 2 and 3 qualitative issues are unclear.⁴⁵ For example, a complaint about a lack of adequate consultation with both the paying and receiving parent could be recorded as 'objectivity and bias' or 'decision-making'.

2.36 Unclear and differing definitions pose a risk to the integrity of complaints data because it is possible for similar types of complaints to be classified differently. The Cuba system does not allow qualitative issues to be altered once recorded, preventing the correction of any errors subsequently identified. The inconsistent recording of complaints information can also

⁴⁵ Refer Appendix 1 for the definitions of step 2 and 3 complaint issues.

prevent CSP from accurately identifying systemic trends. CSP can improve the quality of its complaints information and therefore the subsequent analysis, by updating its definitions to remove any ambiguity and also by using the same model to categorise step 1, 2 and 3 complaints.

Prioritisation of complaints

2.37 Some complaints may be urgent or sensitive in nature and should be assessed and dealt with by agencies accordingly. These complaints may need to be given priority for action or may require immediate escalation.

2.38 CSP's three-step model does not assign a priority to complaints. Previous CSP guidance did not instruct CSOs to assess complaints for priority attention. However, CSP's revised guidance on complaints management (introduced in September 2011), instructs staff to identify and categorise those complaints that would benefit from immediate attention and resolution.

2.39 If a complaint matches specific criteria⁴⁶, the CSO is instructed to escalate the complaint to their team leader urgently and maintain communication with the team leader to ensure that the complaint is being handled immediately. CSOs are instructed to contact another team leader or senior staff member in the event their team leader is not available.

2.40 The introduction of a prioritisation model aligns with the Ombudsman's guidance on the key features of an effective complaints management system. Given the prioritisation model was introduced in September 2011, it is too early to assess its effectiveness. Once the new prioritisation model has had time to bed-down, CSP could benefit from reviewing the process to ensure that it is working as intended.

⁴⁶ The criteria are: a security incident; an issue likely to result in external escalation or have a major impact on one or more customers; and/or a complaint whose issues or outcomes may affect another decision.

3. Feedback Management and Complaints Resolution

This chapter examines CSP's management of feedback and investigation of complaints, including training and guidance arrangements for staff and quality assurance mechanisms for complaints management. CSP's review process for identifying enhancements to the complaints management system is also assessed.

Introduction

3.1 Customer satisfaction can be improved through the effective management of feedback, including resolution of complaints. By resolving complaints quickly and consistently, agencies can improve customers' confidence in the agency and the complaints management system. To gain assurance that a feedback management system is operating as intended, agencies should measure and review the effectiveness of feedback management systems.

3.2 An effective feedback management system:

- supports staff to manage feedback by providing training and guidance;
- provides for investigations of customers' issues and quality assurance checks to support accurate and consistent outcomes;
- incorporates escalation processes when customers are dissatisfied with complaint outcomes; and
- includes a feedback mechanism for staff and review processes to identify improvements to the complaints management system.

Managing complaints

3.3 Since late 2009, CSP has undertaken a number of initiatives to improve complaints management and reduce the number of complaints. These include:

- messages to staff from CSP's Executive, reinforcing the focus on reducing the number of step 3 complaints, including by improving staff behaviour;
- a greater emphasis on CSOs and team leaders resolving complaints, including encouraging team leaders to allow CSOs to listen to how they resolve complaints; and

- conducting complaints management workshops from March to May 2010.

3.4 These types of initiatives can assist with the effective resolution of complaints and, consequently, prevent escalation. Effective complaints management also requires:

- regular training and consistent guidance to assist staff to investigate and finalise complaints;
- investigations of complaint issues which include communication with customers at key points in the process and effective internal communication; and
- escalation and review mechanisms for customers who remain dissatisfied after their complaint is investigated.

Training

3.5 Staff require training on how to record, manage and resolve complaints. Training supports staff to better manage feedback and to resolve customers' issues quickly and effectively. Effectively managing complaints can require customer management, investigation and technical skills. In CSP, these skills are necessary for CSOs and team leaders, who manage step 1 and 2 complaints, as well as officers managing step 3 complaints.

Training for CSOs and team leaders

3.6 CSP provides CSOs and team leaders with a range of complaints management training including:

- An online course that staff can access at any time. Since 2009, 710 staff have undertaken the e-learning course, representing 25.5 per cent of the average number of CSP operations staff employed from July 2009 to December 2011.
- A module that forms part of CSP's new starter program, which all service delivery staff are required to undertake.
- Complaints management workshops which were held from March to May 2010.

3.7 The complaints management workshops in 2010 were the first face-to-face complaints management training provided to CSOs and team leaders in four years. Pilot workshop participants indicated they benefited

most from the practical examples and/or group discussions on managing complaints.

3.8 To build on the positive feedback from the workshops, CSP could identify other ways for staff to share their experiences with managing complaints. This could include CSOs and team leaders engaging with those staff who manage step 3 complaints to identify how their experiences could translate to improving the management and resolution of step 1 and 2 complaints.

Training for Complaints Services officers and Customer Review officers

3.9 Complaints Services officers and Customer Review officers do not receive any formal training when they commence in their roles. To become a Complaints Services officer or Customer Review officer, staff need to demonstrate a high level of technical knowledge in administering child support legislation and policy, and advanced customer service skills. Consequently, introductory complaints management training is deemed less necessary.

3.10 There are, however, ongoing training opportunities for Complaints Services officers and Customer Review officers. These include:

- annual conferences, which include presentations from stakeholders, such as representatives from the Ombudsman's office, and discussions around training requirements, areas for improvement and achievements;
- technical training on legislative and policy changes; and
- training relating to specific areas of complaints management, for example, managing difficult conversations and complainants.

Guidance for CSP staff

3.11 To complement training, agencies will often issue guidance on processes to promote, among other things, a consistent approach to managing issues. Guidance for CSP staff on how to record, investigate and finalise complaints is primarily provided through 'procedural instructions', which are available on CSP's intranet site. Procedural instructions are guidelines to assist staff to undertake operational tasks such as recording a complaint or drafting correspondence. Procedural instructions are not technical instructions and may be supplemented by processing help guidelines, which provide technical guidance on using the Cuba system. Staff may also be advised of changes to

systems, processes, policy and legislation through announcements on CSP's intranet site.

3.12 There are two procedural instructions relating to complaints management: *Complaints Handling*, which outlines the recording, management and finalisation of step 1, 2 and 3 complaints; and *Privacy Incidents*, which covers the management of privacy complaints. These procedural instructions are supplemented by three processing help guidelines: *Complaints Handling*; *Complaints – Ministerial Maintenance*; and *Record and Finalise a Privacy Complaint*.

3.13 Together, the procedural instructions and processing help guidelines provide staff with much of the information they need to manage a complaint. There are, however, areas where the *Complaints Handling* procedural instruction could be improved to provide additional information to staff. These areas include:

- outlining a consistent approach to communicating with customers and stakeholders (refer paragraphs 3.16 and 3.26); and
- providing information on CSP's performance targets for finalising complaints (refer Table 4.2).

Investigating and resolving complaints

3.14 CSP has an established framework for investigating and resolving complaints. Most complaints are expected to be managed in a similar manner, however, those relating to staff behaviour or privacy are subject to different processes.

Receiving complaints

3.15 The *Complaints Handling* procedural instruction prescribes a consistent approach to managing step 1, 2 or 3 complaints. This process includes confirming the issue(s) of the complaint with the customer and asking the customer what their preferred outcome would be. Once the issue(s) have been clarified, staff are required to advise the customer of an expected timeframe for resolution.

3.16 Staff are encouraged to resolve complaints at the first point of contact. Where that is not possible, staff are required to contact the customer within seven calendar days to advise of the progress of the investigation or the complaint outcome. For step 2 complaints, team leaders are also instructed to keep customers informed of any delays to the complaints process and to maintain contact with the customer at least once every seven calendar days. The procedural instruction does not, however, contain similar advice for CSOs,

Complaints Services officers and Customer Review officers. The procedural instruction also does not provide guidance for Customer Review officers about the regularity and type of communication they should maintain with third parties (such as Parliamentarians and the Ombudsman) who lodge complaints on behalf of customers.

3.17 For those complaints that cannot be resolved at the first point of contact, there is no requirement for a staff member to assess the complexity of the issue(s). Assessing the complexity of a complaint could assist in determining the most appropriate point of management. This would allow a complaint to be directly referred for action to the best point within the system, rather than progressing through any unnecessary stages. A complexity assessment would also result in complaints with common characteristics being identified and managed in the same way. One such example are complaints relating to the accuracy of information provided to the customer. In some cases these complaints will require the use of call recordings and are therefore best referred to those officers able to undertake this work.

Recommendation No.2

3.18 To improve communication with customers and to support the efficient management of complaints, the ANAO recommends that CSP update the *Complaints Handling* procedural instruction to require:

- an initial assessment of a complaint's complexity so that it can be referred to the most appropriate staff member for investigation; and
- staff to keep a customer or third party periodically informed, as necessary, on the progress of their complaint.

DHS response

3.19 Agreed. The *Complaints Handling* procedural instruction has been updated to include keeping customers informed of the progress of their complaint at least every five working days. A complexity assessment for complaints has been developed. Training in these changes is scheduled for frontline staff prior to 30 June 2012.

Investigating and finalising complaints

3.20 For those complaints that cannot be resolved in the first instance, the team leader, Complaints Services officer or Customer Review officer is required to complete an investigation plan. An investigation plan outlines, among other things, the information that will be gathered and who needs to be

contacted in respect of a particular complaint. CSOs are not required to complete an investigation plan as step 1 complaints are expected to be immediately resolved.⁴⁷

3.21 The tools identified in the procedural instruction to assist with investigating complaints are generally the same for all steps.⁴⁸ However, team leaders, Complaints Services officers and Customer Review officers also have other resources available to them, such as access to call recordings.

3.22 Generally, the CSO or team leader who receives a complaint is responsible for investigating the complaint. However, for step 1 complaints when the customer's case is being managed by another CSO, the complaint is referred to that CSO for resolution.

3.23 Finalising a complaint does not necessarily involve resolving the issue which generated the complaint. The work associated with addressing the issue underpinning the complaint can be followed-up or referred for action while investigating the complaint, or after it is finalised. Staff are required to decide whether each issue in a complaint is either upheld or disallowed, and then make a determination for the complaint. There are three possible complaint outcomes:

- Upheld: all issues relating to the complaint have been upheld. Issues are upheld if:
 - a staff member did not follow CSP's processes correctly;
 - a staff member was rude or abusive to the customer; and/or
 - a CSP process or procedure is flawed⁴⁹;
- Partially upheld: some but not all issues are upheld.
- Disallowed: none of the issues were upheld.

3.24 In 2010–11, 70 per cent of step 2 and 3 complaints were disallowed. Figure 3.1 shows that the proportion of disallowed step 2 complaints has been

⁴⁷ CSP advised that it is considering whether an investigation plan for step 1 complaints may be appropriate in some instances.

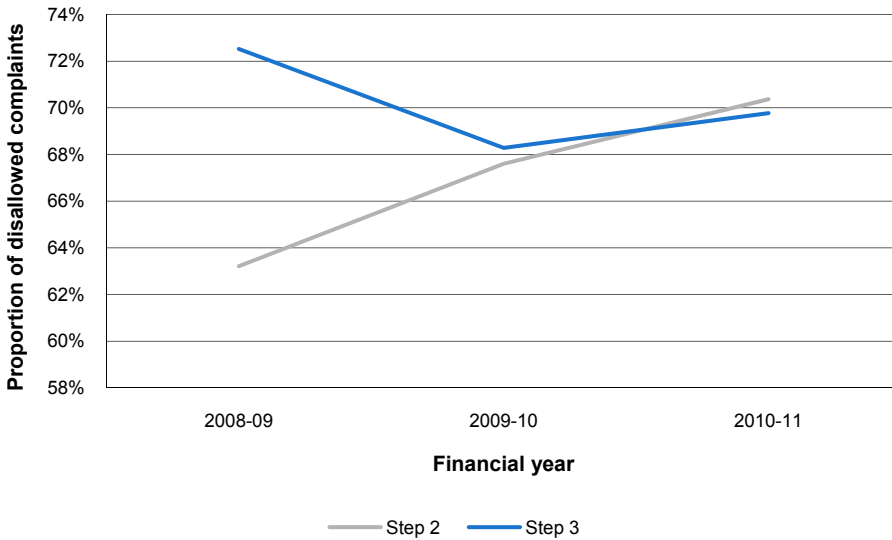
⁴⁸ These tools include: the Cuba system is CSP's customer records management system; *The Guide* is available on CSP's website and provides an interpretation of child support legislation; Cuba Helps are the technical processing guidelines that complement procedural instructions; and CSP's Technical Support network are dedicated staff that other CSP staff can contact with an enquiry about the interpretation or application of child support policy or legislation.

⁴⁹ Child Support Program, *Procedural Instruction – Complaints Handling*, internal document, 2011.

increasing since 2008–09, while the proportion of disallowed step 3 complaints decreased in 2009–10 and then increased slightly in 2010–11.

Figure 3.1

Proportion of disallowed step 2 and 3 complaints



Source: ANAO analysis.

Advising customers of complaint outcomes

3.25 After a complaint has been investigated and a decision reached, staff are instructed to contact the customer and provide a clear explanation of the outcome. However, if the customer has previously advised that they do not want to be contacted by CSP, or if the CSP staff member has been unable to contact the customer by phone:

- for step 1 complaints, staff are instructed to send a letter to the customer explaining the complaint outcome, and advise the customer to call CSP if they would like additional information; and
- for step 2 and 3 complaints, staff are also instructed to send customers a letter to explain the complaint outcome; however, when the customer has asked not to be contacted, it is at the discretion of the relevant officer if a letter is sent to the customer.

3.26 As part of advising customers of a complaint outcome, the procedural instruction requires team leaders, Complaints Services officers and Customer Review officers to discuss the escalation options available if a customer remains dissatisfied. CSOs are not instructed to advise customers of their

options when finalising a complaint, so customers who have their complaint managed at step 1 may not be aware of escalation options. CSP advised that all staff are expected to advise customers of their escalation options and that it updated the procedural instruction to make this more explicit.⁵⁰

Complaints about staff behaviour

3.27 Complaints about staff behaviour (for example, that a CSO was rude, aggressive or made inappropriate comments), are investigated by team leaders and Complaints Services officers. If the team leader investigating the complaint is not the relevant CSO's team leader, then that team leader is contacted to advise them of the complaint and to request any information needed for an investigation. Team leaders and CSOs are also given the opportunity to respond to a customer's allegations.

3.28 When finalising a behavioural complaint, team leaders and Complaints Services officers are instructed to call the customer to discuss the findings of their investigation, and confirm that the complaint has been investigated and the staff member has been made aware of the complaint. Details of any disciplinary action are not provided to the customer.

3.29 Analysis shows that in 2010–11, behavioural complaints represented 15.8 per cent of all finalised step 2 complaints and 8.6 per cent of all step 3 complaints. Approximately seven per cent more step 2 and 3 complaints are upheld or partially upheld when compared to other types of complaints.⁵¹

Complaints about privacy

3.30 For complaints about a customer privacy breach, CSOs are instructed to record the complaint as a step 1 and then refer the complaint to their team leader. If their team leader is not available, the CSO is instructed to contact another team leader or a Privacy officer.

3.31 Team leaders and Complaints Services officers are required to refer privacy complaints to a Privacy officer. For complaints about a breach of privacy only, the Privacy officer will be responsible for resolving the complaint. When there are multiple issues in the complaint, the Complaints

⁵⁰ Advice provided by DHS, 21 May 2012.

⁵¹ At step 2, 37.1 per cent of behavioural complaints are upheld or partially upheld compared with 29.6 per cent of all complaints; and at step 3, 37.1 per cent of behavioural complaints are upheld or partially upheld compared with 30.2 per cent of all complaints.

Services officer and Privacy officer will determine the most appropriate way to resolve the complaint.

3.32 Directing complaints about privacy to an officer with an understanding of the *Privacy Act 1988* is consistent with the guidance issued by the Office of the Privacy Commissioner.⁵² In 2010–11, CSP finalised 341 step 1 privacy complaints, of which 42.5 per cent (145 complaints) were upheld or partially upheld.⁵³ For all step 1 complaints in 2010–11, the average upheld or partially upheld rate was 37.1 per cent.

Escalation and review of complaints

3.33 An effective complaints management system provides customers with access to a review mechanism if they are dissatisfied with the outcome of their complaint.⁵⁴ CSP's three-step model provides such a mechanism (refer Figure 3.2).

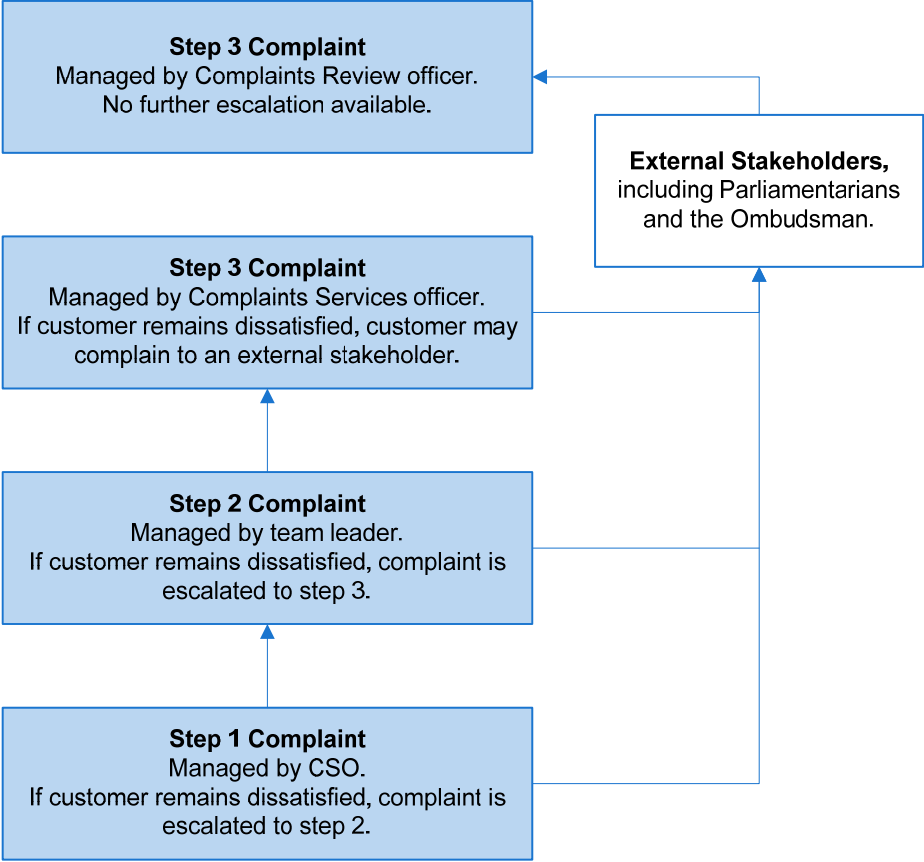
⁵² Office of the Privacy Commissioner, *Public Sector Information Sheet 2 – A step-by-step guide to internal investigations of privacy complaints by Australian and ACT government agencies*, Office of the Privacy Commissioner, Canberra, 2008, p.1.

⁵³ The total number of privacy complaints was 342 as one complaint was recorded as a step 3 complaint.

⁵⁴ Commonwealth Ombudsman, *op cit.*, p. 11.

Figure 3.2

Complaint escalation process



Source: ANAO analysis.

3.34 As illustrated in Figure 3.2, CSP’s system provides options for a customer to escalate their complaint if they disagree with the outcome. Further, at any point a customer may choose to bring their complaint to the attention of a third party, such as a Parliamentarian or the Ombudsman, resulting in an escalation to step 3. In 2010–11, CSP finalised 1108 step 3 complaints referred by Parliamentarians, of which 950 (85.7 per cent) were disallowed. CSP also finalised 420 step 3 complaints referred by the Ombudsman, of which 293 (69.8 per cent) were disallowed.⁵⁵

⁵⁵ Included in the 1096 complaints and 424 complaints were 172 complaints (15.7 per cent) and six complaints (1.4 per cent), respectively, about policy and legislation, which are the responsibility of FaHCSIA.

3.35 In addition to the customer requesting an escalation of their complaint, CSP's procedural instruction—*Complaints Handling*—provides guidance for staff on when they should progress a complaint to the next stage. Table 3.1 outlines the internal escalation process.

Table 3.1

Escalation circumstances

Step 1 to step 2	Step 1 to step 3	Step 2 to step 3
<p>The customer:</p> <ul style="list-style-type: none"> is dissatisfied with the resolution outcome; asks to talk to a team leader; or is complaining about a CSO's behaviour. 	<ul style="list-style-type: none"> The customer declines a team leader call back¹; the customer requests to talk to the Complaints Services team; or the complaint is managed by a team leader in a Regional Service Centre and the customer is dissatisfied with the team leader's management of the complaint, or the team leader does not have Cuba access. 	<p>The customer:</p> <ul style="list-style-type: none"> is dissatisfied with the resolution outcome; or requests to talk to the Complaints Services team.

Source: Child Support Program, *Procedural Instruction – Complaints Handling*, internal document.

Note 1: If a CSO's team leader is unavailable when a CSO attempts to escalate a complaint, CSOs are instructed to identify a team leader in a neighbouring team or a senior officer to manage the call. If a team leader or senior officer cannot be found, CSOs are then advised to offer the customer a call back from a team leader within 48 hours.

3.36 The procedural instruction advises Complaints Services officers (that is, those officers who manage step 3 complaints) to refer a customer to the Ombudsman if they are dissatisfied with the outcome of their complaint. It also states that if the customer has indicated an intention to escalate their complaint to a Parliamentarian, the Complaints Services officer is instructed to guide the customer towards the appropriate channel. For example, customers with policy and legislative complaints should be referred to the Minister for Families, Housing, Community Services and Indigenous Affairs.

3.37 The procedural instruction advises team leaders, Complaints Services officers and Customer Review officers to manage customer expectations about resolving complaints and to advise customers of the action that CSP can and cannot take. However, a number of complaints will be escalated through the system, with some never being resolved to the customer's satisfaction.

3.38 The Cuba system does not provide information on escalated complaints, which limits the conclusions that can be drawn about the number

and nature of complaints at each of the steps. Access to such information would assist CSP in many ways including:

- identifying complex complaints which generally cannot be resolved at steps 1 or 2, and should be automatically escalated so that they are referred to the most appropriate management arrangements in the first instance;
- identifying complaints which cannot be resolved to a customer's satisfaction through the complaints management process (for example, complaints about policy and legislation), and would be better managed in a way that avoids unnecessary or inappropriate escalation; and
- highlighting gaps in staff understanding or skills to be addressed through improved training and guidance.

3.39 In turn, this could help CSP to better direct the resources it allocates to complaints management and, where possible, meet customers' expectations (refer Recommendation No.1, paragraph 2.26).

Feedback for CSP staff

3.40 CSP's complaints management system has a feedback mechanism aimed at informing CSOs about areas in which they can improve, or in which they have performed well. This is a valuable process for CSP officers and can also assist CSP to provide consistent outcomes for customers by identifying whether staff understanding, or the application of policy and/or legislation, could be improved.

3.41 According to CSP's *Complaints Handling* procedural instruction, team leaders, Complaints Services officers and Customer Review officers are required to provide written feedback to individual CSOs on all upheld complaints, or if an issue has been identified during the investigation of a complaint.⁵⁶ Complaints Services officers and Customer Review officers are also required to provide feedback to CSOs who have displayed excellent customer service and delivered outcomes for a customer and for CSP. Feedback is provided using a feedback form template and sent to the relevant CSO's team leader and operations manager.⁵⁷

⁵⁶ For example, where a mistake or oversight is identified.

⁵⁷ Operations managers are responsible for managing team leaders.

3.42 CSP uses the information from the feedback forms to provide individual business lines with monthly reports on the number of feedback forms sent to staff and the nature of the feedback.

3.43 CSP does not, however, adopt a common approach to categorising feedback issues, such as staff behaviour or inaction, nor does it centrally record the information contained in the forms. This prevents CSP from being able to reconcile the number of upheld complaints with the number of feedback forms provided to staff; and therefore determine whether CSOs consistently receive feedback about good work or areas for improvement.⁵⁸

3.44 By analysing the feedback to identify better practice examples or common areas requiring improvement among staff, CSP could then use this information to improve service delivery. For example, common issues generating feedback can be addressed by improving staff understanding and skills through better targeting training opportunities and guidance material.

Recommendation No.3

3.45 To more effectively use staff feedback information, the ANAO recommends that CSP:

- centrally capture the information contained in all feedback forms;
- introduce a framework for classifying common issues identified in feedback; and
- analyse and report feedback information on a consolidated basis.

DHS response

3.46 Agreed. A feedback database which will store, categorise and deliver complaint feedback information effectively to Child Support business lines and address the points above, is in development with an implementation date of June 2012.

Quality assurance

3.47 Quality assurance activities can support agencies to deliver consistent customer outcomes and high standards of service.⁵⁹ Quality assurance

⁵⁸ A new reporting tool is being developed by CSP. This tool is expected to allow CSOs to see when a complaint has been upheld and also provide a reconciliation function.

⁵⁹ Commonwealth Ombudsman, *op cit.*, p. 15.

activities can also support more accurate decision-making and assist with identifying staff learning needs. To gain maximum benefit, quality assurance activities should be conducted regularly and with sufficient coverage to provide an adequate level of assurance.

Quality assurance process prior to July 2011

3.48 Prior to July 2011, CSP had some limited, informal, quality assurance measures for complaints management. For Customer Review officers who managed external complaints, all written responses (for example, a letter prepared on behalf of the Minister) were reviewed by a peer, the team leader, the Business Manager and then the National Manager for final approval. This process was expected to provide an inherent quality assurance mechanism. There was no quality assurance process for verbal responses provided by Customer Review officers, or for the work carried out by Complaints Services officers who manage step 3 customer complaints.

3.49 For those complaints managed by CSOs or team leaders there was no formal process and operational business lines were responsible for any quality assurance measures. Generally, there were no quality assurance activities, although one of the operational business lines had introduced a quality assurance process for upheld complaints. In these instances the CSO (against whom the complaint was upheld) had five similar pieces of their work reviewed by their team leader to determine if any remedial action was required.

A new quality assurance framework

3.50 In July 2011, CSP introduced a new quality assurance framework. As part of the framework, a *Quality Monitoring Plan* was developed by the Customer Review and Quality Improvement section, which includes Complaints Services teams and Customer Review teams, who manage step 3 complaints.⁶⁰

⁶⁰ The Quality Assurance Framework is a two-tiered process. Tier One consists of reviewing a random sample of transactions and phone calls each month against a checklist of 20 core qualitative principles. Tier Two involves business lines developing a Quality Monitoring Plan, which outlines the quality monitoring activities to be undertaken, including the sample size to be assessed; who will be responsible for performing the assessment; and who will be accountable for analysing and addressing the results of these checks.

3.51 The *Quality Monitoring Plan* for the Customer Review and Quality Improvement section outlines the quality assurance activities for the Complaints Services teams and Customer Review teams:

- Complaints Services teams: post-decision checks will be undertaken on an average of six finalised complaints per officer per quarter. Three 'upheld' and three 'not upheld' complaints will be checked.
- Customer Review teams: an average of 65 formal written responses will be checked per month. Responses will be randomly selected from all of the responses prepared by the teams rather than on an individual basis.

3.52 CSP expects this level of checking to provide a 65 per cent confidence level for the Complaints Services teams and a 60 per cent confidence level for the Customer Review teams.

3.53 Under the new quality assurance framework, the work of CSOs and team leaders, who manage step 1 and 2 complaints, will be subject to the activities specified in each individual business line's *Quality Monitoring Plan*. While the work of CSOs and team leaders will be reviewed, there is no requirement that complaints form part of the sample. Therefore, there is a risk that complaints management activities will either not be sampled, or be under-sampled. In the absence of a formal approach, the informal process regarding upheld complaints (adopted by the business line outlined in paragraph 3.49) can help to identify learning needs among staff and could be considered by other business lines.

Improving the complaints management system

3.54 Feedback management systems should be periodically reviewed to identify potential improvements. Potential improvements to a complaints management system may relate to timeliness, frequency and clarity of communication with customers, and accuracy of decision-making. To inform this process, agencies can use quality assurance activities and performance indicator results to identify enhancements. Other methods that agencies can use to inform a review of a complaints management system include customer focus groups and surveys.

3.55 CSP has recently introduced a new quality assurance framework and has some established performance indicators which, together, provide some insights on the operation of the complaints management system. However, neither approach directly provides customers' views on the operation of the system or the outcomes delivered.

3.56 CSP uses the Customers Having a Say (CHAS) survey to measure customer satisfaction. The results from the CHAS survey are presented by business line. However, as Complaints Services is not a business line, the CHAS survey does not provide information on customer satisfaction with the complaints management system.⁶¹

3.57 By way of comparison, the Centrelink program within DHS uses a specific post-complaint survey to measure customer satisfaction with its complaints management system and to identify potential improvements. Given the limitations of the CHAS survey results, CSP could benefit from investigating options, including the methods used in other areas of DHS, to measure customer satisfaction with the complaints management system.

⁶¹ Complaints Services is in the Customer Review and Quality Improvement business line.

4. Performance Indicators, Reporting and Business Improvement

This chapter examines CSP's performance indicators for complaints management. The chapter also discusses how CSP reports on feedback and how feedback information is used to inform business improvements.

Introduction

4.1 Using performance indicators to measure both the qualitative and quantitative aspects of feedback management can provide assurance that feedback is being managed effectively. Accurate reporting on customer feedback can aid internal decision-making and provide transparency to external parties regarding customer satisfaction with service delivery, policy and legislation. By analysing feedback, agencies can identify and prioritise enhancements to business systems, processes and service delivery.

4.2 An effective feedback management system:

- measures performance using a combination of qualitative and quantitative performance indicators;
- reports accurately on customer feedback, including the agency's results against performance indicators; and
- analyses information to identify and implement improvements to meet business requirements.

Performance indicators

4.3 In establishing performance indicators related to feedback, it is important to recognise the difference between indicators that are linked to broader operational performance, and those indicators which are directly related to how feedback is being managed. A balanced suite of performance indicators will allow an agency to measure qualitative outcomes such as customer satisfaction and accuracy of decision-making; and quantitative outcomes such as the number of complaints and the time taken to resolve them.

4.4 CSP uses step 3 complaints as one measure of customer satisfaction with the Child Support Scheme and its administration. The step 3 complaints performance indicators are largely quantitative, as shown in Table 4.1 with the 2010–11 results.

Table 4.1**Complaints management performance indicators reported in the *Child Support Program Performance Report***

Performance Indicator	Target (based on 2009–10 actuals)	Actual results (2010–11)
Prevent the growth in escalated complaints per annum (cumulative) [Reduce the number of step 3 complaints]	<9553	7443
Reduce the number of complaints received per 1000 cases	<13	8.85
Reduce the number of complaints upheld per 1000 cases	<3.1	2.7
Reduce the number of complaints from Members of Parliament and the Commonwealth Ombudsman as a proportion of total complaints	<23.8%	32.0%

Source: CSP, *Child Support Program Performance Report* – June 2011, p. 5.

4.5 Table 4.1 shows that CSP achieved three of these four targets including reducing the number of step 3 complaints received as a percentage of the number of customer cases. The performance indicator not achieved related to reducing the number of complaints from Members of Parliament and the Ombudsman as a proportion of total complaints.

4.6 In assessing the performance of the complaints management system, CSP focuses on the time taken to resolve complaints. These targets, and CSP's performance in 2010–11, are outlined in Table 4.2.

Table 4.2

Time taken to resolve step 3 complaints by source in 2010–11

Source ¹	Step 3		
	Target: Number of days to finalise complaint	Number of complaints finalised	Number of complaints finalised within target
CSP customer/other ²	14	5283	4067 (77.0%)
Federal Member of Parliament	14	1121	900 (80.3%)
Minister on behalf of a customer or stakeholder	21	598	412 (68.9%)
Minister on behalf of a Parliamentarian	14	194	17 (8.8%)
The Ombudsman	28	519	209 (40.3%)

Source: ANAO analysis.

Note 1: The source of the complaints data in Table 3.2 and Figure 3.4 has been derived by analysing two different fields in the Cuba system to enable analysis of CSP's timeliness performance indicators. In all other parts of the report, the source has been determined using one field only and consequently, there are some differences in the number of complaints received by source between the two data sets.

Note 2: Includes Employer, Executive Correspondence, Representative and Other. Other sources make up approximately five per cent of the 'Client / Other' category.

4.7 According to the information from the Cuba system, CSP is resolving over 75 per cent of complaints that are received from customers, and directly from Members of Parliament, within the 14 day target. The number of complaints from the Ombudsman or from the Minister (on behalf of Parliamentarians) that are resolved within the target is much lower.

4.8 Internally, CSP reports different performance results for complaints referred by Members of Parliament, the Minister and some complaints referred by the Ombudsman. For example, from December 2010 and June 2011, CSP reported finalising between 82 per cent and 93 per cent of Ministerial responses within the performance indicators.

4.9 The differences between Table 4.2 and CSP's internal reporting are due to different data sources and the definition of when a complaint has been resolved. The results in Table 4.2 are based on data from CSP's Cuba system, whereas the internal reporting is based on information from manually maintained spreadsheets. Complaints, such as those referred by the Minister, are not finalised in the Cuba system until the ministerial is returned to CSP.

In contrast, the internal results treat the same complaint as finalised when advice is provided to the Minister.

4.10 The absence of a single data source limits the reliability of the results. CSP has recognised this risk and intends to address the issues so that the information from the Cuba system can be used for reporting purposes. To improve the accuracy and visibility of the timeliness of complaint finalisation, DHS advised that from 1 April 2012 complaints from Parliamentarians and those referred from the Minister or the Ombudsman will be finalised when CSP provides a response.⁶²

Customer-initiated complaints

4.11 Table 4.2 shows that in 2010–11, CSP resolved most customer-initiated complaints within 14 days. The number of these complaints, at each step, that were resolved within the timeframe were:

- 76.4 per cent of step 3 complaints;
- 81.8 per cent of step 2 complaints; and
- 85.4 per cent of step 1 complaints.

4.12 Half of step 1 and step 2 complaints resolved within 14 days were resolved on the same day they were received. In comparison, 17.6 per cent of step 3 complaints were finalised on the same day they were received. There could be a number of reasons for the longer time taken to resolve step 3 complaints, including that they are more complex and often require Complaints Services officers and Customer Review officers to conduct investigations.

4.13 CSP could analyse the step 1 and step 2 complaints that are not resolved within 14 days to determine whether there are any common characteristics that could be used as triggers to immediately escalate a complaint for investigation by a Complaints Services officer. This would support the implementation of a model where the complexity of a complaint is assessed when it is initially recorded (refer Recommendation No.2, paragraph 3.18).

⁶² Advice provided by DHS, 21 May 2012.

Reduction in step 3 complaints

4.14 Since 2009–10, CSP has had a performance goal to reduce the number of step 3 complaints it receives each year. In 2009–10 and 2010–11, CSP achieved this target.

4.15 Similar to the performance indicators shown in Table 4.1, CSP considers a reduction in step 3 complaints to be an indication of increased customer satisfaction. Reducing step 3 complaints, in addition to meeting other organisational targets such as improved customer satisfaction levels as measured through the CHAS survey and improved collection rates, is linked to an annual 0.5 per cent pay increase for CSP staff.

4.16 A reduction in step 3 complaints could be one indicator of increased customer satisfaction but in the absence of supporting information, or complementary targets, it is not necessarily an effective measure. Further, as a prominent performance measure it could increase the risk that step 3 complaints are not recorded or customers may not always be advised of the complaints escalation options.

4.17 CSP's complaints management performance indicators are largely quantitative, and focus on volume and timeliness rather than the effective resolution of complaints and improved customer satisfaction. This can result in staff focusing only on the quantitative indicators when recording and managing complaints, rather than also considering the need to deliver accurate, fair and consistent outcomes aimed at improving customer satisfaction.

4.18 Through developing and measuring qualitative indicators that are based on principles underpinning sound service delivery, CSP could improve its performance indicators and provide incentives for staff to investigate and resolve complaints consistent with these principles.

Recommendation No.4

4.19 To provide for an effective, customer-centric complaints management system, the ANAO recommends that CSP develop qualitative performance indicators based on administrative principles, such as consistency and fairness, which underpin sound service delivery.

DHS response

4.20 Agreed. A DHS customer satisfaction survey program scheduled for commencement on 1 July 2012 will measure qualitative indicators such as

consistency, accuracy, consideration of individual circumstances and appeal rights explained, along with overall satisfaction with the service received. This ongoing weekly survey will focus on all services, and once or twice a year the survey will target the complaints handling process. As part of this survey a sample of customers who have made a formal complaint will be interviewed to determine their satisfaction with the complaints handling service.

Reporting

4.21 An agency can report on feedback both externally and internally, with each type of reporting serving a different purpose. External reporting promotes accountability by informing stakeholders about the quality of services provided to customers, for example, by indicating the number and type of complaints that an agency receives. External reporting can also provide insights on how effectively an agency is managing complaints.

4.22 Internal reporting about feedback has a greater business focus. Reporting on feedback information can be used by an agency or individual business lines for identifying areas of best practice as well as improvements to systems, processes and service delivery. To provide meaningful reporting, agencies need to analyse feedback information, understand business reporting requirements, and gain assurance that the information reported is accurate.

External reporting

4.23 CSP reports on step 3 complaints in the DHS Annual Report. In the 2010–11 DHS Annual Report, CSP compared the number of step 3 complaints received in 2010–11 and 2009–10. CSP reported a decline in the number of complaints about behaviour and decision-making between these years. CSP also included the strategies which had been implemented to reduce the number of step 3 complaints.⁶³

4.24 While reporting step 3 complaints provides some information on CSP's feedback management system, it does not provide external parties with a complete picture. By way of comparison, Centrelink and Medicare included additional information in their annual reports. Centrelink, which also has a

⁶³ Department of Human Services, *Annual Report 2010–11* [Internet]. DHS, Canberra, 2011, available from <http://www.humanservices.gov.au/spw/corporate/publications-and-resources/annual-report/resources/1011/html/dhs/chapter04/part05_improved_customer_satisfaction.html> [accessed 16 January 2012].

three-step complaints management system, reported on the total number of complaints received and included additional information on the:

- number of compliments and suggestions received;
- five qualitative issues which received the largest number of complaints;
- results of its post-complaints survey; and
- performance against its timeliness target for complaints finalisation.⁶⁴

4.25 The 2010–11 Medicare Annual Report reported the number of complaints received and the agency’s performance against the timeliness targets for finalising complaints.⁶⁵ Medicare also reported on the number of privacy complaints received and the outcome of these complaints.

4.26 Disclosing information about the time taken to resolve complaints, and their nature, provides stakeholders with an indication of the effectiveness of an agency’s feedback management process. CSP reports this type of information internally, however, it could improve its external reporting by also including this information in public reports, such as the DHS Annual Report.

4.27 While CSP already records and reports on much of this information internally, some aspects of the complaints management system will need to be developed further to support the implementation of this recommendation. In particular, CSP will need to take steps to address the completeness and accuracy of complaints data (for example recording step 1 complaints, refer Recommendation No. 1, paragraph 2.26).

⁶⁴ Centrelink, *Annual Report 2010–11* [Internet]. Centrelink, 2011, available from <http://www.humanservices.gov.au/spw/corporate/publications-and-resources/annual-report/resources/1011/html/centrelink/chapter03/part03_customer_feedback.html> [accessed 16 January 2012].

⁶⁵ Medicare Australia, *Annual Report 2010–11* [Internet]. Medicare Australia, 2011, available from <http://www.humanservices.gov.au/spw/corporate/publications-and-resources/annual-report/resources/1011/html/medicare-australia/chapter06/part06_customer_service_charter.html> [accessed 16 January 2012].

Recommendation No.5

4.28 To improve the relevance and transparency of CSP's external reporting of customer feedback, the ANAO recommends that the DHS Annual Report include information on the:

- total number of complaints, compliments and suggestions received;
- issues that receive the most complaints and any action being taken; and
- performance against the timeliness targets set to finalise complaints.

DHS response

4.29 Agreed. The 2011–12 DHS Annual Report will contain the above information.

Reporting to FaHCSIA

4.30 CSP receives feedback about child support policy and legislation, which are the responsibility of FaHCSIA. It is important that CSP refers this feedback so that it can be considered in identifying enhancements to the legislation and policy governing the Child Support Scheme. CSP provides ad-hoc reports to FaHCSIA about suggestions and refers complaints relating to policy and legislation from the Ombudsman and the Minister to FaHCSIA for response.

4.31 CSP reports the total number of complaints received to FaHCSIA but does not report on the number or type of policy and legislation complaints received. CSP advised the ANAO it is considering developing a report for FaHCSIA on key policy complaints.⁶⁶ As part of this reporting, CSP could also consider including relevant suggestions lodged in the iRegister.

Internal reporting

4.32 CSP prepares one specific internal report on complaints—*Monthly Complaints Update*—and three other internal reports that include information about complaints and some suggestions. These reports are outlined in Table 4.3.

⁶⁶ CSP provided six reports to FaHCSIA about suggestions. The reports were based on common types of suggestions and included: child support income; enforcement; debt and collection; non-compliance (two reports); and private collect.

Table 4.3

CSP's internal reports about complaints

Report	Timing	Content
<i>Monthly Complaints Update</i>	Monthly	<p>Number of step 2 and 3 complaints: received by CSP and their source; and received, finalised, and upheld by business line team (including the underlying issue).</p> <p>Categories and issues arising in step 3 complaints with the largest increase since the previous financial year and the number of step 1 complaints.</p> <p>Commentary is included by the business lines about the number of complaints attributed to their business line and some compliments are also reported.</p>
<i>Child Support Program Performance Report</i>	Monthly	<p>Performance against the targets in Table 3.4.</p> <p>Number of complaints: on hand, received, finalised and unprocessed by month; and by source and month for the current and previous financial years.</p> <p>Proportion of complaints that were finalised within 14 days.</p>
<i>Strategic Stakeholder Unit – Workload Report</i>	Monthly	<p>Number of ministerial correspondence items received and finalised and the proportion of the finalised items that were on time.</p>
<i>Weekly Ministerial Correspondence Report</i>	Weekly	<p>Number of ministerial correspondence items overdue and not overdue for DHS and its programs.</p>

Source: ANAO analysis.

Monthly Complaints Update

4.33 The *Monthly Complaints Update* is prepared for CSP's Business Operations Committee and business lines.⁶⁷ CSP's analysis of complaints focuses on the number and type of step 3 complaints received. When reporting internally on qualitative issues underpinning complaints, CSP generally focuses on the five qualitative issues that receive the most step 3 complaints. While this analysis highlights issues generating customer dissatisfaction, it may not be the best way to identify areas of improvement.

⁶⁷ On 31 October 2011, the Business Operations Committee was replaced with the Child Support Executive Assurance Committee. The business lines that receive a report are: Income Reconciliation; Customer Review and Quality Improvement; Specialised Assessment Services; Non-compliance; Mainstream Customer Services; New Customers; and International.

4.34 Table 4.4 outlines the top five qualitative issues underpinning complaints in 2010–11. The table shows that if the analysis focuses on step 3 complaints, then this limits the conclusions that can be drawn. For example, complaints about staff behaviour are initially classified as step 2 and resolved at this step. However, when step 2 and 3 complaints are combined, staff behaviour received the third highest number of complaints and had the second highest number upheld. Furthermore, an issue such as providing inaccurate information does not receive as many complaints as others. However, of all the complaints received it had the fifth highest number upheld. That is, upon investigation of the complaints, CSP has confirmed that it has provided inaccurate information to customers.

Table 4.4

Top five qualitative issues for 2010–11

Step 3 complaints received	Step 2 and 3 complaints received	Step 2 and 3 complaints finalised and upheld
Inaction	Inaction	Inaction
Decision making	Decision making	Behaviour
Amount disputed	Behaviour	Decision making
Process	Amount disputed	Process
Affordability	Affordability	Information inaccurate

Source: CSP, *Monthly complaints update – June 2011: Executive Summary – All Business Lines*, internal document, 2011.

4.35 CSP’s primary focus on the qualitative issues of step 3 complaints does not necessarily provide it with a holistic or risk-based view of all areas that need to be addressed, and may lead it to conclude that CSP has resolved an issue that continues to create customer dissatisfaction. Consequently, it is important that CSP analyses the qualitative issues underpinning complaints at all steps to develop an accurate picture of the key drivers of customer dissatisfaction.

Child Support Program Performance Report

4.36 The *Child Support Program Performance Report* is considered by CSP’s Business Operations Committee. The report includes information on complaint numbers and commentary on complaint trends. Over time however, the level of detail in these reports has declined. Recent reporting has concentrated on complaint numbers and comparisons with previous periods. While the issues underpinning the most number of complaints have sometimes been

included, reporting in previous years went further by identifying and commenting on strategies to address the issues.

4.37 CSP advised that the level of detail had been reduced as responsibility for developing strategies to address complaints shifted from the Quality Analysis and Stakeholder Engagement team to individual business lines. CSP acknowledged that more detailed commentary could assist the Executive and business lines to analyse complaint trends and develop strategies to address priority issues. Consequently, CSP is considering ways to improve the information in these reports.

4.38 While the report does not contain information on compliments, it does include some information about suggestions collected through CSP's CHAS survey.⁶⁸ The report collates and reports customers' suggestions by theme, such as: perceived unfairness of CSP, lack of follow-up action and difficulty in understanding CSP letters.

4.39 The themes identified through customer suggestions sometimes align with complaints. For example, 'perceived unfairness of CSP' aligns with the 'objectivity and bias' qualitative issue; and 'lack of follow-up action' aligns with 'inaction'.

4.40 CSP could benefit from comparing the complaints information with the information collected through the CHAS survey to identify and address common issues generating customer dissatisfaction. For example, in 2010–11, the top five themes of customer responses to the CHAS survey were:

- happy with services/procedures;
- improve staff (training and behaviour);
- better provision of information;
- increase CSP powers; and
- improve/changes calculation and/or assessments.

4.41 'Better provision of information' is linked with the accuracy of information provided by CSP, and Table 4.4 shows that complaints about inaccurate information are the fifth highest number of complaints which are upheld. Staff behaviour is also identified as an issue in the CHAS survey

⁶⁸ Customers are asked as part of the CHAS survey to provide a suggestion on how CSP can improve its service.

results, which is supported by the information in Table 4.4. Neither accuracy of information nor staff behaviour is a top five issue among step 3 complaints received. However, when the information from different feedback channels is analysed it shows that they are areas that warrant attention.

4.42 Other issues that have been raised across various feedback sources include:

- capacity to pay reviews⁶⁹, including the quality of evidence considered and improper adherence to relevant policies and processes; and
- care issues, including enforcement of court orders, calculation of care, and application of legislation, indicating that care is an area where CSP can improve decision-making and can investigate ways to better support customers and stakeholders.

4.43 CSP's internal and external reporting regime for feedback generally concentrates on step 3 complaints. However, CSP receives feedback from a variety of sources including customer surveys and stakeholder engagement; and when combined these can present additional insights for management.

Suggestions reporting

4.44 Prior to July 2011, CSP prepared an internal monthly report on suggestions.⁷⁰ The report was made available on CSP's intranet page and contained the number and types of suggestions received. The report also listed the top five suggestion topics.

4.45 The introduction of the iRegister will change the way suggestions are captured and provide a central repository of valuable information. However, the iRegister does not have automated reporting and reports can only be manually created from an Excel spreadsheet extracted from the system. Consequently, there has been no regular reporting on the ideas and issues logged in the iRegister during its trial. Reporting on the information captured by the iRegister could support the identification of common areas where customers are suggesting improvements and also allow the progress of business lines in implementing suggestions to be monitored.

⁶⁹ Capacity to pay reviews can be initiated by CSP or a customer. Reviews can be initiated when a child support assessment does not accurately reflect the income, property or financial resources of one or both parents.

⁷⁰ These reports have been discontinued following the introduction of the iRegister.

Using feedback for business improvement

4.46 In addition to highlighting systemic issues and potential improvements, feedback can be used to inform business strategies and activities, such as reviews. This supports a focus on delivering the best outcomes for customers.

4.47 CSP uses feedback to identify business improvements. For example, after receiving a number of suggestions about improving income information, CSP held an internal workshop with representatives from FaHCSIA that was aimed at generating ideas for improving the accuracy of income data used in child support assessments. CSP has used the outcomes of the workshop to inform government about potential legislative changes and is continuing with this work.

Analysing feedback

4.48 CSP has a number of sources of feedback information, including the CHAS survey results and the Child Support National Stakeholder Engagement Group (CSNSEG) meetings. Using the information from these sources can assist CSP to prioritise business improvements based on commonality and urgency.

CHAS survey

4.49 A review of 2009–10 and 2010–11 CHAS reports showed that recommendations were made, among other things, to:

- train and coach staff on active listening skills and recording customer contacts;
- better assist customers to access information about their cases;
- advise customers of service delays and ensure follow-up processes for customer contact are efficient; and
- review the content and layout of letters.

4.50 Implementing some of these recommendations could assist to address some of the underlying drivers of customer complaints. For example, providing training to staff on active listening could reduce the level of customer dissatisfaction. Further, advising customers of delays to service and ensuring that follow-up processes are efficient could reduce the number of complaints about 'inaction'.

Stakeholder engagement

4.51 There are a number of stakeholder groups with an interest in child support. These stakeholder groups can provide valuable feedback to CSP based on the experiences of the groups' clients (CSP customers) in dealing with the Child Support Scheme. In particular, these stakeholders can highlight shortcomings with service delivery and the unintended consequences of policy and legislation.

4.52 To maintain effective stakeholder engagement, stakeholders need to see that the issues they raise are being appropriately considered. In a 2010–11 stakeholder survey, 65.7 per cent of the stakeholder groups surveyed either agreed or strongly agreed that CSP acts on the feedback it receives. This was an improvement from 2009–10, when only 49.1 per cent of stakeholders agreed.⁷¹

The Child Support National Stakeholder Engagement Group (CSNSEG)

4.53 CSNSEG is the primary community engagement body for stakeholders to raise issues. Not all issues raised through CSNSEG can be resolved to the satisfaction of stakeholders, however, the forum is an important opportunity for Australian Government agencies involved in the Child Support Scheme to engage and understand how policy and administrative issues are impacting on customers.

4.54 In 2010–11, 50 per cent of the CSNSEG stakeholders rated the meetings as 'average' or 'poor' at providing stakeholders with the opportunity to raise and resolve issues, suggest changes to service delivery and deliver positive outcomes. One factor influencing this result could be that some issues are repeatedly raised despite being recorded as 'closed' on the CSNSEG issues register. This suggests that the issues are not being resolved to stakeholders' satisfaction. Examples of issues that have been raised repeatedly include:

- in 2008, 2009 and 2010, stakeholders raised the perceived bias in CSP's enforcement action towards payers; and
- in 2010 and 2011, stakeholders raised issues of inaccurate advice being provided by CSP officers about applying for child support when parents have been unable to prove parentage.

⁷¹ In 2009–10, 435 stakeholders were invited to participate in the survey with a 15 per cent response rate. In 2010–11, 138 stakeholders were invited to participate in the survey with a 33 per cent response rate.

4.55 Stakeholders may also feel that their issues are not being appropriately recognised due to some of the responses they receive. In 2008, stakeholders raised a number of issues in relation to parents' non-compliance with care orders made by courts, and the lack of enforcement of care orders. Stakeholders received a response which advised that the Government was considering recommendations made in a Family Law Council report that reviewed parenting orders. The issues were raised again in 2010 and stakeholders were referred to the previous advice, rather than being provided with an updated response or indication on the possible timing of progress in the area.

4.56 To help promote the benefits of the CSNSEG forum, DHS (working with FaHCSIA) should continue to consult with stakeholders about the status of issues raised, including confirming the adequacy of the information being provided. Limitations to addressing feedback should be explained to stakeholders so there is a mutual understanding that while feedback is valued, it is not always possible to meet stakeholder expectations.

Using feedback to inform business strategies and activities

4.57 Feedback can be used to identify business processes or systems which may require review or improvement, and can highlight areas where further training or guidance may be required to improve staff skills and knowledge. Within CSP's operations, feedback information could be particularly useful to guide quality assurance and review activities.

Quality Assurance Framework

4.58 In July 2011, CSP introduced a Quality Assurance Framework, which identifies decision monitoring as one of eight key functions underlying the framework. CSP has identified three focus areas for the organisation-wide decision monitoring activities: customer management approach, collection, and accuracy of assessment.⁷² Two of these areas, collection and assessment, accounted for 74.9 per cent of step 3 complaints finalised in 2010–11.

4.59 Consequently, improvements adopted as a result of these decision monitoring activities may assist CSP to reduce the level of customer dissatisfaction in these areas. Feedback, particularly upheld complaints about

⁷² These areas are to be reviewed bi-annually.

decision-making, may be a useful information source for CSP to consider in determining future focus areas.

Business Development team

4.60 CSP has a Business Development team that undertakes reviews of CSP's administration to identify improvements, including cost and administrative efficiencies. The areas reviewed are based on ad-hoc requests from CSP's Executive and the Business Development team's annual plan. As is the case for the Quality Assurance Framework, feedback is not considered in developing the annual plan or in planning and implementing the review methodologies.

4.61 Some of the areas reviewed by the Business Development team relate to issues generating customer dissatisfaction, as demonstrated by the April 2011 review of CSP's Employer Services. Employer Services mainly involves the garnishing and voluntary deduction of child support from employees' salaries. In 2010–11, 8.8 per cent of finalised step 2 and 3 complaints were wholly or partially attributed to this issue.⁷³

4.62 The 2011 review made seven recommendations aimed at improving CSP's interaction with employers. These recommendations were primarily aimed at improving CSP's administration, rather than directly improving customer outcomes.

4.63 Undertaking an analysis of complaints and stakeholder feedback as part of the review may have assisted CSP to better target some of the recommendations at those issues that cause customers the most dissatisfaction. For example, stakeholders have raised instances when CSP has not enforced requests for employers to deduct child support. Consistent with this feedback, the review found 41 000 of the 55 000 current garnishee notices (74.5 per cent) were over 12 months old. This finding indicates that these notices are not being regularly reviewed, withdrawn or re-issued as required by the relevant procedural instruction.⁷⁴

⁷³ Complaints can have more than one issue recorded. In 2010–11, CSP finalised 14 033 step 2 and 3 complaints with 16 535 recorded issues.

⁷⁴ The procedural instruction states that notices should be withdrawn after three months if the CSP customer is no longer employed by the employer or re-issued if the child support debt amount changes.

4.64 The review recommendations were focused on the short-term problem and were aimed at moving responsibility for the function within CSP and developing a strategy to address the backlog of 41 000 notices more than 12 months old. The recommendations did not seek to address the systems or processes that support monitoring and enforcing garnishee notices, which would enable CSP to identify those notices that require enforcement.

4.65 Feedback provides useful insights for agencies about areas of customer and stakeholder dissatisfaction, and if used effectively, can identify process or system changes and potential improvements to service delivery methods. CSP can improve its use of feedback information to garner these benefits by analysing and learning from feedback, including in the context of review activity. Making full use of the information available to it can assist CSP to identify changes that can help to build on the current service delivery approach and provide lasting benefits to both customers and staff.



Ian McPhee
Auditor-General

Canberra ACT
31 May 2012

Appendices

Appendix 1: Step 2 and 3 complaint issues

Qualitative Issue	Example of when to use
Affordability	Unable to pay ongoing liability and arrears.
Amount disputed	Disagree with assessment, non-agency payment credit or statement.
Procedural instruction application	Inconsistent application of procedural instructions.
Behaviour	Staff perceived as unprofessional, for example being rude, argumentative.
Call documentation	Call taken but there is no, or inadequate, documentation.
Call return	Customer claims CSO did not return call as arranged.
Compliment	For cases where customer contacts Complaints Services to send a compliment.
Decision-making	Has concerns with decision making process, for example lack of procedural fairness, lack of consultation.
Government policy/Inter agency effects	Does not agree with government policy about child support or has concerns about inter agency policy adversely impacting them, for example CSP and Centrelink.
Inaction	No action taken, for example CSO failed to take action on the case as arranged.
Information inadequate	Not enough information to explain decisions, processes or options.
Information inconsistent	Different information provided by different staff.
Information inaccurate	Incorrect information provided.
Legislation and policy-application	Complaints about application of legislation and policy.
Letters, notices, statements	Wording is confusing, statements are inaccurate.
Objectivity and bias	Taking receiving parent's side, lack of consultation with paying parent.
Outcome	Unhappy, or disagree, with outcome, for example care, non-agency payments or income estimates.
Process	Process too lengthy, lack of consultation with both parties.
CS scheme-design and legislation	Concerns with Scheme and legislation, for example does not agree with the cost of the children part of the formula.
Service continuity	Complaint about dealing with too many staff as opposed to having one CSO.
Timeliness	Action not taken within stated timeframes.

Source: CSP, *Procedural Instruction – Complaints Handling*, internal document, 2011.

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