

# Audit Reports Summaries

## Audit Report No. 9 1995-96

### Summary

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## Department of Social Security

### TELESERVICE CENTRES

### Performance Audit

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#### Background

The Department of Social Security (DSS) charter includes a commitment to deliver social security entitlements with fairness, courtesy and efficiency. Services are provided through a network of 300 Regional Offices and 16 Teleservice Centres, managed by 20 Area Offices and a National Administration in Canberra.

In the latter half of 1992, DSS introduced specialist telephone inquiry operations known as Teleservice Centres. Teleservice Centres were intended to, simultaneously, improve client service; relieve client pressure on DSS's Regional Office network; and generate productivity efficiencies, including cost savings.

The network of Teleservice Centres operated by DSS handled 11.6 million calls in 1994-95 at a cost of \$56 million in salary and administration (including property and call costs).

Specialist telephone inquiry centres, generically referred to in this report as call centres, have become widespread in the private sector. DSS was the first Commonwealth public sector agency in Australia to introduce them, with its Teleservice Centres. These Centres are now an important service outlet for DSS's five million clients. However, Teleservice operations have had difficulty in meeting performance standards relating to the key client service objectives set for the initiative.

#### The reason for the audit

The purpose of the audit was to determine:

- whether the planning and implementation of the DSS Teleservice project has been adequate to ensure successful operations;
- the efficiency and administrative effectiveness of Teleservice Centre management practices;
- whether Teleservice Centres have been successful in delivering the anticipated improvements to client service; and
- what opportunities might be available for improvement in the operation of the Centres.

An important aim of the audit was to ascertain with DSS what value could be added by identifying more administratively effective and efficient means of managing and operating

their Teleservice Centre network. In addition, the ANAO considered that the experience gained and lessons learned from the introduction of Teleservice operations by DSS could improve the planning and implementation of major technology-based operational and client service initiatives in the future, both in DSS and the Australian Public Service (APS) generally.

In carrying out the audit, the ANAO undertook an extensive examination of the Teleservice environment including:

- examining the experience and practices of private sector call centre operations;
- reviewing the DSS Teleservice network, involving detailed discussions with departmental officers, examining files and data and observing Teleservice Centre operations; as well as
- consulting a range of community groups and government agencies familiar with DSS's Teleservice Centre services.

## **Audit findings**

The ANAO found that:

- many of the difficulties faced by Teleservice Centres could have been alleviated, or largely overcome, by better planning, project management and methods used in implementation;
- the nature and levels of resourcing and work practices do not sufficiently support operations;
- service performance targets have consequently not been met;
- initiatives can and have been identified to improve client service. These include:
  - more clearly establishing which elements of client service are most important to the client;
  - determining a more appropriate range and level of service targets;
  - a more systematic approach to quality assurance and control; and
  - improving access to the service (e.g. a wider range of operating hours); and
- Teleservice Centres can be better integrated into DSS operations for better overall performance.

## **Departmental response**

DSS has largely accepted the ANAO recommendations. It has recognised that significant problems exist and has consequently accorded priority to improving the performance of Teleservice Centres. As a result, management of the Teleservice function has improved. DSS also has a number of initiatives underway relevant to the audit findings.

However, the ANAO considers that the extent of the problems are such that more fundamental changes along the lines outlined in this report should be considered by DSS management to deliver administratively effective and efficient Teleservice operations.

DSS has indicated that many of the fundamental changes required are constrained by the APS industrial relations and budgeting environment. While acknowledging such difficulties, the

ANAO suggests that management has to set priorities and achieve the balance necessary between resourcing and other operational concerns and the achievement of program objectives, of which quality client service delivery is acknowledged to be an important element.

## **Overall conclusion**

Teleservice Centres have been a significant investment by DSS in better client service delivery. By their very nature and the dispersed clientele they serve, it was likely that the initiative could take time to mature in terms of the expectations set for Teleservice Centres.

To date, performance has fallen short of the standards and expectations set initially with respect to both client service and operating efficiencies. Many of these difficulties flow from the limited scope of the initial planning and implementation procedures which is not unusual with a new venture where there is little or no previous reference. As a consequence, there are lessons to be gained from this project for future client service technology projects.

Difficulties with resourcing models, staffing arrangements, client service, quality control and assurance, integration and configuration have continued to hamper Teleservice operations. Action in train and proposed by DSS should do much to overcome such difficulties. The ANAO urges the Department to consider seriously the more fundamental changes suggested in the report.