

The Auditor-General  
Audit Report No.32 2004–05  
Performance Audit

## **Centrelink's Customer Charter and Community Consultation Program**

Australian National Audit Office

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of Australia 2005

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Canberra ACT  
9 March 2005

Dear Mr President  
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in Centrelink in accordance with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit to the Parliament. The report is titled *Centrelink's Customer Charter and Community Consultation Program*.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. J. Barrett', is positioned above the printed name.

P. J. Barrett  
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. The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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# Foreword

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This report on Centrelink's Customer Charter and Community Consultation program is one in a series of reports that examine Centrelink's customer<sup>1</sup> feedback systems. The other reports in the series cover Centrelink's: customer satisfaction surveys; complaints handling system; review and appeals system; and Value Creation program. There is also a summary report that brings together the findings and recommendations of each of the reports, and provides an overall audit opinion in respect of Centrelink's customer feedback systems.<sup>2</sup>

Centrelink's prime responsibility is to deliver the Government's social policy agenda, which, until October 2004, occurred mainly as part of its Business Partnership Agreement (BPA) with the Department of Family and Community Services (FaCS).<sup>3</sup> The agency also provides many other services and, in 2003–04, delivered products and services on behalf of 25 Commonwealth and State client agencies, involving total annual expenditure of approximately \$60 billion. Centrelink has over 25 000 staff and delivers services through a network of 15 Area Support Offices, 321 Customer Service Centres and 26 Call Centres located across Australia.

In 2003–04, Centrelink delivered services to 6.5 million customers, or approximately one-third of the Australian population. Customers include retired people, families, sole parents, people looking for work, people with disabilities, carers, Indigenous Australians<sup>4</sup> and people from diverse cultural and linguistic backgrounds (DCALB).<sup>5</sup> Revenues to Centrelink for the sale of its services totalled \$2.2 billion in 2003–04. FaCS contributed \$2.0 billion of this total.

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<sup>1</sup> Customer is a term used by Centrelink throughout the organisation and in its dealings with, predominately, citizens. As such, this and related reports have similarly used the terminology.

<sup>2</sup> ANAO Audit Report No.31 2004–05, *Centrelink's Customer Feedback Systems—Summary Report*.

<sup>3</sup> On 22 October 2004, the Prime Minister announced machinery of government changes affecting, among other things, the administration of policy relating to income support payments and related programs. Previously, Centrelink was located in the FaCS Portfolio and, while it had agreements in place with other agencies such as Department of Employment and Workplace Relations (DEWR) and the Department of Education Science and Training (DEST) for the delivery of some services, the overwhelming bulk of Centrelink's activities related to its delivery of services on behalf of FaCS. As a result of the changes announced by the Prime Minister, Centrelink is now part of the newly established Department of Human Services Portfolio. In addition, DEWR now has policy responsibility for the delivery of working age income support payments (including Newstart, Parenting Payment (partnered and single), Youth Allowance for non-students, Disability Support Pension and Mature Age Allowance) and DEST has policy responsibility for income support payments for students (including Youth Allowance for students which had previously been administered by FaCS).

<sup>4</sup> 'Indigenous Australian' in this report means Aboriginal and Torres Strait Islander peoples.

<sup>5</sup> DCALB is a term used by Centrelink to describe people of diverse cultural and linguistic background, other than Indigenous Australians.

The high number of customers, their reliance on Centrelink payments, and the \$2.2 billion service delivery costs, coupled with the \$60 billion in customer payments, require an assurance to the Parliament, client agencies, customers and the community, inter alia, that Centrelink's service delivery processes are readily accessible, timely and reliable. In addition, that assurance should encompass Centrelink obtaining and valuing the views of its customers, as well as using this information and other data sources to identify areas for improvement and cost savings.

The ANAO has previously conducted an extensive series of audits involving Centrelink. These audits have primarily investigated the efficiency and effectiveness of the payment and administration of various types of social security payments. The ANAO has not previously examined Centrelink's processes for promoting customers' rights, nor its systems for obtaining and responding to customer feedback.

Customer feedback systems are an important element in obtaining, analysing and reporting on customer views and experiences. The use of such information has the potential to improve an organisation's service delivery, and consequently increase customers' willingness to engage with the organisation. Using customer feedback may also assist in the identification of systemic problems with agency practices and procedures, which could result in cost savings from the development of better processes.

Centrelink, with over six million customers, has invested significant resources in a range of customer feedback systems, and gathers large amounts of information regarding customer experience. While Centrelink provides services to almost a third of the Australian population covering people from all walks of life, a number of its customers are the most vulnerable in our society, and are those who have a heavy dependence on Centrelink. Ensuring that these customers are aware of, and use, Centrelink's feedback systems is an added challenge for the organisation.

This series of reports examines Centrelink's major customer feedback systems, and makes a number of recommendations on ways to improve the systems to better obtain and utilise the allied information, with a view to capturing better the potential for service improvement and cost savings, resulting in more efficient and effective program outputs and outcomes.



P. J. Barrett  
Auditor-General

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# Abbreviations

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ANAO	Australian National Audit Office
ASO	Area Support Office
ATO	Australian Taxation Office
CSC	Customer Service Centre
CSO	Customer Service Officer
DCALB	Diverse Cultural and Linguistic Background
DEST	Department of Education, Science and Training
DEWR	Department of Employment and Work Relations
FaCS	Department of Family and Community Services
HIC	Health Insurance Commission
ISO	Indigenous Service Officer
MSO	Multicultural Service Officer
NIC	National Indigenous Coalition
NSO	National Support Office
OOF	Outcomes and Output Framework
SSAT	Social Security Appeals Tribunal
TTY	Telephone Typewriter
VCW	Value Creation Workshop

# Glossary

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Balanced Scorecard	A performance measurement system monitoring performance against key indicators across the goals set out in Centrelink's Strategic Framework.
Business Partnership Agreement	<i>FaCS-Centrelink Business Partnership Agreement 2001–2004.</i> This document provided the basis for the relationship between the two Commonwealth agencies, which is a unique arrangement characterised by purchaser/provider responsibilities as well as partnership and alliance.
Customer Charter	The Customer Charter is Centrelink's primary service offer to all its customers. The Charter sets out the type of service customers can expect, their basic rights and responsibilities, and how they can give Centrelink feedback.
Customer Experience Strategy	The Customer Experience Strategy document describes Centrelink's Customer Experience Management Model and uses the model to build the Customer Experience Strategy for 2004–06. The focus is on the customer experience, encompassing the actual physical and emotional experience of Centrelink customers across all moments of contact with Centrelink.
Indigenous Australians	Aboriginal and Torres Strait Islander Peoples.
Guiding Coalition	The Guiding Coalition is Centrelink's internal corporate Board. It comprises all the Senior Executive Staff (SES) officers of Centrelink and meets every six to eight weeks to discuss strategic issues of importance as well as make decisions about Centrelink's management and business directions.
Telephone typewriter	Allows people who are deaf or hearing impaired to communicate by telephone.

Value Creation Workshop	VCWs are structured and facilitated focus groups that involve both the customers of the services delivered by Centrelink and the providers of these services (that is relevant Centrelink staff). The workshops are intended to allow customers to provide direct feedback to Centrelink and its staff regarding the services that they receive.
Vulnerable Customers	Vulnerable customers may include those customers who are homeless, have a drug or alcohol dependency, have low levels of literacy or numeracy, have a mental health condition, are Indigenous and/or come from a diverse cultural and linguistic background.

# Summary and Recommendations



# Summary

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## Background

1. In 2003–04, Centrelink delivered services to 6.5 million customers, or approximately one-third of the Australian population. A number of these customers are the most vulnerable<sup>6</sup> in our society, and are those who have a heavy dependence on Centrelink.

2. Centrelink has recognised the importance of regularly seeking feedback from its large customer base on the quality of the services provided by the agency's extensive customer service network. Two major components of Centrelink's customer feedback system are the Customer Charter and the Community Consultation program. The Charter is Centrelink's major means for advising customers of their rights, including access to feedback mechanisms, their obligations, and what type of services they can expect to receive. Community consultation is a key component of Centrelink's strategic goals, and provides a platform for Centrelink to assist its customers in moving towards greater social and economic participation.

3. The Customer Charter is the starting point for Centrelink's customer feedback system; and is viewed by Centrelink as the public expression of its commitment to good customer service. The importance of the Charter is also reflected in Centrelink's view of the Charter as a powerful tool to improve service delivery to the general public and other stakeholders.

4. Community consultation is a key priority in Centrelink's strategy document, *Future Directions 2003–2006*. The community sector assists Centrelink by assisting customers in their dealings with Centrelink, including complying with their obligations. The community sector is also another avenue for Centrelink to inform customers of their rights and how to access feedback mechanisms. Therefore, it is important for Centrelink to consult with the sector in order to achieve greater social and economic participation for their customers, and to help their customers achieve ready access to relevant support and information.

## Audit approach

5. The primary objective of the audit in respect of Centrelink's Customer Charter was to examine the effectiveness of the Charter as a means of setting up customer expectations with respect to service delivery, their obligations,

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<sup>6</sup> Vulnerable customers may include those customers who: are homeless; have a drug or alcohol dependency; have low levels of literacy or numeracy; have a mental health condition; are Indigenous; and/or come from a diverse cultural and linguistic background.

rights and identifying feedback mechanisms; as well as by communicating effectively with customers so as to help them understand their rights and the feedback mechanisms and processes available to them.

6. The primary objective of the audit in respect of Centrelink's Community Consultation program was to examine the effectiveness, efficiency and economy of aspects of Centrelink's Community Consultation program relating to Indigenous Service Officers (ISOs) and Multicultural Service Officers (MSOs) as vehicles for Centrelink to gather, measure, report and respond effectively to customer feedback.

7. For both the Customer Charter and aspects of the Community Consultation program, the audit sought to examine the extent to which Centrelink uses the data obtained from these mechanisms to identify opportunities for improving service delivery, and to inform its strategic planning and efficient procedural development processes.

8. Accordingly, the ANAO examined the Charter as a vehicle for improving service delivery, the availability and appropriateness of information on the Charter to customers, including: the customer awareness of the Charter and its commitments; the frequency and manner in which the Charter is revised; and the collection and use of performance data on the impact and effectiveness of the Charter.

9. In the examination of the various aspects of Centrelink's Community Consultation program, addressed in this audit, the ANAO interviewed 28 stakeholder organisations, including advocacy groups, peak bodies representing various customer groups, and organisations that provide services directly to customers. The audit team also interviewed a number of Centrelink staff including MSOs, ISOs, Community Support Workers, and others in relevant areas of Centrelink's National Support Office (NSO).

10. The focus of this audit on aspects of Centrelink's Community Consultation program was basically about specific community consultation issues, which came to the ANAO's attention in the course of the audit fieldwork conducted for the ANAO's series of audits of Centrelink's customer feedback systems. These included: issues relating to the relationships at the local level between Area Support Offices (ASOs) and Customer Service Centres (CSCs), and community groups; NSO's role in relation to community consultation; consultation with customers from a diverse cultural and linguistic background (DCALB) and the Indigenous community; and how information obtained from such community consultation is monitored and reported upon in Centrelink.

## Key findings

### Overview

11. Centrelink recognises the value of obtaining customer feedback. To this end, Centrelink has a broad range of mechanisms for collecting customer feedback including satisfaction surveys, appeals and complaints systems, and Value Creation Workshops (VCWs). The Customer Charter is the starting point for Centrelink's customer feedback system. It is the major vehicle for advising customers of their rights including access to feedback mechanisms, their obligations and what type of service they can expect to receive. Community consultation is a key component of Centrelink's strategic goals, and provides a basis for Centrelink to assist its customers in moving towards greater social and economic participation in accordance with government policy.

### Centrelink's Customer Charter (Chapter 2)

12. The Customer Charter is regarded by Centrelink as central to improving service delivery. However, the Charter only partially follows the mandatory elements, and either partially, or fully, meets some of the recommended elements, of the Australian Government's *Client Service Charter Principles* (the Principles).<sup>7</sup> Another issue is the limited resources made available by Centrelink over the last three years for reviews of the appropriateness of the Charter, including for customer and community consultation.

13. The Charter has been reviewed five times since its inception in 1997. However, a lack of funding for Charter review has meant that Centrelink has been unable to speak to customers directly about the Charter for at least the past three years. Similarly, limited resources have been made available to improve customer awareness of the Charter.

14. In particular, the Charter is not very accessible to vulnerable groups, such as illiterate or semi-literate customers. There is no monitoring undertaken in relation to access to translated versions of the Charter for DCALB customers. During fieldwork, it became apparent that Centrelink's Indigenous Charter was not well known among Centrelink staff.

15. The Charter has no explicit measurable service standards which, according to the Principles, are the main purpose of a charter. Accordingly, important aspects of the Charter are not specifically reported upon in the Balanced Scorecard. As a consequence, there is very little monitoring of its effectiveness. The commitments in the Charter are not explicitly linked to

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<sup>7</sup> The Principles contain a number of mandatory and recommended components intended to assist Government agencies in their development of a charter.

customer feedback nor to satisfaction initiatives. There is an absence of any explicit standards and related information, collected on performance, against any of the specific commitments in the Charter necessary to help drive service improvement.

16. The Charter is not well reported upon in Centrelink's annual reports. Information on customer service provided in Centrelink's annual reports gives little insight to the relevance or effectiveness of the Charter. The information contains specific percentages of satisfaction derived from customers' answers to questions in Centrelink's satisfaction surveys that are relevant to Charter commitments, but it is not clear how the results should be interpreted.

17. Understanding and transparency of Centrelink's performance would be enhanced by explaining the significance of results, for example, as compared with expectations, past performance and/or other organisations' outcomes. Information on how the results have influenced Centrelink's customer service, and its relationship with customers, would also be valuable.

18. In regard to client service standards, Centrelink's Customer Charter contains no explicit service standards, which is contrary to the mandatory requirement under the Principles to have measurable service standards. For example, there are no explicit standards for the speed, accuracy or quality of service specified in the Charter. Nevertheless, Centrelink's Charter is fully consistent with some of the recommendations of the Principles, for example in relation to format and style. However, the Charter includes less information for Centrelink's customers about the agency, and the services it offers, than is recommended by the Principles.

### **Aspects of Community Consultation (Chapter 3)**

19. Centrelink has available a number of ways in which it consults with the community, including reference groups at the national and Area level, consultation with specific community groups by specialist staff, VCWs, the Community Sector Satisfaction Survey and other informal feedback methods.

20. The ANAO found that there was inconsistent contact between the smaller community groups and Centrelink at the Area and local levels. This in turn means that the relationship between Centrelink and peak community groups is perceived more favourably than the relationship between ASOs and CSCs and the community groups at the 'coalface'. Stakeholders interviewed by the ANAO indicated that, although Centrelink was receptive to ideas from community groups at the national level, this did not translate to effective action at the local level.

21. The inconsistent contact between smaller community groups and Centrelink CSCs and ASOs results in conflicting, and often incomplete, information being received by these groups. Smaller community groups

provide assistance to Centrelink by helping its customers. Therefore, the overall weak ties between Centrelink and these groups is likely to pose a risk to the level of service delivery to the individuals who predominately rely on assistance from such community groups.

**22.** This issue of inconsistent contact among community groups, ASOs and CSCs, is compounded by the restricted role of NSO. National Teams in NSO develop the policies and processes aimed at improving services to DCALB and Indigenous customers. However, ASOs independently make the decisions about whether they will implement these policies and/or processes, the extent to which they will do so and the placement of the relevant resources. As a result, NSO teams do not systematically monitor Areas' take-up and implementation of the policies and processes.

**23.** In relation to customer feedback, senior managers within NSO advised the ANAO during audit fieldwork that they can only 'influence' the Areas rather than mandate strategies or tools for use by all Centrelink offices. Further, the ANAO was advised that this is also the case in respect of whether there is appropriate coverage across the network of particular initiatives, for example, in terms of the number and placement of MSOs and ISOs in Areas.

**24.** The ANAO considers it is important that effective systems are in place to allow efficient and consistent implementation of community consultation initiatives, and to contribute to the provision of consistent quality of outcomes for customers across its network. Such systems could also support the identification and propagation of better practice, and the identification of cost savings as a basis for delivering better services.

**25.** The information about initiatives undertaken by local CSCs and ASOs within the community apparently does not filter through to Centrelink's NSO. As a consequence, NSO cannot use such data in strategic planning to identify common issues and trends at the local level. It is important that this data is used at the national level in Centrelink for strategic planning, due to its favourable impact on service delivery. Currently, the lack of impact of this data on service delivery means that issues flagged at the local level do not necessarily translate to service changes at this level.

**26.** Part of the reason for local information not filtering through to NSO is that, while Centrelink has a range of methods to monitor and report on community consultation at the various levels within the organisation, this monitoring and reporting is largely descriptive in nature. The information provided is a narrative, or listing, of consultation activities with the community. It involves very little analysis in terms of assessment, planning, or levels of quality, effectiveness or impact. Therefore, as there is no systematic approach to recording or analysing the data, it is difficult for Centrelink to identify areas for service improvement at the Area or local level.

27. Descriptive information can be a useful component in assessing community consultation. However, capturing and reporting quantitative and qualitative performance data would allow Centrelink to better understand trends and/or undertake an analysis of such performance in this area. This performance information would generally assist in informing management on possible areas for improvement in community consultation.

## Overall audit conclusion

28. Centrelink has invested significantly in the development of its Charter. The agency was one of the first in the Australian Government to develop and implement a customer charter. In 1999 and 2000, Centrelink won awards for its Charter under the Service Charters - Awards for Excellence<sup>8</sup> scheme.<sup>9</sup>

29. However, Centrelink's Customer Charter only partially follows the mandatory elements and either partially, or fully, meets some of the recommended elements of the Australian Government's *Client Service Charter Principles*. In particular, the Charter has no explicit measurable standards which, according to the Principles, are the main purpose of a charter. Since Centrelink's Charter has no explicit standards, important aspects of the Charter are not specifically reported upon in the Balanced Scorecard; and there is very little monitoring of its impact and/or effectiveness. The commitments in the Charter are not explicitly linked to customer feedback or satisfaction initiatives. There is also minimal reporting on the Charter in the annual report. Given the minimal collection, analysis and reporting of performance data on the Charter, it is difficult to identify how the Charter is used to help drive service improvement.

30. As noted in the section on the approach of the audit, the focus of this audit of aspects of Centrelink's Community Consultation program was basically about specific community consultation issues, which came to the ANAO's attention in the course of the audit fieldwork conducted for the ANAO's series of audits for Centrelink's customer feedback systems. Accordingly, while the audit report provides an overview of Centrelink's Community Consultation program, the focus of the audit was on specific issues relating to consultation with multicultural and Indigenous community

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<sup>8</sup> The Service Charters - Awards for Excellence scheme has been operating since 1999. The scheme provides an incentive for Australian Government departments and agencies to improve the quality and efficiency of service delivery through the application of their service charters. The objective of the awards scheme is to recognise the high standard of service provided to the Australian public by departments, agencies and their staff.

<sup>9</sup> These awards were for demonstrated excellence in the use of service charters to drive service delivery for clients with additional needs, to clients in rural and regional Australia and in relation to online service delivery.

groups, and how information obtained from such community consultation is monitored and reported upon in Centrelink.

**31.** The ANAO concluded that there was inconsistent contact between the smaller community groups and Centrelink at the Area and local levels. The inconsistent contact between smaller community groups, Centrelink CSCs and ASOs, resulted in conflicting and incomplete information being received by the community groups. This, in turn, affected their ability to provide services to shared customers.

**32.** This issue of inconsistent contact among community groups, ASOs and CSCs, is compounded by the restricted role of NSO, which does not mandate policies and processes developed by NSO teams relating to community consultation. As a result, NSO teams do not systematically monitor Areas' adoption and implementation of the policies and processes.

**33.** The information about initiatives undertaken by local CSCs and ASOs within the community apparently does not filter through to Centrelink's NSO. Also, the information on community contact, which is gathered from the local and Area levels in Centrelink, is largely descriptive in nature. As a consequence, there is difficulty in aggregating and analysing the data. This, in turn, limits the use of the data in strategic planning by NSO to identify common issues and trends at the local level.

## Recommendations

**34.** The ANAO made two recommendations to improve Centrelink's Customer Charter and Community Consultation program performance.

## Agency response

**35.** The CEO of Centrelink advised the ANAO on 7 February 2005 that he welcomed the report and agreed with both recommendations. Additional comments were provided in response to Recommendation No.2 (see paragraph 3.98).

# Recommendations

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**Recommendation  
No. 1  
Para. 2.115**

The ANAO recommends that, in accordance with the guidance set out in the Australian Government's *Client Service Charter Principles*, Centrelink include in its Customer Charter measurable service standards to:

- (a) better inform customers of the level of service to expect; and
- (b) provide an improved basis for measuring, monitoring and reporting, both internally and externally, the agency's performance against its Charter.

*Centrelink response:* Agree.

**Recommendation  
No. 2  
Para. 3.97**

The ANAO recommends that Centrelink:

- (a) implement adequate systems to monitor community consultation nationally, and to identify, at the national level, common issues/trends that are emerging at the local level to allow identification of service improvement and cost savings; and
- (b) put in place quantitative indicators, such as targets and cost effectiveness measures, in addition to descriptive indicators, when assessing and reporting its consultations with community stakeholders.

*Centrelink response:* Agree.

# **Audit Findings and Conclusions**



# 1. Introduction

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*This chapter provides background information on the role of the Customer Charter and Centrelink's Community Consultation program. It also explains the approach, objectives and methodology of the audit and describes the structure of the report.*

## Background

**1.1** In 2003–04, Centrelink delivered services to 6.5 million customers, or approximately one-third of the Australian population. Customers include retired people, families, sole parents, people looking for work, people with disabilities, carers, Indigenous Australians<sup>10</sup> and people from diverse cultural and linguistic backgrounds (DCALB).<sup>11</sup> A number of these customers are the most vulnerable<sup>12</sup> in our society, and are those who have a heavy dependence on Centrelink.

**1.2** Centrelink has recognised the importance of regularly seeking feedback<sup>13</sup> from its large customer base on the quality of the services provided by the agency's extensive customer service network. Two major components of Centrelink's customer feedback system are the Customer Charter and community consultation. The Charter is Centrelink's major means for advising customers of their rights, including access to feedback mechanisms, their obligations, and what type of services they can expect to receive. Community consultation is a key component of Centrelink's strategic goals, and provides a platform for Centrelink to assist its customers in moving towards greater social and economic participation.

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<sup>10</sup> 'Indigenous Australian' in this report means Aboriginal and Torres Strait Islander peoples.

<sup>11</sup> DCALB is a term used by Centrelink to describe people of diverse cultural and linguistic background, other than Indigenous Australians.

<sup>12</sup> Vulnerable customers may include those customers who: are homeless; have a drug or alcohol dependency; have low levels of literacy or numeracy; have a mental health condition; are Indigenous; and/or come from a diverse cultural and linguistic background.

<sup>13</sup> Feedback is information received by Centrelink from customers and the community on Centrelink programs and service delivery. Feedback is received by Centrelink through a variety of ways including the complaints mechanism, surveys, Value Creation Workshops, and the review and appeals system.

## Customer Charter

**1.3** The Customer Charter is the starting point for Centrelink's customer feedback system, and is viewed by Centrelink as the public expression of its commitment to good customer service. Centrelink's 2002–03 Annual Report stated:

...the Centrelink Customer Charter is Centrelink's primary service offer to all its customers. The Charter sets out the type of service customers can expect, their basic rights and responsibilities, and how they can give Centrelink feedback.<sup>14</sup>

**1.4** The Customer Charter provides an overview of Centrelink's customer service including:

- how staff promise to treat customers;
- how customers can assist staff in servicing them better;
- customer rights;
- customer responsibilities; and
- how customers can give Centrelink feedback on the service they receive.

**1.5** The importance of the Customer Charter is reflected in Centrelink's view of the Charter as 'a powerful tool to improve service delivery to the general public and other stakeholders—whether it be across the counter, via the telephone or through electronic means'.<sup>15</sup> Centrelink further considers that 'the Charter also ensures the agency is a customer-focused, open and accountable entity'.<sup>16</sup>

**1.6** Centrelink has invested significantly in the development of its Charter, and has developed a range of products to complement and support the Charter itself, including: a Charter placemat, poster, and pamphlet; factsheets in languages other than English; and the Indigenous Charter.

**1.7** In 1999 and 2000, Centrelink won awards for its Charter under the Service Charters—Awards for Excellence<sup>17</sup> scheme. These awards were for demonstrated excellence in the use of service charters to drive service delivery for clients with additional needs, to clients in rural and regional Australia, and in relation to online service delivery.

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<sup>14</sup> Centrelink, *Annual Report 2002–03*, p. 18.

<sup>15</sup> Centrelink, *An Introduction to the Charter*, September 2003, p. 2.

<sup>16</sup> *ibid.*

<sup>17</sup> The Service Charters—Awards for Excellence scheme has been operating since 1999. The scheme provides an incentive for Commonwealth departments and agencies to improve the quality and efficiency of service delivery through the application of their service charters. The objective of the awards scheme is to recognise the high standard of service provided to the Australian public by departments, agencies and their staff.

## Community consultation

**1.8** Community consultation is a key priority in Centrelink's strategy document—*Future Directions 2003–2006*. One of Centrelink's five strategic goals is to 'work closely with business and the community sectors to achieve positive outcomes for Australians'.<sup>18</sup>

**1.9** The emphasis Centrelink places on community consultation, particularly in terms of achieving greater participation for customers, is echoed in Centrelink's Annual Report 2002–03:

Feedback from the community sector has highlighted the importance of building stronger relationships at the national, state, area and local levels. Centrelink cannot address customer issues in isolation, as we are not the only ones who connect with our customers. If Centrelink is to help customers to move towards greater social and economic participation, and help them get access to relevant support and information, we must work closely with the wider community.<sup>19</sup>

**1.10** The community sector assists Centrelink by assisting customers in their dealings with Centrelink, including complying with their obligations. The community sector is also another avenue for Centrelink to inform customers of their rights and how to access feedback mechanisms.

**1.11** Although Centrelink's community consultation activities were not intended to be a focus for audit in this series of audits of Centrelink's feedback systems, evidence obtained during audit fieldwork in relation to community consultation led to a number of relevant audit findings.

**1.12** Centrelink has undertaken a number of initiatives at both the national and local levels to achieve its strategic goal relating to the community sector:

Centrelink's role in the community, and its commitment to working closely with the community for the benefit of our customers, has seen a wide range of activities, relationships and collaborations developed with external organisations and within the community at the national, Area, regional and local levels.<sup>20</sup>

**1.13** Centrelink has also communicated the importance of community consultation to staff at all levels through Guiding Coalition<sup>21</sup> updates, presentations at key Area Support Offices (ASO) and National Support Office

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<sup>18</sup> Centrelink, *Future Directions 2003–2006*, p. 16.

<sup>19</sup> Centrelink, *Annual Report 2002–03*, p. 127.

<sup>20</sup> Centrelink, *Centrelink's Role in the Community*, August 2004, p. 1.

<sup>21</sup> The Guiding Coalition is Centrelink's internal corporate Board. It comprises all the Senior Executive Staff (SES) officers of Centrelink and meets every six to eight weeks to discuss strategic issues of importance as well as make decisions about Centrelink's management and business directions.

(NSO) forums, at business planning conferences and in leadership and management courses.

## Audit approach

**1.14** Until the machinery of government changes following the October 2004 Federal Election,<sup>22</sup> Centrelink's delivery of services on behalf of the Department of Family and Community Services (FaCS) constituted the overwhelming bulk of Centrelink's activities.<sup>23</sup> As indicated in the foreword to this audit report, given the importance of customer feedback to Centrelink's business, the ANAO considered it timely to conduct a series of performance audits relating to Centrelink's customer feedback systems, particularly in relation to its delivery of the services then provided on behalf of FaCS.

**1.15** The overarching objective of the series of ANAO performance audits of Centrelink's customer feedback systems was to assess whether Centrelink has effective processes and systems for gathering, measuring, reporting and responding effectively to customer feedback, including in relation to customer satisfaction with Centrelink services and processes. More detail about this is included in the foreword to this report and in the overarching report, ANAO Audit Report No.31 2004–05 *Centrelink's Customer Feedback Systems—Summary Report*.

**1.16** The ANAO consulted with Centrelink to establish the agency's key customer feedback systems to be included in the the series of audits to be undertaken to inform the ANAO's conclusions against this overarching objective. The Customer Charter is Centrelink's primary document for communicating its service commitments to its customers. Accordingly, it was selected as part of this series of audits.

**1.17** The Community Consultation program is one of Centrelink's key strategic priorities, and the role of the community sector provides another avenue for Centrelink to connect with customers. In this circumstance, the

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<sup>22</sup> On 22 October 2004, the Prime Minister announced machinery of government changes affecting, among other things, the administration of policy relating to income support payments and related programs. Previously, Centrelink was located in the FaCS Portfolio and, while it had agreements in place with other agencies such as Department of Employment and Workplace Relations (DEWR) and the Department of Education Science and Training (DEST) for the delivery of some services, the overwhelming bulk of Centrelink's activities related to its delivery of services on behalf of FaCS. As a result of the changes announced by the Prime Minister, Centrelink is now part of the newly established Department of Human Services Portfolio. In addition, DEWR now has policy responsibility for the delivery of working age income support payments (including Newstart, Parenting Payment (partnered and single), Youth Allowance for non-students, Disability Support Pension and Mature Age Allowance) and DEST has policy responsibility for income support payments for students (including Youth Allowance for students which had previously been administered by FaCS).

<sup>23</sup> Accordingly, until October 2004, FaCS was Centrelink's major source of revenue, providing approximately 91 per cent of Centrelink's revenue in 2003–04. *Centrelink Annual Report 2003–04*, p. 196.

ANAO considered that coverage of this program was also required in this series of audits. However, the breadth of this program is significant. Accordingly, while the audit report provides an overview of Centrelink's Community Consultation program, the focus of the audit was basically about specific issues relating to consultation with multicultural and Indigenous community groups, and how information obtained from such community consultation is monitored and reported upon in Centrelink.

**1.18** The specific objectives of the audit of Centrelink's Customer Charter and Community Consultation program were, therefore, to examine:

- the effectiveness of the Customer Charter as a means of setting up customer expectations with respect to service delivery, their obligations, rights and identifying feedback mechanisms; as well as by communicating effectively with customers so as to help them understand their rights and the feedback mechanisms and processes available to them;
- the effectiveness, efficiency and economy of aspects of Centrelink's Community Consultation program relating to Indigenous Service Officers (ISOs) and Multicultural Service Officers (MSOs) as vehicles for Centrelink to gather, measure, report and respond effectively to customer feedback; and
- the extent to which Centrelink uses the data obtained from these mechanisms to identify opportunities for improving service delivery, and to inform its strategic planning and efficient procedural development processes.

## Audit methodology

### Customer Charter

**1.19** The methodology used to examine the efficiency and effectiveness of Centrelink's Customer Charter, included an assessment of:

- the Charter as a vehicle for improving service delivery, and the extent to which it is important across the agency and to customers;
- the availability and appropriateness of information on the Charter to customers including the customer awareness of the Charter and its commitments, and the way in which this information is recorded and reported;
- the frequency and manner in which the Charter is revised; and

- how performance data on the Charter is collected, analysed and reported in Centrelink; and further, how this information is used to improve performance in customer charter practices or standards.

**1.20** The ANAO also examined Centrelink's Charter against the Australian Government's *Client Service Charter Principles*, and compared Centrelink's Charter with the charters of other Australian Government agencies with similar large client bases including the Australian Taxation Office (ATO) and the Health Insurance Commission (HIC).

**1.21** The ANAO engaged Mr Lewis Hawke of Apozema Pty Ltd, an expert in charter development and analysis, to assist in the analysis of the Charter.

## **Community Consultation**

**1.22** The ANAO interviewed 28 stakeholder organisations, including advocacy groups, peak bodies representing various customer groups (ranging from the aged to the homeless), and organisations that provide services directly to customers (including assisting customers in their dealings with Centrelink). Accordingly, the stakeholder groups interviewed varied from national peak bodies with substantial resources and high level access to Centrelink through to customer advocates and groups that provide assistance to Centrelink's most vulnerable customers. The results of these interviews have been used to inform the findings of all of the audits in the Centrelink Customer Feedback Systems series.

**1.23** In particular, these interviews highlighted the role the community sector plays as a conduit for information from Centrelink to customers, including providing information and advice on Centrelink's feedback mechanisms.

**1.24** As mentioned above, the scope of Centrelink's Community Consultation program is very wide. The focus of this audit was basically about specific issues relating to consultation with vulnerable people, multicultural and Indigenous community groups, and how information obtained from such community consultation is monitored and reported upon in Centrelink.

**1.25** Accordingly, the audit team interviewed a number of Centrelink MSOs, ISOs, and Community Support Workers, for whom a large part of their role is consulting with relevant community groups and vulnerable customers. Relevant areas of Centrelink's NSO were also consulted, in particular the Community Sector and Business Liaison team, the Multicultural Services team and the Indigenous Services team.

**1.26** The ANAO notes that there is a wide range of other Centrelink specialist staff who also have a role in Centrelink's overall Community Consultation program. These include Social Workers, Personal Advisers, Financial Information Services Officers, JET (Jobs, Education and Training) Officers, Debt Prevention Management Officers, and Disability Officers. The contribution of these specialist staff is not specifically covered by this audit.

**1.27** Fieldwork was conducted primarily from October 2003 to July 2004. The audit was conducted in accordance with ANAO auditing standards at a cost to the ANAO of some \$174 000.

## Structure of the report

**1.28** This report contains three chapters. Chapter 2 reviews the Customer Charter, Centrelink's major means of advising customers of their rights and obligations, and what they can expect from Centrelink. Chapter 3 provides an overview of Centrelink's Community Consultation program; discusses specific issues relating to consultation with multicultural and Indigenous community groups; and examines how information from community consultation is monitored and reported upon in Centrelink.

## 2. Customer Charter

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*This chapter provides information on the role of the Charter in establishing customer expectations regarding Centrelink's services, the development and reviews of the Charter, the effectiveness of the Charter, and Centrelink's monitoring and reporting on the Charter.*

### Background

**2.1** The Australian Government has recognised the importance of agencies, which deliver services to the public, having a Customer Charter. Accordingly, the Australian Government has issued the *Client Service Charter Principles* (the Principles) that require all Commonwealth agencies, having an impact on the public, to have a public charter. The Principles also provide a range of guidance to agencies on the development of their charters. The Principles state that a Service Charter is viewed as:

... a simple public document, developed in consultation with staff and customers that continually grows with an organisation. It sets out the standards of service customers can expect. A Charter is a strong performance measurement and accountability tool as it focuses on customer service outcomes.<sup>24</sup>

**2.2** As noted in Chapter 1, Centrelink views its Customer Charter<sup>25</sup> as a powerful tool to improve service delivery to the public and to stakeholders through the various service delivery channels, and to ensure the agency is a customer-focused, open and accountable entity.<sup>26</sup>

**2.3** Centrelink requires the Customer Service Charter be displayed in all public contact areas.<sup>27</sup> During ANAO fieldwork, Centrelink staff noted that they had been informed by the then Chief Executive that the Customer Charter is an important document to have placed on their desks. The Chief Executive had also requested that all staff, having direct contact with customers, have the Customer Charter placemat on their desk, in full view of the customer. Centrelink's intranet also advises staff that it is mandatory to have a selection of pamphlets in the brochure display stands in Customer Service Centres (CSCs), and that a Charter Poster should be hung on the wall in each office in a prominent position.<sup>28</sup>

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<sup>24</sup> <<http://www.apsc.gov.au/charters/>>.

<sup>25</sup> Can be viewed at <[http://www.centrelink.gov.au/internet/internet.nsf/about\\_us/customer\\_charter.htm](http://www.centrelink.gov.au/internet/internet.nsf/about_us/customer_charter.htm)>.

<sup>26</sup> Centrelink intranet, *Customer Research: Why do we have Customer Charter?*

<sup>27</sup> Centrelink intranet, *Communication, Media and Marketing: Centrelink Style: Customer Contact*.

<sup>28</sup> Centrelink intranet, *Communication, Media and Marketing: Centrelink Style: Desk Presentation*.

**2.4** The ANAO conducted an assessment of Centrelink's Customer Charter in light of its significance as the agency's 'primary service offer for communicating its service commitments to its customers'.<sup>29</sup> Centrelink's Charter is a means of setting up customer expectations with respect to service delivery, their obligations, rights and identifying feedback mechanisms.<sup>30</sup> Centrelink also has a number of information products available to its customers which provide an overview of specific services, payments, or customer rights and obligations. However, the Charter seeks to provide a comprehensive overview of Centrelink services, and is the document customers receive during their initial Centrelink meeting in order to inform them of their rights. It is, therefore, important that the Charter communicates effectively with customers in order to help them understand their rights and the feedback systems<sup>31</sup> available to them.

## Development and review of the Charter

**2.5** The Charter was established in September 1997, at the same time as Centrelink itself was launched. This provided Centrelink with the opportunity to shape its customer service and customer relationship approach around the Charter, and to manage its performance against the principles and commitments set out in the Charter from the establishment of the organisation.

**2.6** The Charter reflects a key commitment in Centrelink's strategic directions<sup>32</sup> to customer service including communicating rights and responsibilities, and providing feedback mechanisms. The development of the Charter involved consideration of the Australian Government Principles and consultation with staff, customer groups, client departments and other stakeholders, and it received high level support from within the organisation.

**2.7** The Charter has been reviewed five times since its establishment. However, the comprehensiveness of these reviews has varied. The reviews have variously involved customer focus groups, staff consultation and discussions with representatives of other stakeholder groups. The review conducted after the first year was the most comprehensive, incorporating all of these processes. It mirrored the development process for the Charter in terms of the extent to which key stakeholders were consulted.

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<sup>29</sup> Centrelink, *Annual Report 2002–03*, p. 18.

<sup>30</sup> *ibid.*

<sup>31</sup> Feedback systems in Centrelink include mechanisms available for customers to make complaints, the Review and Appeals system, the Customer Satisfaction Surveys and Value Creation Workshops.

<sup>32</sup> Centrelink, *Future Directions 2003–2006*.

**2.8** However, restrictions on the resources available for subsequent reviews have limited the extent of these reviews. For example, Centrelink informed the ANAO on 1 September 2004 that:

there was an abbreviated review in March and April 2002, because Centrelink management felt there was a high level of change involved in the implementation of the Australians Working Together initiative, and the introduction of a revised Charter would be too much of an imposition for staff.

**2.9** Also, the review originally scheduled for 2003 was postponed to the next financial year because of the timing of the development of the new Customer Experience Strategy/Plan for Centrelink, and because of funding constraints.<sup>33</sup>

**2.10** The reduced funding available to conduct reviews of the Charter has meant that Centrelink has not spoken to customers directly about the Charter for at least the past three years. This, in turn, has affected Centrelink's development and improvement of its Charter.

**2.11** Centrelink views the Charter as only one component of its strategic documents.<sup>34</sup> However, the link between the Charter and Centrelink's other strategic documents is not clear. Although Centrelink views the Charter as only one of the many strategic documents that guide Centrelink's development and future direction, the Charter remains the primary document written specifically for the customer. It is, therefore, customers' major source of information about their rights and Centrelink's services. In addition, the Principles state that 'a charter is a strong performance measurement and accountability tool and should be used as the driver for cultural change within the agency'.<sup>35</sup> As such, the ANAO considers that the Charter should be able to stand alone as a strategic document.

## Client Service Charter Principles

**2.12** In addition to the basic requirement that 'all Government bodies which provide services directly to the public are required to develop a service charter'<sup>36</sup>, the Principles contain a number of mandatory and recommended components intended to assist Government agencies in their development of a suitable charter.<sup>37</sup>

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<sup>33</sup> Centrelink, *Centrelink's Customer Charter: Overview of the Development and Reviews of the Charter*, p. 5.

<sup>34</sup> Including documents such as *Future Directions 2004-2009* and *Strategic Directions 2003-2006*.

<sup>35</sup> Department of Finance and Administration, *Client Service Charter Principles*, June 2000, p. 1.

<sup>36</sup> *ibid.*, p. 2.

<sup>37</sup> The mandatory elements of the Principles include defining and reporting on client service standards, and establishing and reporting on client feedback and complaints mechanisms.

**2.13** The sections below provide further details on the guidance issued in the Principles and Centrelink's Customer Charter as well as examples of how the guidance contained in the Principles have been applied in other agencies' Charters.

## Key elements of a charter

**2.14** The section of the Principles that discusses the key elements of a charter provides an overview of 'what a service charter should contain'<sup>38</sup>, including information about the agency, avenues of communication, client service standards, clients rights and responsibilities, and client feedback and complaints.

### Informing clients about the agency

**2.15** The Principles **recommend** that agencies inform clients about the agency by including the following elements in a charter:

- agency's name and logo;
- what the agency or program covered by the Charter does;
- who the clients or potential clients are;
- Agency Head statement; and
- relationship to portfolio department or parent organisation.<sup>39</sup>

**2.16** The Taxpayers' Charter, prepared by the ATO, for example, follows most of the above recommendations from the Principles. In addition to the agency name and logo and the Agency Head statement, the Taxpayers' Charter also states who the clients or potential clients are:

The Charter is for everyone who deals with us on tax matters including superannuation, excise and the Higher Education Contribution Scheme.<sup>40</sup>

**2.17** The Taxpayers' Charter also provides details of the ATO's services under the Charter commitments. For example, under the commitment 'Offer you personal service and assistance to help you understand and meet your tax obligations', there are details about the type of advice offered, and how clients with special needs can access advice and information.<sup>41</sup>

**2.18** Centrelink's Customer Charter includes its name and logo. As well, information on program activity is included but not the specific services

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<sup>38</sup> *ibid.*, p. 5.

<sup>39</sup> *ibid.*

<sup>40</sup> Australian Taxation Office, *Taxpayers' Charter*, p. 5.

<sup>41</sup> *ibid.*, p. 8.

Centrelink provides. The Charter contains a list of freecall phone numbers. However, it is not clear whether these phone numbers give access to services only provided by Centrelink, or whether they constitute the full list of services provided by Centrelink. The agency's clients are not identified, neither is there any Agency Head statement. Although the Charter includes a list of agencies to whom Centrelink delivers services, there is no explanation of Centrelink's links to policy agencies responsible for programs delivered by Centrelink.

## **Avenues of communication**

**2.19** The Principles state 'A service charter **is to** contain statements on how clients and stakeholders can communicate with the agency'.<sup>42</sup> Accordingly, the basic requirement to include in an agency's charter information on how clients and stakeholders can communicate with the agency is mandatory.

**2.20** The guidance provided in the Principles to assist agencies in meeting this requirement state that contact issues cover:

- 'how to contact the agency—key contact details; postal or street address, phone, TTY (telephone typewriter), fax or toll free number, email and web site address;
- appropriate avenues to meet client needs including people with disabilities and people with English as a second language. This includes providing information in accessible formats;
- counter service facilities;
- contact details (e.g. by area, regional, rural or remote sites if appropriate);
- hours of opening;
- online services, whether via a web site, email or other electronic services.<sup>43</sup>

**2.21** Centrelink's Charter identifies a range of contact channels and avenues for services and complaints. However, Centrelink's Charter does not identify the range of services available from each contact channel. Although Centrelink is responsible for a wide range of services, the ANAO considers that, at a minimum, the Charter should outline the customer segments for which Centrelink is responsible, broadly indicating the payments and products Centrelink provides.

**2.22** The ANAO also notes that the contact details for offices by area, location, and opening hours, are not identified in Centrelink's Charter. The

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<sup>42</sup> Department of Finance and Administration, op. cit., p. 5.

<sup>43</sup> *ibid.*

ANAO accepts that, given the size of Centrelink's network, there may be difficulties in implementing this aspect of the guidance provided in the Principles. However, the ANAO considers that there would be benefit in Centrelink improving the information provided in the Charter. This would allow customers and stakeholders to readily access such information to aid their understanding of what services Centrelink delivers, and how it delivers them.

## Client service standards (mandatory)

**2.23** It is mandatory for agencies' service charters to include client service standards<sup>44</sup>, although there is no required minimum or maximum number of standards. However, the Principles state:

The main purpose of having a charter is to define the service experience the client will have with that organisation and the responsibilities of both the agency and the client. This experience is described through the key standards of service.<sup>45</sup>

**2.24** The checklist for developing a service charter, which is contained in the Principles, asks the following questions of the service standards specified in the agency's service charter:

- Are the standards within the service charter measurable (i.e. quantitative) or qualitative?
- Are the service standards set to encourage improvement in the agency's performance?<sup>46</sup>

**2.25** The Principles also state that:

When deciding which standards to publish, agencies should take account of the following:

- client and stakeholder views and expectations;
- the fifteen values as described in the *Australian Public Service Act 1999* [Part 3, Section 10]. For the first time, this Act incorporates values of service as one of the criteria for managing public service outcomes. It may be useful to reference them in an agency's charter;
- the diversity of staff and clients. This is articulated in the *Charter of Public Service in a Culturally Diverse Society...*;
- alignment with the agency corporate plan (especially strategic goals and business outcomes);

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<sup>44</sup> Standards specify the characteristics of a desired level of service.

<sup>45</sup> Department of Finance and Administration, op. cit., p. 5.

<sup>46</sup> *ibid.*, p. 15.

- their ability to measure performance against each standard and current levels of performance; and
- realistic and achievable service levels.

**2.26** The ANAO notes that Centrelink did consult with customers, community groups, staff and client agencies in developing its Charter. However, the Charter does not refer to the Australian Public Service (APS) Values or the *Charter of Public Service in a Culturally Diverse Society*, nor does it explain how the Charter aligns with agency corporate goals or plans.

**2.27** Centrelink’s Charter includes a section entitled ‘We will help you by:’ which is replicated in Figure 2.1 below.

**Figure 2.1**

**Section of Centrelink’s Customer Charter discussing how services will be delivered**

**We will help you by:**

**Making it easy to access our services:**

- providing a range of ways you can contact us
- providing interpreter or teletypewriter (TTY) services and some information in alternative formats (e.g. Braille) if you need them

**Giving you personal service:**

- identifying ourselves when we talk with you
- being friendly, helpful, respectful and sensitive to your individual needs
- listening carefully to what you say to us
- offering you a range of payments and services that can help you
- providing or referring you to other services you may need
- having a Customer Service Officer, familiar with your situation, who can be your on-going point of contact to help you with any complex business

**Getting it right:**

- providing accurate and consistent information
- providing information that is easy to understand
- explaining the things you need to know and making it clear what you need to do
- fixing mistakes

**Giving you prompt and efficient service:**

- making a decision quickly once we have all the information we need to make that decision
- making an appointment for you to visit us or for us to phone you at a time that suits you.

Source: Centrelink Customer Charter.

**2.28** The section replicated in Figure 2.1 above outlines the Charter's commitments to Centrelink customers. These describe, in general terms, the way in which services will be delivered, but they do not specify standards of performance, and therefore cannot be regarded as service standards. Also, the commitments, unlike standards, do not have benchmark definitions to measure performance against. This issue is addressed further in paragraph 2.93.

**2.29** In contrast, the Customer Charters of the HIC and the ATO provide examples of how standards can be used to illustrate the quality of services a customer can expect to receive. The HIC's Charter, similar to Centrelink's Charter, includes a number of general commitments to their customers such as 'be courteous, considerate and respectful' and 'act responsibly and with integrity'.<sup>47</sup> However for each service that HIC provides, a number of targets for speed of service are included. For example, HIC aims 'to answer your phone calls within 30 seconds and resolve your enquiry during that call'.<sup>48</sup>

**2.30** The ATO's Taxpayers' Charter has a number of qualitative and quantitative service standards including similar targets for the speed of service delivery. The quantitative service standards are published as a booklet in combination with the Taxpayer's Charter. There are 18 service standards covering a range of business activities including refunds, objections and return processing. The standards are linked to the ATO's agency agreement, and describe the level of service taxpayers can expect to receive in their dealings with the ATO.

## Clients rights and responsibilities

**2.31** According to the Charter Principles:

A service charter should set out the rights of clients and what they can expect from an agency. Similarly, it should set out the responsibilities of clients to abide by certain codes of behaviour.<sup>49</sup>

**2.32** Centrelink's Charter does include an overview of customers' rights and responsibilities. However, both Centrelink data from Value Creation Workshops (VCWs), and information obtained from stakeholders interviewed by the ANAO during fieldwork, indicate that customers' awareness of their rights is lower than their awareness of their obligations. This is discussed further in the section on Awareness of Charter Commitments (paragraphs 2.79 to 2.91).

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<sup>47</sup> Health Insurance Commission, *Service Charter for Our Customers*.

<sup>48</sup> *ibid.*

<sup>49</sup> Department of Finance and Administration, *op. cit.*, p. 7.

**2.33** Like Centrelink's Charter, the ATO Taxpayers' Charter explains both the rights and obligations of its customers, that is, taxpayers. However, the ATO Taxpayers' Charter places a greater emphasis on explaining taxpayers' rights as opposed to their obligations.

### **Client feedback and complaints (mandatory)**

**2.34** Clients' access to feedback and complaints processes is a mandatory requirement for charters under the Principles. The Principles state:

Each agency must have avenues for clients to provide feedback and make complaints and have mechanisms to report on that data. A service charter must contain information on the feedback and complaints processes.<sup>50</sup>

**2.35** The checklist from the Principles asks the following questions:

- Does the service charter state the agency's complaints handling procedures and encourage client feedback?
- Does the agency have accessible internal complaints handling procedures in place?
- Does the service charter provide contact details for external dispute handling mechanisms?<sup>51</sup>

**2.36** Details on how to provide feedback are given in Centrelink's Charter. For example, customers are informed of the four avenues available for complaint: lodging a comment card, telephoning, visiting the office or visiting the website.<sup>52</sup> In addition, customers are informed they may be asked to participate in Centrelink surveys. They are also informed about the internal and external appeals mechanisms.<sup>53</sup>

**2.37** However, there is no indication in the Charter on how feedback will be used or the implications of providing feedback in relation to disputes and appeals. The Principles recommend that agencies include in their charters information on external dispute handling mechanisms.<sup>54</sup> Although the Social Security Appeals Tribunal (SSAT) is mentioned in the Charter, the contact details for the SSAT are not included and the Commonwealth Ombudsman is not mentioned at all.

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<sup>50</sup> *ibid.*

<sup>51</sup> *Ibid.*, p. 15.

<sup>52</sup> Centrelink, *Customer Charter*.

<sup>53</sup> *ibid.*

<sup>54</sup> Department of Finance and Administration, *op. cit.*, p. 8.

**2.38** The HIC's Service Charter follows the guidance set out in the Principles. Customers are informed that data on complaints, compliments and suggestions are recorded, and that this data is used to improve client service:

We value feedback because this helps us to improve our service and helps us to stay in touch with your needs.<sup>55</sup>

**2.39** The HIC Charter also provides details on how to make a complaint, including how to provide feedback on the Charter itself. Contact information for the Commonwealth Ombudsman is also provided including telephone, internet and mail address details.<sup>56</sup>

## Developing a charter

**2.40** The section of the Principles on the development of a charter includes guidance on consultation in charter development, defining the charter format and style, and strategies for launching the charter.

### Consultation in charter development

**2.41** The Principles recommend that 'in preparing a service charter, the agency should consult with clients, staff and other key stakeholders'.<sup>57</sup>

**2.42** In originally developing its Charter, Centrelink implemented this guidance by consulting its stakeholders. This included consultation with:

- staff;
- customer groups such as peak groups and community organisations;
- client departments; and
- other stakeholders including the Commonwealth Ombudsman, Privacy Commissioner, and the Social Security and Administrative Appeals Tribunals.

### Charter format and style

**2.43** The Principles state that:

Service Charters across Commonwealth agencies should have a set of common features for ease of recognition and readability by clients. These features should be designed to assist a client's understanding of the service charter.<sup>58</sup>

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<sup>55</sup> HIC, *Service Charter for Our Customers*.

<sup>56</sup> *ibid.*

<sup>57</sup> Department of Finance and Administration, *op. cit.*, p. 9.

<sup>58</sup> *ibid.*

**2.44** Centrelink's Charter follows this guidance. The Charter is written in a clear, plain English style, and is accessible in suitable written formats. However, the Charter is not as clear in other formats, for example on Centrelink's external website. This is discussed further in paragraph 2.87. While the Charter has been translated into other languages, it is difficult to assess the effectiveness of this initiative, as Centrelink does not monitor the number of translated versions provided to customers. This is discussed further in paragraph 2.86.

## **Service charter launch**

**2.45** The Principles suggest that 'Agencies should consider a strategy for launching their service charter to achieve maximum exposure'.<sup>59</sup>

**2.46** There was no specific launch of the Centrelink Charter as it was released in 1997 at the same time as Centrelink was established. The Charter has wide exposure across the organisation in a range of ways. These include publication of the Charter placemat, poster and brochure externally, as well as in internal publications. As mentioned previously, it is mandatory for all staff in direct contact with customers to have the Customer Charter placemat on their desk, in full view of the customer. During fieldwork, the ANAO found that visibility of the Charter placemat on Centrelink staff members' desks was an issue during customer interviews, as paperwork and documents would usually obscure the placemat from the view of the customer.

## **Maintaining and reviewing a charter**

**2.47** The Principles include information on how to maintain and review a charter, including the purpose and frequency of review, consultation with relevant stakeholders in the review process, and ongoing promotion of the charter.

### **Purpose of review**

**2.48** The Principles state that 'agencies must regularly review their charter to ensure its ongoing relevance and effectiveness'.<sup>60</sup> The Principles state that the questions to be addressed in reviewing a charter are:

- whether the charter continues to reflect the agency's approach to client service and any significant new initiatives in that area;
- whether the service commitments and standards are still aligned to the needs and priorities of the agency's clients and key stakeholders;

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<sup>59</sup> *ibid.*, p. 10.

<sup>60</sup> *ibid.*, p. 11.

- whether the charter continues to meet the client service principles;
- whether the current content is accurate (e.g. agency information on function and contact details);
- whether the format design and availability meet client needs;
- whether there is reliable and effective data collection on client feedback, service standards and complaints;
- whether changes should be made to the complaint handling processes. Apart from direct agency/client processes, consider the impact of third party review for unresolved complaints [examples are provided in the Principles].<sup>61</sup>

**2.49** Centrelink was unable to provide any information to the ANAO outlining what questions were addressed in Centrelink's reviews of its Charter. Therefore it is unknown if the key questions, as listed in the Principles, were actually considered.

## Frequency of review

**2.50** The Principles state that 'Agencies should review their charter on a regular basis'.<sup>62</sup> The Principles suggest that an agency:

- regularly review its charter internally (an appropriate period might be every 12–18 months);
- may also consider having the charter reviewed by an external body (an appropriate external review period might be every three years).<sup>63</sup>

**2.51** Centrelink's Charter was internally reviewed more or less annually up to 2002, although the scope and thoroughness of the reviews have varied. Internal reviews in the past few years have not been as comprehensive nor as detailed as those carried out in the early years of Centrelink's operation. There has been no internal review since April 2002. As well, Centrelink has not provided information on any planned future reviews. Centrelink has not had any independent review undertaken of its Charter.

**2.52** The ATO has a Taxpayers' Charter team that is responsible for the Charter within the ATO. Part of its role includes conducting an internal review and update of the Charter content. The original Taxpayers' Charter also gave a commitment to an independent review every three years which has occurred, consistent with the guidance issued in the Principles.

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<sup>61</sup> *ibid.*

<sup>62</sup> *ibid.*

<sup>63</sup> *ibid.*

## Consultation in review

2.53 The Principles recommend: 'To be open and accountable, agencies should consult with appropriate clients and stakeholders during the review process'.<sup>64</sup>

2.54 Stakeholder groups appear to have been reasonably well represented in Centrelink's internal reviews of its Charter, although the breadth of consultation has been substantially more limited in those reviews undertaken after the first review conducted in 1998. It is not clear how information gathered from Centrelink's own feedback systems (including its complaints and appeals systems) or from external sources, such as the Ombudsman, has been used in reviewing the Charter.

## On-going promotion

2.55 The Principles state that:

Once the review has been completed and the service charter revised and updated, appropriate methods of promoting the updated charter to clients, stakeholders and staff should be considered.<sup>65</sup>

2.56 As mentioned previously, Centrelink provides wide exposure of the Charter in its offices, websites and publications. However, the promotion appears to be in the form of written material only. This may prove a barrier to understanding for customers who are illiterate or semi-literate. This issue is addressed further in paragraph 2.85. While translated versions of the Charter are available, whether they are used is unknown, as there is no monitoring of the provision of these versions (see paragraph 2.86). Therefore, DCALB customers may also face a barrier to understanding the Charter.

## Conclusion

2.57 The *Client Service Charter Principles* provide guidance on charter development for all Government bodies providing direct services to the public. The Principles contain a number of mandatory and recommended components.

2.58 The Principles recommend that agencies include information on the agency such as who its clients are, a list of services provided, key contacts, and location of its offices. Centrelink meets this guidance to an extent, but the key agency information and avenues of communication are quite brief. For example, information on program activity is included but not the specific

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<sup>64</sup> *ibid.* The Principles suggest that an agency consider feedback data from external sources (e.g. from the Ombudsman) as part of the consultation process for carrying out a review of its charter.

<sup>65</sup> *ibid.*, p. 12.

services Centrelink provides. In addition, Centrelink's Charter does not identify the range of services available from each of Centrelink's contact channels. The ANAO considers that there would be benefit in Centrelink improving the information provided in the Charter. This would allow customers and stakeholders to readily access such information to aid their understanding of what services Centrelink delivers, and how it delivers them.

**2.59** Client service standards are a mandatory component of the Principles, and reflect the main purpose of a charter to define the service experience of the customer. The Principles recommend that service standards are measurable, and encourage performance improvement. There are no explicit standards for the speed, accuracy or quality of service specified in Centrelink's Charter. Although the statements in the Charter describe, in general terms, the way in which services will be delivered, it does not specify standards of performance.

**2.60** Centrelink's Charter does include an overview of customers' rights and responsibilities. However, both Centrelink data from VCWs, and information obtained from stakeholders interviewed by the ANAO during fieldwork, indicate that customers' awareness of their rights is lower than their awareness of their obligations. This is discussed further in the section on Awareness of Charter Commitments (paragraphs 2.79 to 2.91).

**2.61** Although details on how to provide feedback are given in Centrelink's Charter, there is no indication in the Charter on how feedback will be used or the implications of providing feedback in relation to disputes and appeals. It is not clear how feedback gathered from Centrelink's own feedback systems, or external sources, has been used in reviewing the Charter.

**2.62** In accordance with the guidance issued in the Principles on format and style, the Charter is written in a clear, plain English style. The Charter also has wide exposure across the organisation in a range of ways. These include publication of the Charter placemat, poster, brochure, and in internal publications. However, the promotion appears to be in the form of written material only. This may prove a barrier to understanding for customers who are illiterate or semi-literate. It is unknown whether DCALB customers receive translated versions of the Charter; therefore, they may also face a barrier to understanding the Charter.

**2.63** As recommended in the Principles, Centrelink's Charter was internally reviewed more or less annually up to 2002. However, the scope and thoroughness of the reviews have varied, with reviews in the past few years not being as comprehensive as those carried out in the early years of Centrelink's operation. There has been no internal review since April 2002. In addition, Centrelink has not provided information on any planned future reviews. As well, Centrelink has also not had any independent review undertaken of its Charter.

## Monitoring and reporting

**2.64** This section of the Principles informs agencies on what to monitor and how to report on a charter, including monitoring and reporting performance against standards, as well as reporting on clients' complaints and feedback.

### Monitoring performance against standards

**2.65** The Principles state an agency should publicly account for its operation by publishing its client service charter and information on its compliance with the charter and the agency's service performance.<sup>66</sup>

**2.66** The only explicit monitoring conducted by Centrelink in relation to its Charter is a question included in Centrelink's National Customer Satisfaction Survey<sup>67</sup> which tests customers' awareness of the existence of Centrelink's Charter.

**2.67** As mentioned in the section above on Client Service Standards (paragraphs 2.23 to 2.30), the Charter does not contain specific service standards. Accordingly, there are no levels of performance specified in its Charter against which Centrelink is able to measure its performance. Questions in the satisfaction surveys and other feedback collected by Centrelink<sup>68</sup> provide information that allows inference about whether Charter commitments are being met but do not constitute explicit monitoring of the agency's performance against its Charter.

### Reporting performance against standards (mandatory)

**2.68** The Principles require that 'agencies are accountable for their performance against their service charter standards'.<sup>69</sup> In addition to stating that it is a requirement for agencies to publish performance against charter commitments in their annual report each year, the Principles note that agencies could also consider developing a strategy to report on performance against the charter standards to clients, staff and stakeholders.<sup>70</sup>

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<sup>66</sup> *ibid.*, p. 13.

<sup>67</sup> For further information about the National Customer Satisfaction Survey, see another audit report in this series of audits covering Centrelink's Customer Feedback Systems—ANAO Audit Report No.33 2004–05, *Centrelink's Customer Satisfaction Surveys*.

<sup>68</sup> For example, complaints and compliments and the level of appeals.

<sup>69</sup> Department of Finance and Administration, *op. cit.*, p. 13.

<sup>70</sup> *ibid.*

**2.69** The reporting on the Charter provided in Centrelink's annual reports meets the requirements specified in the Department of Prime Minister and Cabinet's guidelines, *Requirements for Departmental Annual Reports*.<sup>71</sup>

**2.70** However, there is no reporting against specific standards as none are included in Centrelink's Charter. No Charter performance information is included in Centrelink's internal performance reporting such as the Balanced Scorecard. There is also no reporting on Charter performance directly to clients, customers and/or staff.

**2.71** Performance against quantitative standards, and some qualitative standards, are reported in the ATO's annual report. This includes reporting on qualitative standards as measured by the Community Perceptions Survey and the Professionalism Survey.<sup>72</sup> The ATO's annual report also includes a table comparing the agency's current performance against its quantitative standards with performance over recent years. In addition to reporting performance information in the annual report, the year-to-date summary of the ATO's performance against these standards is also included on the ATO's website.<sup>73</sup>

### **Reporting on clients complaints and feedback (mandatory)**

**2.72** It is mandatory for agencies 'to have a strategy to manage and report on feedback and complaints'.<sup>74</sup> This includes publishing a summary, with reference to complaints data, and the department's general response to complaints, in the annual report.<sup>75</sup>

**2.73** Mandatory information on customers' complaints and feedback is included in Centrelink's annual report. However, the commitments in the Charter are not explicitly linked to any customer feedback or satisfaction initiatives. Therefore, Centrelink does not use the Charter to help drive improvements to customer service. This is discussed further in the section on Monitoring and Reporting (paragraphs 2.92 to 2.114).

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<sup>71</sup> Departments which are required to have service charters in place should report on performance against the service charter customer service standards, complaints data, trend analysis, and the department's general response to complaints.

<sup>72</sup> ATO, *Commissioner of Taxation Annual Report 2002–03*, pp. 91–95.

<sup>73</sup> <<http://www.ato.gov.au/corporate/content.asp?doc=/content/25906.htm>>.

<sup>74</sup> Department of Finance and Administration, op. cit., p. 13.

<sup>75</sup> *ibid.*, p. 13.

## Effectiveness of Centrelink's Charter

### Awareness of the Charter

2.74 Knowledge of the Charter amongst Centrelink customers is low. The annual Centrelink National Customer Satisfaction Survey includes a question asking whether customers know that Centrelink has a Customer Charter. In the 2003 survey, only 25 per cent per cent of customers were aware of the Charter. This was up from 16 per cent in the previous year, but still below the level of recognition of 32 per cent achieved when the Charter was established.<sup>76</sup>

2.75 Stakeholders consulted by the ANAO during fieldwork for this audit also indicated that their clients, who are Centrelink customers, are not generally aware of the Customer Charter. The stakeholders further advised that those of their clients, who are members of a vulnerable group, would be even less likely to be aware of, or understand, the Charter.

2.76 The ANAO acknowledges that, despite considerable efforts on the part of Centrelink, a small number of Centrelink's customers will still experience problems in gaining an understanding of the Customer Charter. However, awareness of the Charter is low for all customers. Centrelink's analysis of customers' awareness and understanding of the Charter is minimal and, therefore, identification of methods to improve awareness and understanding is also limited.

2.77 Centrelink has produced a tailored version of the Charter for Indigenous customers. However, during fieldwork for this audit, the ANAO found that the Indigenous Charter was not well recognised by Centrelink staff. In particular, members of the Indigenous Community Segment Team in NSO had no knowledge of the Indigenous Charter.

2.78 Centrelink has commented to the ANAO that the low awareness of the Indigenous Charter is because it is no longer one of its current products, and has not been issued since September 2000. However, the Indigenous Charter still appears on Centrelink's website<sup>77</sup> and, in September 2003, staff were informed that copies of the Indigenous Charter should be:

- placed in the brochure display units in public contact areas for customers to see;
- included in information kits for new or prospective customers; and
- used in local community activities with Indigenous customers.<sup>78</sup>

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<sup>76</sup> Yann Campbell Hoare Wheeler, *Centrelink Customer Satisfaction Measurement Program—Wave 3*, November 1997, p. 63.

<sup>77</sup> <<http://www.centrelink.gov.au/internet/internet.nsf/indigenous/charter.htm>>.

<sup>78</sup> Centrelink, *An Introduction to Centrelink's Customer Charter*, September 2003, p. 4.

## Awareness of Charter Commitments

**2.79** The primary role of the Charter is to provide customers with a level of understanding of Centrelink's services, customer rights and obligations, and the available feedback mechanisms. The Charter explains that in terms of service delivery customers can expect:

- a range of ways to contact Centrelink, including specialised service available for vulnerable customers;
- personalised service based on individuals' needs;
- accurate, consistent and easy to understand information; and
- prompt and efficient service.

**2.80** The Charter also explains that in terms of obligations and rights:

- customers have an obligation to inform Centrelink of their situation and participate in mutual obligation activities;
- customers have rights regarding the level of service they receive and decisions that are made about their payments and situation; and
- there are a number of feedback mechanisms available to customers should they feel their rights are not being met or they would like to comment on Centrelink's customer service. These include access to the appeals process and various channels available to comment on Centrelink's customer service.

**2.81** Despite the Charter providing an overview of the services available, and customer rights and obligations, the stakeholders interviewed by the ANAO during fieldwork for this audit indicated that customers have a low level of awareness of the Charter commitments. This includes a lack of knowledge of their rights and the appeals process, as well as of the other feedback mechanisms available.

**2.82** This view is supported by Centrelink data. For example, the national data from VCWs<sup>79</sup> conducted by Centrelink show that customers' awareness of their rights is lower than their awareness of their obligations.<sup>80</sup> The VCW data are supported by data from the 2003 National Customer Satisfaction Survey.

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<sup>79</sup> Centrelink's Value Creation program involves the conduct of VCWs, which are structured and facilitated focus groups that involve both the 'customers' of the services delivered by Centrelink and the 'providers' of these services. The workshops are intended to allow customers to provide direct feedback to Centrelink and its staff regarding the services that they receive. Centrelink consolidates the data obtained from individual VCWs.

<sup>80</sup> In the Value Creation consolidated reports for Primary Workshops in Periods 8–13, customers consistently rated their agreement with the statement 'Centrelink staff clearly explain my obligations' higher than with the statement 'Centrelink staff clearly explain my rights'.

The survey data shows that 75 per cent of customers who participated in the survey agreed that Centrelink's rules were clear and easy to understand.<sup>81</sup> However, only 63 per cent of customers who participated in the survey agreed<sup>82</sup> that it was easy to understand how much they were entitled to receive in terms of payments or services from Centrelink.<sup>83</sup>

**2.83** In relation to feedback mechanisms, the most immediate tool is the Customer Relations line, an 1800 freecall number used for complaints, compliments and suggestions. Reference to this line, and other feedback mechanisms, is included in the Customer Charter. However, data from the 2002 National Customer Satisfaction Survey indicate that only 46 per cent of customers knew that they could complain<sup>84</sup> using the 1800 number. Twenty-six per cent of customers were not able to recall any mechanism for making a complaint.<sup>85</sup>

**2.84** The Charter also provides an overview of the appeals process. However, Centrelink data reveals there is low awareness of the appeals system among its customers. The 2003 National Customer Satisfaction Survey asked whether the customer had had Centrelink staff explain how to get a decision reviewed, or make an appeal.<sup>86</sup> However, only 52 per cent of customers surveyed indicated that Centrelink staff had explained to them how to get a decision reviewed or make an appeal.<sup>87</sup> This was classified as a weak area in the report of the survey results.<sup>88</sup>

**2.85** Stakeholders, to whom the ANAO spoke<sup>89</sup>, linked the issue of low awareness of the Charter and Charter commitments amongst Centrelink customers to two main factors. First, the Charter is presented to customers only in a written format and, second, Customer Service Officers (CSOs) do not generally specifically refer to it in speaking with customers. This is particularly

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<sup>81</sup> Centrelink, *National Customer Survey—Wave 12*, December 2003, p. 19.

<sup>82</sup> *ibid.*, p. 20.

<sup>83</sup> Centrelink's Value Creation program and its satisfaction surveys program are discussed further respectively in ANAO Audit Report No.36 2004–05 *Centrelink's Value Creation Program* and ANAO Audit Report No.33 2004–05 *Centrelink's Customer Satisfaction Surveys*.

<sup>84</sup> Centrelink's complaints handling system is further examined in the ANAO Audit Report No.34 2004–05 *Centrelink's Complaints Handling System*.

<sup>85</sup> These questions were not asked in the 2003 National Customer Satisfaction Survey.

<sup>86</sup> Centrelink, *National Customer Survey*, November 2003, p. 5.

<sup>87</sup> For further discussion of the operation of the review and appeals system see ANAO Audit Report No.35 2004–05 *Centrelink's Review and Appeals System*.

<sup>88</sup> Centrelink, *National Customer Survey*, *op. cit.*, p. 21.

<sup>89</sup> The ANAO interviewed 28 stakeholder organisations, including advocacy groups, peak bodies representing various customer groups (ranging from the aged to the homeless), and organisations that provide services directly to customers (including assisting customers in their dealings with Centrelink).

an issue for vulnerable customers. For example, customers who are illiterate or semi-literate may achieve a greater understanding of the Charter if the information is presented orally.

**2.86** Centrelink has had the Charter translated into other languages in order to provide a method of communicating the Charter values to DCALB customers. However, it is difficult to assess the effectiveness of this initiative, as there is no monitoring by Centrelink of how many customers receive a translated version of the Charter. Also, there is no monitoring of whether CSOs refer to the Charter, or provide a copy to customers, during initial contact interviews. Stakeholders have indicated in discussion with the ANAO that this does not occur as a matter of course. Monitoring of translated versions of the Charter would allow Centrelink to assess the level of usage and, therefore, the value of the initiative.

**2.87** There are also issues regarding the way in which the Charter can be accessed by customers through other channels. For example, the Charter does not appear on the homepage of the external Centrelink website, and it then takes several mouse clicks to find where it is located. Finding the Charter on the website assumes knowledge of the existence of the Charter, and a few guesses about where it might be logically located.<sup>90</sup>

**2.88** In comparison, the ATO's website has a link to 'Your Rights' on its home page.<sup>91</sup> This link provides an overview of the Taxpayers' Charter and includes links to further information on the specific rights and obligations of taxpayers.<sup>92</sup> Although the HIC's Service Charter does not appear on the agency's homepage, in the section 'About HIC', there is a link to the Service Charter in the 'Quick Find' menu.<sup>93</sup>

**2.89** Centrelink informed the ANAO on 1 September 2004 that the agency is considering having a link to the Charter on the front page of its website.

**2.90** The issue of low awareness of Charter commitments by Centrelink customers is of concern. This is because the Charter is Centrelink's most widely publicised, and most comprehensive, document written for the customer providing information about Centrelink's services, and customer rights and obligations. Although Centrelink is responsible for a wide range of services, the Charter needs, at a minimum, to outline the customer segments for which Centrelink is responsible and broadly indicate the payment and products Centrelink provides. Consequently, it is important that the Charter

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<sup>90</sup> <[http://www.centrelink.gov.au/internet/internet.nsf/about\\_us/customer\\_charter.htm](http://www.centrelink.gov.au/internet/internet.nsf/about_us/customer_charter.htm)>.

<sup>91</sup> <<http://www.ato.gov.au>>.

<sup>92</sup> <<http://www.ato.gov.au/corporate/content.asp?doc=/content/charter.htm&mnu=292&mfp=001>>.

<sup>93</sup> <<http://www.hic.gov.au/abouthic/index.htm>>.

by itself is able to effectively communicate and establish customer expectations about Centrelink's service delivery, and methods to provide feedback on this service delivery.

## Conclusion

**2.91** Limited resources have been made available to improve customer awareness of the Charter. In particular, the Charter is not very accessible to vulnerable groups, such as illiterate or semi-literate customers. There is no monitoring undertaken in relation to access to translated versions of the Charter for DCALB customers, and during fieldwork, it became apparent that the Indigenous Charter was not well known among Centrelink staff.

## Monitoring and reporting of Centrelink's Charter

**2.92** The following sections examine Centrelink's monitoring of its performance against the Charter and its reporting methods.

### Client service standards

**2.93** In contrast to the recommendations of the Australian Government's *Client Service Charter Principles*, the Charter is not underpinned by a set of specific, measurable standards linked to Charter commitments and operational performance. The commitments identified in the Charter relate only to a small number of general statements describing the way services will be provided, such as 'listening carefully', 'being friendly', 'fixing mistakes' and 'making a decision quickly'.<sup>94</sup> There is, however, no benchmark definition of these statements. There are no explicit standards for the speed, accuracy or quality of service as evident in the charters of other agencies also delivering services to a broad customer base, such as the ATO and the HIC.

**2.94** Centrelink received mixed feedback from Centrelink staff, customers and community organisations on the inclusion of service standards in the 2000 review of the Customer Charter and, therefore, decided not to include standards in the Charter. However, the specification of service standards is the main purpose of having a charter and is identified as a mandatory requirement under the Principles.<sup>95</sup> The absence of measurable standards is a major weakness of the Centrelink Customer Charter.

**2.95** Well specified, and realistic, standards provide an important function in making very clear the level and quality of service that can be expected. They can help to build trust with customers and offer them a stronger degree of

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<sup>94</sup> Centrelink, *Customer Charter*, under the heading 'We will help you by'. See Figure 2.1.

<sup>95</sup> Department of Finance and Administration, op. cit., pp. 5–7.

certainty of their rights. They can avoid ambiguity or uncertainty and unreasonable expectations, and can therefore eliminate some tension and complaints caused by misunderstandings, for example in relation to customer obligations.

**2.96** Standards provide an explicit focus for planning and management. The use of standards has been encouraged by key Commonwealth Parliamentary Committees (the Joint Committee of Public Accounts and Audit, and the Senate Finance and Public Administration Legislation Committee) as a basis for clearly demonstrating, and permitting better interpretation of, performance.

**2.97** The potential for poorly specified client service standards to result in errant agency behaviour, bias, or inappropriate exposure to litigation are important considerations. However, these are not sufficient reasons for agencies to completely avoid standards, particularly as the requirement to have a customer charter is mandated by the Australian Government.

**2.98** The crucial issue in designing effective standards is to ensure that they are achievable, and cover the important aspects of performance from both the customer and provider perspectives. Any reasonable conditions relating to deviation from the standard need to be clearly explained and understood.<sup>96</sup>

## Satisfaction surveys

**2.99** The only explicit, regular monitoring of the Charter, conducted by Centrelink, relates to a question included in the National Customer Satisfaction Survey. This question asks whether the respondent is aware of the Centrelink Customer Charter. However, the question is not followed up by further requests for information on whether the Charter meets any or all of its commitments, or even whether the customer considers the Charter to be of value.

**2.100** Centrelink's three main surveys, the National Customer Survey, the CSC Customer Satisfaction Survey and the Call Centre Customer Satisfaction Survey, do assess many of the statements of the Charter in terms of the level of service delivery provided by Centrelink. For example, to assess that Centrelink will provide accurate and consistent information, and information that is easy to understand; customers are asked in the National Customer Survey to rate their level of agreement with the statement 'Centrelink gives you information that is up to date and accurate' and rate their 'Ease of understanding

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<sup>96</sup> A useful discussion of the design and usefulness of targets and standards in the public sector was published recently by the UK Audit Commission: Audit Commission, *Targets in the Public Sector*, UK, 2003.

Centrelink letters'.<sup>97</sup> Similarly, in the CSC Customer Satisfaction Survey, customers are asked to rate the accuracy of the information provided by Centrelink.<sup>98</sup> In the Call Centre Customer Satisfaction Survey, customers are asked to give a yes or no response to confidence on the accuracy of information provided by Centrelink.<sup>99</sup> However, there is very little depth of analysis of the Charter commitments in the surveys or follow-up questions on reasons for customer dissatisfaction. Therefore, unlike the use of standards, there are no benchmarks to measure performance against.

## **Value Creation Workshop data**

**2.101** Some aspects of the Charter are reflected in attitudinal data collected during VCWs. However, there is no direct link to the Charter or analysis of Charter commitments in the VCW questions.

**2.102** Questions from the VCWs provide some measure of the customers' knowledge of their rights, but involve very little depth of analysis. For example, participants in VCWs are asked to assess whether Centrelink staff clearly explained their rights, but not to rate their experience of the appeals system or of the other feedback mechanisms available.<sup>100</sup>

**2.103** Although customers' knowledge of their rights is not a direct commitment in Centrelink's Customer Charter, the ANAO considers that enhancing customers' awareness of their rights is an important function of a Customer Charter. Many of the recommendations in the Client Service Charter Principles indicate the importance of specifying clients' rights. For example: 'A service charter should set out the rights of clients and what they can expect from an agency'.<sup>101</sup> In addition, the Principles recommend that service standards include: 'compliance (e.g. explaining clearly what the client needs to do; rights and responsibilities, mutual obligations)'.<sup>102</sup> Therefore, the ANAO is of the view that customers' awareness of their rights should be a commitment in the Charter.

**2.104** The ANAO also considers that the use of the Charter as a means to improve service delivery could be improved by soliciting more specific feedback on the Charter in customer satisfaction surveys and VCWs.

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<sup>97</sup> Centrelink, *National Customer Survey*, op. cit., p. 18.

<sup>98</sup> DBM Consultants, *CSC Customer Satisfaction Survey: 2003 Questionnaire*, July 2003, p. 7.

<sup>99</sup> DBM Consultants, *Centrelink Call Customer Satisfaction Monitor 2003–04: Monitor Questionnaire*, p. 5.

<sup>100</sup> Centrelink, *Facilitators Guide: Standard Value Creation Workshops*, 2001, p. 37.

<sup>101</sup> Department of Finance and Administration, op. cit., p. 7.

<sup>102</sup> *ibid.*, p. 6.

## Annual Reports

**2.105** Information on customer service provided in Centrelink's annual report provides little insight to the relevance or effectiveness of the Charter. The Charter is included in the Centrelink Annual Report 2002–03 under the chapter on 'Our Customers'. However, the only information included is that customer awareness of the Charter had increased to 16 per cent. No discussion is included about why awareness was low, nor is there any discussion about strategies for increasing awareness.<sup>103</sup>

**2.106** Other information in relation to specific percentages of satisfaction with aspects of Charter commitments, derived from the various satisfaction surveys, is contained in Appendix 5A of the 2002–03 Annual Report. However, it is not clear how the results should be interpreted.<sup>104</sup>

**2.107** Understanding and transparency of Centrelink's performance against its Charter would be enhanced by explaining in its annual report the significance of results. For example, how the results compare with expectations, past performance and/or other organisations' outcomes. Information on how the results have influenced Centrelink's customer service, and its relationship with customers, would also be valuable.

**2.108** The ANAO Better Practice Guide on *Better Practice in Annual Performance Reporting* provides guidance on strategies to improve performance measurement and reporting in agencies' annual reports.<sup>105</sup> This guidance may assist Centrelink in improving performance reporting on its Charter. The guide identifies the key features of good performance reporting. This includes the use of accurate and consistent information to present a balanced and coherent snapshot of the agency's achievements. It involves explaining how well the agency performed during the relevant period in meeting its objectives, not just stating what it did. This explanation should be supported by information on trends, evaluation results, targets and other points of reference, as well as by comparison of results against plans.

**2.109** Good performance reporting provides a powerful means for executives to monitor progress; steer the agency more effectively; and promote their achievements more convincingly. It also promotes leadership and 'tone at the top' of an organisation.

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<sup>103</sup> Centrelink, *Annual Report 2002–03*, p. 92.

<sup>104</sup> There are also some issues regarding the limitations of the survey information, which are discussed further in ANAO Audit Report No.33 2004–05 *Centrelink's Customer Satisfaction Surveys*.

<sup>105</sup> ANAO Better Practice Guide—*Better Practice in Annual Performance Reporting*, April 2004.

## Balanced Scorecard

**2.110** There is a link between Centrelink's Balanced Scorecard<sup>106</sup> and the Customer Charter, in terms of assessing the personalised nature, accuracy, efficiency and speed of Centrelink's service delivery. The Balanced Scorecard provides some information that is relevant to the Customer Charter, including a measure of customer awareness of their obligations, and a target for fixing mistakes.<sup>107</sup> However, the Charter is not explicitly mentioned in the Balanced Scorecard. As well, certain aspects of the Charter commitments, such as informing customers' of their rights, are not addressed. Also, as there are no targets in the Charter, the Balanced Scorecard cannot include achievements for Charter commitments.

**2.111** The ANAO acknowledges that it is important for the Balanced Scorecard to focus on Centrelink's key strategic areas, and it is not feasible for the Balanced Scorecard to measure all aspects of Centrelink's service delivery. However, customers' awareness of their rights is a significant aspect of the Charter that could be measured in the Balanced Scorecard. This is particularly important, given low awareness among Centrelink customers of their rights (see paragraphs 2.79 to 2.91).

**2.112** Some of the other Balanced Scorecard measures, which have a relationship to the Charter, are also limited in their effectiveness. For example, the 'improving access' indicator, which measures the proportion of customers who use self-service updating of income and circumstances.<sup>108</sup> This only measures access to one service. It could be argued that this is an indicator of the 'difficulty of access', if people are moving to self-service because they are unable to access services any other way.

## Conclusion

**2.113** Centrelink undertakes minimal monitoring and reporting of its performance against the Charter. The Charter has no explicit measurable standards which, according to the Principles, are the main purpose of a charter. Since Centrelink's Charter has no explicit standards, important aspects of the Charter are not specifically reported upon in the Balanced Scorecard. As a consequence, there is very little monitoring of its effectiveness. The commitments in the Charter are not explicitly linked to customer feedback nor

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<sup>106</sup> The Balanced Scorecard is the key instrument for measuring and reporting Centrelink's performance. The Balanced Scorecard reports measures against five of Centrelink's corporate goals, which comprise a mixture of measures set by its client agencies and internally set measures. Centrelink reports monthly on performance against a range of selected Key Performance Indicators to the Board of Management, the Executive, the Guiding Coalition, and management meetings.

<sup>107</sup> Centrelink, *Balanced Scorecard Report: Report to the Quality Committee*, July 2003, p. 9.

<sup>108</sup> *ibid.*

to satisfaction initiatives. There is an absence of any explicit standards and related information collected on performance against any of the specific commitments in the Charter necessary to help drive service improvement.

**2.114** Also, the Charter is not well reported upon in Centrelink's annual reports. Information on customer service provided in Centrelink's annual reports gives little insight to the relevance or effectiveness of the Charter. The information contains specific percentages of satisfaction derived from customers' answers to questions in Centrelink's satisfaction surveys that are relevant to Charter commitments, but it is not clear how the results should be interpreted. Understanding and transparency of Centrelink's performance would be enhanced by explaining the significance of results, for example, as compared with expectations, past performance and/or other organisations' outcomes. Information on how the results have influenced Centrelink's customer service, and its relationship with customers, would also be valuable.

## Recommendation No.1

**2.115** The ANAO recommends that, in accordance with the guidance set out in the Australian Government's *Client Service Charter Principles*, Centrelink include in its Customer Charter measurable service standards to:

- (a) better inform customers of the level of service to expect; and
- (b) provide an improved basis for measuring, monitoring and reporting, both internally and externally, the agency's performance against its Charter.

**Centrelink response:** Agree.

## 3. Aspects of Community Consultation

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*This chapter provides the background to the inclusion of elements of Centrelink's community consultation activities in the series of audits of Centrelink's customer feedback systems; discussion of specific issues relating to consultation with multicultural and Indigenous community groups, and how information from community consultation is monitored and reported upon in Centrelink.*

### Background

**3.1** In Centrelink's *Future Directions 2003–2006*, one of five strategic goals identified for Centrelink is to 'work closely with business and the community sectors to achieve positive outcomes for Australians'. Part of the approach to achieve this goal is to actively engage with the business and community sectors. In particular, Centrelink has identified an increased need to consult with the community to achieve this goal as follows:

As the number of referrals we make in our capacity as the gateway to the Job Network and other services under Australians Working Together continues to grow, the importance of our relationships with service providers and community organisations is expected to increase. We will work with a wider range of community providers than those with which we have traditionally interacted. We will need to foster relationships to provide a continuum of service delivery that meets the best interests of our joint customers.<sup>109</sup>

**3.2** Given the greater emphasis on the agency's relationship with the community sector, Centrelink considers that consultation with the community is now an important feedback system to be used to improve service delivery. In addition, the community sector assists Centrelink by assisting customers in complying with their obligations and informing customers of their rights and access to the range of Centrelink feedback systems.

**3.3** At the national level, Centrelink has a number of community reference groups. Community reference groups were established to build relationships between Centrelink and its stakeholders, including peak community groups, service delivery organisations, consumer advocates and business. Several reference groups have been established to advise Centrelink on key areas of its business and enable discussions with senior policy makers from a number of government departments. The groups are also important forums for information sharing, feedback and consultation on service delivery issues.

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<sup>109</sup> Centrelink, *Future Directions 2003–2006*, p. 16.

## Community Sector and Business Liaison team

3.4 Centrelink created the Community Sector and Business Liaison team in response to feedback received by Centrelink from the community sector, which highlighted the importance of building stronger relationships at national, Area and local levels. The role of the team is to be a key point of contact within Centrelink for business and community sector stakeholders, and to act as an advocate for them in their dealings across Centrelink.<sup>110</sup>

3.5 The aims of the Community Sector and Business Liaison team are:

- to facilitate better communication and understanding between the community sector and Centrelink at the national level;
- to identify issues and impacts on the community sector and look at opportunities for working together to address these; and
- to identify and facilitate opportunities to get input and feedback and involvement in the design of Centrelink services and opportunities for improvements to current practices.<sup>111</sup>

3.6 Centrelink advised the ANAO that, during the past year, the team has sought, and responded to, feedback from a wide range of community sector peak bodies and individual organisations. Their feedback and ideas have been incorporated into Centrelink's national framework for Community Sector Relationships, which was formally endorsed in May 2004 by the Guiding Coalition.<sup>112</sup>

3.7 In addition, Centrelink also receives feedback from the community through VCWs, and the Community Satisfaction Survey (conducted initially in 2003).<sup>113</sup>

## Community Connect

3.8 Centrelink also coordinates outreach activities in the community. Outreach involves individual CSCs, ASOs, or specialist staff, organising activities in the community, particularly to assist vulnerable customer groups and strengthen ties between Centrelink and the wider population. Stakeholder groups, to whom the ANAO spoke during fieldwork for this audit, provided an overview of Centrelink's outreach activities. For example, one stakeholder group was involved in a service integration project with Centrelink which

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<sup>110</sup> Centrelink, *Centrelink's focus on Community Sector Relationships*, pp. 1–2.

<sup>111</sup> *ibid.*

<sup>112</sup> *ibid.*

<sup>113</sup> See ANAO Audit Report No.36 2004–05 *Centrelink Value Creation Program*, and ANAO Audit Report No.33 2004–05 *Centrelink's Customer Satisfaction Surveys*, for further information.

brought a range of youth services together in one location for 'at risk' homeless young people.

**3.9** In response to feedback from the community sector, Centrelink created Community Connect in 2002–03 in partnership with community groups. The purpose of Community Connect is for Centrelink, other service providers, and community agencies to share information and access services. Community Connect is being developed as an online product that will open up access to a range of support tools, services and information products for community service providers.<sup>114</sup>

**3.10** A trial of Community Connect occurred in June 2003 with a small group of community groups. Centrelink expects the trial will be expanded, and a greater number of tools will be added to the current suite.<sup>115</sup>

### **Community Support Workers, Multicultural Service Officers and Indigenous Service Officers**

**3.11** Centrelink has also created some specialist roles with the intention of providing targeted assistance to sectors of the community with special needs. For example, Centrelink has developed a specialised role for Community Support Workers dedicated to providing services to people in the community who are homeless, marginalised, or at risk.<sup>116</sup> The main aim of the role is to ensure that customers have equitable access to, and participation in, products and services delivered by Centrelink. Community Support Workers need to consult widely with the community to ensure that a consistently high quality service is delivered to these customers.

**3.12** At the local and Area level, Centrelink has established roles for MSOs and ISOs. Both MSOs and ISOs form an integral part of Centrelink's service delivery. MSOs work with migrant and refugee customers, and ISOs work with Indigenous customers.

**3.13** The role of MSOs, specifically, is to:

- promote Centrelink services to refugee and migrant communities and their community groups;
- assist Centrelink staff in working with DCALB customers;
- provide direct customer service in complex cases, including newly arrived migrants and refugees; and

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<sup>114</sup> Centrelink, *Annual Report 2002–03*, pp. 128–9.

<sup>115</sup> *ibid.*

<sup>116</sup> Centrelink, *Centrelink Community Support Workers—Background*.

- provide feedback to Centrelink management on how to improve services to these customer groups.<sup>117</sup>

### 3.14 The role of ISOs is to:

- help Indigenous groups, communities and individuals to access government programs through Centrelink services and other resources;
- visit Indigenous peoples to facilitate the delivery of income support payments to ensure they receive their correct entitlements;
- inform Indigenous peoples of Centrelink services and other programs developed to assist families, and encourage the development of community projects to strengthen families and communities; and
- provide feedback to Centrelink management on how to improve services to these customer groups.<sup>118</sup>

3.15 ISOs and MSOs, as part of their role, liaise and consult with community organisations, and form close working relationships with the community at the local and Area levels.

## Scope of ANAO's coverage of Centrelink's community consultation

3.16 The Community Consultation program is, therefore, one of Centrelink's key strategic priorities. As well, the role of the community sector provides an important avenue for Centrelink to connect with its customers. Accordingly, the ANAO considered that some coverage of this program was also required in the series of audits of Centrelink's customer feedback systems.

3.17 However, as described above, the breadth of this program is significant. Accordingly, the focus of the audit was basically about specific community consultation issues, which came to the ANAO's attention in the course of the audit fieldwork conducted for the Centrelink customer feedback systems audits. These included: issues relating to the relationships at the local level between ASOs/CSCs and community groups; NSO's role in relation to community consultation; DCALB and Indigenous community consultation; and how information obtained from such community consultation is monitored and reported upon in Centrelink.

3.18 As part of the audit process, the ANAO gathered evidence from 28 stakeholder groups. The groups interviewed varied from national peak

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<sup>117</sup> *Multicultural Service Officers—MSOs—Factsheet*, p. 1.

<sup>118</sup> <[http://www.centrelink.gov.au/internet.nsf/services/indigenous\\_officers.htm](http://www.centrelink.gov.au/internet.nsf/services/indigenous_officers.htm)>.

bodies through to customer advocates and small local groups that provide assistance to some of Centrelink's most vulnerable customers.

**3.19** The ANAO spoke with relevant areas in NSO to gain a national perspective on community issues, in particular the Community Sector and Business Liaison team, the Multicultural Services team, and the Indigenous Services team.

**3.20** In addition, the ANAO interviewed a number of Centrelink MSOs, ISOs, and Community Support Officers in the network, for whom a large part of their role is consulting with community groups and vulnerable customers.

**3.21** The ANAO recognises that Centrelink also has a range of other staff involved in community consultation including Social Workers, Personal Advisers, Financial Information Services Officers, Jobs Education and Training (JET) Officers, Debt Prevention Management Officers, and Disability Officers. However, these other specialist officers were not included in the scope of this audit.

## Community group interaction with ASOs and CSCs

**3.22** In terms of interaction at the national and Area level, Centrelink has a number of reference groups with peak community sector organisations who meet on a quarterly basis. The reference groups were established to advise Centrelink on key areas of their service delivery and to enable discussions on policy with a number of government departments. The groups are also designed as forums for information sharing, feedback and consultation on service delivery issues.<sup>119</sup>

**3.23** However, despite the creation of reference groups at the Area level, fieldwork interviews revealed there is an issue with the ASOs in terms of planning community consultation. During fieldwork, the ANAO observed that attendance at reference groups was often deferred to local MSOs and ISOs in the CSCs, and any contact with the ASOs was on an irregular basis. More broadly, contact with the community by ASOs was generally on an ad hoc basis. No systematic approaches or coordinated plans have been developed for contacting a varied range of community groups in the individual Areas.

**3.24** The ANAO acknowledges that there are over 9 000 community organisations across Australia, varying in terms of size, resources, expectations and type of customer contact. Also, some community organisations have a high turnover of staff and variable levels of knowledge about Centrelink services. Therefore, Centrelink needs to ensure consistent contact with such organisations to ensure the linkages and information levels are maintained.

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<sup>119</sup> Centrelink, *Annual Report 2002–03*, p. 130.

**3.25** During fieldwork, a representative from a national peak welfare body noted that, although Centrelink was receptive to ideas from community groups at the national level, this did not translate to effective action at the local level. Also, an advocacy group noted that they received inconsistent contact from Centrelink. The organisation had limited contact with Area managers, or in some cases no contact at all. Although the group has bi-annual meetings with Centrelink at a national level, they noted that, at the local level, they had limited interaction with Centrelink.

**3.26** Interviews with various stakeholder groups, particularly the groups at the 'coalface' who deal with Centrelink's most vulnerable customers, revealed a concern with the difficulty in establishing contacts in Centrelink offices at the local and Area levels.

**3.27** In a number of cases, stakeholders reported that they had only been provided with a booklet detailing Centrelink's payment programs, and received no other contact with Centrelink. Stakeholders also revealed the difficulties Centrelink customers and community groups experienced in dealing with the 'right person' in Centrelink. Stakeholders commented that there was no consistent contact. They were unsure who was the right person to contact in their local Centrelink office about specific situations regarding Centrelink customers they were assisting. This issue extended to the availability of specialist Centrelink staff for vulnerable customers, including difficulty in accessing the services of personal advisors, psychologists and social workers.

**3.28** The difficulty in having a consistent contact, and uncertainty about the right person to contact in Centrelink in relation to specific issues, results in community groups receiving unclear, or inconsistent, information from Centrelink. This in turn makes it difficult for these groups to pass on information to assist customers in their dealings with Centrelink.

**3.29** The issue of inconsistent contact raised by community groups during fieldwork interviews with the ANAO is confirmed by data from Centrelink's VCWs held with community groups:

34 per cent of Value Creation Workshop participants indicate that their organisation has never been visited by Centrelink. In some cases, community organisations do not have a direct telephone number to their local CSC, relying instead on the Call Centre, or queuing at the office.<sup>120</sup>

**3.30** Although Centrelink has extended an open invitation to community groups to discuss issues with the Chief Executive, this is not always an appropriate or timely avenue for community groups to take. In addition,

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<sup>120</sup> Centrelink, *Customer Experience Strategy 2004–2006*, p. 12.

fieldwork interviews revealed that community groups at the local level are often unaware of this option. An established contact at a CSC or ASO may be more appropriate in resolving issues, instead of escalating these to a national level.

**3.31** Community groups who deal with Centrelink's most vulnerable customers are seeking to actively assist Centrelink through assisting these customers to comply with Centrelink's requests. However, when they attempt to fulfil this role, they are met with difficulties in terms of establishing contacts or obtaining information from Centrelink. Therefore, it is in Centrelink's interest to resolve these difficulties to ensure the community groups can perform their role unhindered.

**3.32** There are currently no 'fields' within Centrelink's complaints computer system that allow Centrelink to record a complaint made by a stakeholder, such as a business or community group.<sup>121</sup> The absence of any record of stakeholder complaints prevents Centrelink from ensuring that they are resolved in a timely and satisfactory manner, and are appropriately analysed to identify opportunities for improvement in service delivery and organisational processes.

**3.33** Notwithstanding the range of initiatives Centrelink has developed to facilitate consultation with the community, there remains a general lack of awareness on the part of Centrelink, at the national level, in terms of issues affecting smaller community groups. In particular, Centrelink's NSO lacks awareness of initiatives undertaken by local CSCs and ASOs with the community, and also an awareness of community issues at the grass roots level. The main issues are a lack of aggregation of data from the Area and local levels by NSO, and a lack of communication from the 'coalface' feeding back to NSO. NSO needs to be aware of issues that are occurring at the local level to identify trends at a national level, and be able to develop effective strategies in order to address these issues.

**3.34** The ANAO found that there was inconsistent contact between the smaller community groups and Centrelink at the Area and local levels. This in turn means that the relationship between Centrelink and peak community groups is perceived more favourably than the relationship between ASOs and CSCs and the community groups at the 'coalface'. Stakeholders interviewed by the ANAO indicated that, although Centrelink was receptive to ideas from community groups at the national level, this did not translate to effective action at the local level. It is important that this data is used at the national level in Centrelink for strategic planning, due to its favourable impact on service delivery. Currently, the lack of impact of this data on service delivery

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<sup>121</sup> For further information see ANAO Audit Report No.34 2004–05 *Centrelink's Complaints Handling System*.

means that issues flagged at the local level do not necessarily translate to service changes at this level.

**3.35** The inconsistent contact between the smaller community groups and Centrelink at the local and Area levels leads to conflicting, and often incomplete, information being received by these groups. Community groups at the grass roots level often deal with Centrelink's most vulnerable customers, and provide assistance to Centrelink by helping these customers. Therefore, the overall weak ties between Centrelink and these groups is likely to pose a risk to the level of service delivery to the individuals who predominately rely on assistance from such community groups.

## Role of the National Support Office in community consultation

**3.36** The Guiding Coalition conducted a risk assessment of Centrelink's approach to connecting with the community in May 2003. The risks identified by the Guiding Coalition included:

- the need for governance, vision and objectives;
- delivery;
- the need for cultural change;
- maintenance of the relationship;
- resourcing; and
- other shared risks.<sup>122</sup>

**3.37** In documentation received by the ANAO on 24 August 2004, Centrelink stated that NSO teams could monitor performance at the Area and local levels through a risk-based approach, instead of through means such as mandating better practice and greater funding control.

**3.38** Centrelink also advised the ANAO that it has developed a framework for staff called 'Centrelink's Role in the Community' (the Framework), which was endorsed in May 2004 by the Guiding Coalition.<sup>123</sup> The Framework defines for Centrelink staff a four-tiered approach to working with others in the community to assist mutual customers. The Framework draws together a range of existing activities undertaken by Centrelink individuals, offices and teams over the last few years in the community and with external organisations.

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<sup>122</sup> Centrelink, *Guiding Coalition's Six Key Strategic Risks*, May 2003.

<sup>123</sup> Centrelink, *Centrelink's Role in the Community*, August 2004.

**3.39** The Framework also articulates the minimum expectations of staff in their dealings with the community, including meeting with community groups, being more accessible to the community, and using feedback to improve services. The Framework is also being supported by a range of tools and guidelines for staff to assist them in understanding their role in the community.

**3.40** However, the ANAO notes that, while the Guiding Coalition has endorsed the Framework, it has not been mandated for use throughout the network to ensure consistency and quality of contact with the community across the Areas.

**3.41** National Teams in NSO develop the policies and processes aimed at improving services to DCALB and Indigenous customers. However, ASOs independently make the decisions about whether they will implement these policies and/or processes, the extent to which they will do so, and the placement of the relevant resources. As a result, NSO teams do not systematically monitor Areas' take-up and implementation of the policies and processes.

**3.42** Senior managers within NSO advised the ANAO, during audit fieldwork, that they can only 'influence' the Areas rather than mandate strategies or tools for use by all Centrelink offices. Further, the ANAO was advised that this is also the case in respect of whether there is appropriate coverage across the network, for example, in terms of the number and placement of MSOs and ISOs in Areas. This view is predicated on the position that each Area should have the authority to make management decisions based on their local circumstances. While the ANAO does not suggest that NSO be responsible for making decisions regarding the placement of MSOs and ISOs across the Areas, it is important that NSO is aware of, and is able to monitor, the coverage of MSOs and ISOs across the Areas.

**3.43** The MSO Tool is an example where NSO's position that it can only 'influence' the ASOs, in this case in relation to the functions of ISOs and MSOs, has produced an inconsistent result across the Centrelink network. See Figure 3.1 for a description of how this has occurred.

### Figure 3.1

#### Example of inconsistent application in the network of a tool developed by NSO

The MSO Tool is an electronic resource for MSOs developed by the Multicultural Services Team in NSO. MSOs are able to enter information about activities they are undertaking with the multicultural community, and any issues that arise in their day to day role. It also has the capacity to allow MSOs to record information about service delivery and policy issues that impact on customers from a diverse cultural and linguistic background. In addition, MSOs can access the quarterly MSO reports produced from the data entered by MSOs across the network, to obtain an overview of activities and initiatives being undertaken in the multicultural community in different ASOs. However, the impact of the tool is restricted given that, although its use is strongly encouraged, it is not mandated by NSO's Multicultural Services Team and, accordingly, is not used by all MSOs.

Centrelink has invested organisational resources in developing and promulgating this tool within its customer service network but has not, to this point, mandated that all MSOs are to use it. The value to Centrelink of this investment is compromised, because the tool is not universally used and the breadth of management information, which would be available if the tool were used consistently by MSOs across the network, is not available. Therefore, NSO does not have the capacity to assess adequately the effectiveness of the tool in providing management information nationally. The ANAO understands that the question of mandating the tool is now before the National Multicultural Business Group, a group comprising multicultural contacts from ASOs.

Source: ANAO analysis of information provided by Centrelink and gathered during audit fieldwork.

**3.44** In Audit Report No.4 2004–05, *Management of Customer Debt*, the ANAO found that:

Variations in Area Recovery Team structures reflected an inconsistent approach to debt recovery across the network...That is, both the customer's outcome, and the effectiveness of operations, depends disproportionately on the structure and processes of the relevant Area, and the priority the Area's management places on the function.<sup>124</sup>

**3.45** The report went on to state that:

Centrelink is a national organisation. Therefore, the quality of outcomes and customer service should not be dependent on the customer's geographic location.<sup>125</sup>

**3.46** As outlined above, the ANAO identified in this audit, in respect of those aspects of Centrelink's community consultation activities which were in scope, similar concerns about the limitations of Centrelink's systems to ensure consistent quality of outcomes for customers across its network.

<sup>124</sup> ANAO Audit Report No. 4 2004–05 *Management of Customer Debt*, pp. 121–2.

<sup>125</sup> *ibid.*, p. 122.

**3.47** The ANAO considers it is important that effective systems are in place to allow efficient and consistent implementation of community consultation initiatives, and to contribute to the provision of consistent quality of outcomes for customers across its network. Such systems could also support the identification and propagation of better practice, and the identification of cost savings as a basis for delivering better services.

## **DCALB and Indigenous community consultation**

**3.48** In terms of Centrelink's consultation specifically with the multicultural and Indigenous community, there are a number of mechanisms in place at the national, Area and local levels.

**3.49** At the national level, there is the National Multicultural Reference Group, which is Centrelink's key forum for engaging peak ethnic community organisations on service issues affecting customers from a diverse cultural and linguistic background.<sup>126</sup> At the Area and local levels, there are the Multicultural Advisory committees that provide communities with the opportunity to discuss service issues affecting multicultural customers.<sup>127</sup>

**3.50** The National Indigenous Coalition (NIC) meets on a quarterly basis. It brings together Indigenous Service Unit Managers and Business Managers from each ASO, Indigenous Community Segment Team members, and client agency representatives. The NIC discusses Indigenous specific issues and provides feedback to appropriate NSO Teams. Centrelink also participates in the Indigenous Community Coordination Taskforce (ICCT). The ICCT is responsible to the Secretaries' Group for leading the coordination of Indigenous initiatives across Commonwealth agencies and with State and Territory Governments. It also monitors Commonwealth performance and provides feedback to, and from, Indigenous communities under whole of government initiatives.<sup>128</sup>

## **Multicultural Services Officers and Indigenous Service Officers**

**3.51** At the local and Area levels, Centrelink has established roles for MSOs and ISOs. MSOs work with migrant and refugee customers, and ISOs work with Indigenous customers, to form an integral part of Centrelink's service delivery. These roles have been discussed in paragraphs 3.13 and 3.14 above.

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<sup>126</sup> Centrelink, *Annual Report 2002–03*, p. 133.

<sup>127</sup> *ibid.*

<sup>128</sup> Centrelink, *Quarterly Performance Report to FaCS*, March 2003.

**3.52** The main way in which both MSOs and ISOs achieve their goals is through consultation with the community and through building effective working relationships with community groups.

**3.53** During ANAO fieldwork, the MSOs and ISOs encountered were positive about their work, and were committed and enthusiastic in their role. However, a number of issues were identified in relation to the MSO and ISO role.

**3.54** MSOs and ISOs interviewed by the ANAO indicated that, for the most part, they were reliant on the community to identify and communicate issues. The difficulty with this approach is that there is no guarantee this will occur as a matter of course, and there is a possibility that not all issues will be brought to the attention of the ISOs or MSOs. Also, although MSOs and ISOs have direct contact with the community, Area Managers and CSC Managers do not enjoy regular contact in order to monitor adequately the ISO and MSO interaction.

**3.55** Another issue identified during the fieldwork is the inconsistent application of MSO and ISO performance assessment. It is difficult to measure the impact of MSO and ISO initiatives as the success of the outcomes is gauged through community feedback. Hence, there is a reliance on community groups to provide feedback in order to assess MSO and ISO performance. However, it is not certain that community groups will provide this feedback, or are even aware that they should do so. During fieldwork, a number of the CSC managers claimed that they 'would hear' about problems with an ISO or MSO, but had no systematic approach in place to ensure they received, or sought, feedback from the community.

**3.56** NSO's Indigenous Services produces a range of communication products to assist ISOs in their roles, such as Indigenous specific information pamphlets on Centrelink payments and programs, and the Footsteps Magazine which provides an overview of Centrelink's services for Indigenous Australians. Similarly, NSO's Multicultural Services provides a range of products to assist MSOs in their role, including information pamphlets on Centrelink's services in a range of different languages, newsletters, team rooms and conferences.

**3.57** The ISOs and MSOs interviewed by the ANAO advised that they considered the communications and products they received from NSO were useful in assisting them to communicate effectively with their client groups. However, there is no mandating of the use of these products from NSO. Although the products may be effective in assisting MSOs and ISOs to communicate with their client groups, there is no guarantee of consistency of use across Areas, nor are there any measures in place to assess their effectiveness.

**3.58** Centrelink has a number of better practice initiatives for both MSOs and ISOs to share information and ideas. These initiatives include forums and conferences such as the NIC, intranet team rooms, newsletters and Area based initiatives, such as the One Sydney Multicultural and Indigenous Servicing Strategy. However there is no systematic approach to identify and disseminate better practice for MSOs and ISOs. This, in turn means there is no monitoring in place to ensure these channels are used, or to assess their effectiveness.

**3.59** As discussed in Audit Report No.33 2004–05, *Centrelink's Customer Satisfaction Surveys*, Centrelink's Indigenous customers are less likely than other groups to respond to surveys.<sup>129</sup> One particular reason may be the lack of awareness the ANAO encountered among ISOs of the mechanics of Centrelink's surveys. Some ISOs raised the issue that Indigenous customers tended to be apprehensive in responding to surveys, and would contact their local ISO in order to seek an understanding of the survey.

**3.60** Given that a number of ISOs were unaware of the details of the customer surveys conducted by Centrelink, this would have impacted on their ability to explain the survey to Indigenous customers, and in turn, address their feelings of apprehension in responding to the survey. However, if ISOs were made aware of the details of Centrelink's feedback mechanisms, such as the customer surveys, they would be better able to raise awareness of these initiatives in the community; address barriers or any reluctance to participate on the part of the customers; and increase the likelihood of customer participation. This should improve the effectiveness of such mechanisms for Indigenous customers.

## **Value Creation Workshops**

**3.61** Centrelink has conducted special VCWs for both multicultural and Indigenous customers in order to identify specific issues that relate to these customers.

**3.62** Centrelink's use of VCWs is examined in detail in the Audit Report No.36 2004–05, *Centrelink's Value Creation Program*. Fieldwork interviews revealed that Centrelink had found that the special VCWs conducted with multicultural customers, were identifying the same issues as those emerging in workshops conducted with the customers from the wider community. Accordingly, given the expense associated with running workshops for multicultural customers, in particular costs associated with obtaining interpreters, the special workshops with multicultural customers were discontinued.

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<sup>129</sup> See ANAO Audit Report No.33 2004–05 *Centrelink's Customer Satisfaction Surveys*, Chapter 4.

**3.63** Although, special VCWs for Indigenous customers continue to be conducted, there is inconsistency in the numbers of these workshops held in the various Areas. Some Areas, such as North Central Victoria and South Metro New South Wales, have not held any Indigenous VCWs in the past three years.<sup>130</sup> In addition, some Areas with a relatively high Indigenous population, including North Australia and Central and North Qld, have held very few Indigenous workshops.

**3.64** Given that Indigenous customers are less likely to complain<sup>131</sup>, or participate in the customer satisfaction surveys<sup>132</sup>, the special Indigenous workshops provide a valuable mechanism for Centrelink to garner the opinion of this customer group. Accordingly, the ANAO considers that there would be merit in Areas with a high Indigenous population being encouraged to hold a greater number of these workshops to improve awareness of Indigenous specific issues and thus the appropriateness of the level of service provided to this group.

**3.65** During audit fieldwork, the ANAO was advised by relevant officers in NSO that they were aware there was an issue with the low number of special VCWs being held with Indigenous customers. They acknowledged that, currently, there is some difficulty in recruiting Indigenous facilitators, which is compounding the problem.

## Monitoring and reporting

**3.66** Centrelink reports nationally on community consultation in its annual report, through requirements under the Business Alliance Agreement with FaCS, and under the Balanced Scorecard. At the local and Area levels, ISOs and MSOs are required to report upon their activities with the community. In addition, Centrelink holds Community Sector VCWs and surveys community organisations in order to monitor, and assess, their views on Centrelink's services.

**3.67** The various reports that Centrelink produces in relation to its community consultation are primarily descriptive in nature. These reports typically provide a narrative, or a list, of some of the activities that have been undertaken by Centrelink staff in undertaking community consultation. Descriptive information can be a useful component in assessing the effectiveness of Centrelink's consultation. However, capturing and reporting

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<sup>130</sup> Centrelink Value Creation Workshop data.

<sup>131</sup> ANAO analysis of the Centrelink National Customer Satisfaction Survey conducted in 2002 found that 26 per cent of customers surveyed were unable to identify ways in which they could make a complaint. This figure rose to 39 per cent for participants identified as Indigenous.

<sup>132</sup> ANAO analysis of Centrelink's National and CSC Satisfaction Surveys.

quantitative and qualitative performance information, such as indicators or targets, would allow Centrelink to better understand trends and/or undertake an analysis of such performance in this area. Such performance information would generally assist in informing management on possible areas for improvement in community consultation.

## Annual Report

**3.68** Community consultation is reported in Centrelink's Annual Report 2002–03 under the strategic goal to establish:

More effective working relationships with the community and business sectors to achieve positive outcomes for Australians.<sup>133</sup>

**3.69** The information included on community consultation in the annual report is largely descriptive, providing a summary of the activities undertaken by Centrelink in the community, with very little analysis of the effectiveness of these activities.

**3.70** As mentioned previously in the chapter on the Customer Charter, the ANAO Better Practice Guide on *Better Practice in Annual Performance Reporting* provides guidance on performance reporting in annual reports.<sup>134</sup> The Better Practice Guide recommends that agencies should not just state activities undertaken, but also explain how the agency has met its objectives with supporting evidence in the form of trends, evaluation results and other points of reference.

**3.71** For example, Centrelink reports on the performance of the Reference Groups by providing a brief summary of their activities for the year. There is no reporting on the impact of the activities undertaken in the community, very little analysis of the effectiveness of the activities, and no quantitative measurements of the performance of these groups.<sup>135</sup>

**3.72** Similarly for the VCWs, the annual report provides a brief account of the results for the workshops for 2002–03. The report includes broad statements on how the information can be used at the local level, but provides no actual examples of how this information has been used to improve service delivery within Centrelink.

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<sup>133</sup> Centrelink, *Annual Report 2002–03*, p. 126.

<sup>134</sup> ANAO Better Practice Guide—*Better Practice in Annual Performance Reporting*, April 2004.

<sup>135</sup> The ANAO Audit Report No.11 2003–04, *Annual Performance Reporting*, noted that undertaking activities, in itself, is not a measure of effectiveness. The report suggested that agencies need to provide an analysis of performance, rather than simply list activities.

## Business Alliance Agreement

3.73 Until the machinery of government changes following the October 2004 Federal Election, Centrelink's delivery of services on behalf of FaCS constituted the overwhelming bulk of Centrelink's activities.<sup>136</sup> The ANAO's fieldwork for this audit was conducted prior to the machinery of government changes. Accordingly, the ANAO's findings relate to the processes established in the *Business Alliance Agreement 2004–2008* between FaCS and Centrelink, which outlined Centrelink's requirements in reporting data about community consultation.

3.74 Each quarter, Centrelink Relationship Branch (FaCS) and the Business Alliance Team (Centrelink) jointly prepare a Business Alliance Performance Statement for the Secretary of FaCS and the Chief Executive of Centrelink. The Business Alliance Performance Statement focuses on the performance of each organisation separately, and on joint committees for the achievement of program outcomes.<sup>137</sup> In particular, Centrelink reports against its contribution to the measures of the Outcomes and Outputs Framework (OOF).<sup>138</sup>

3.75 Under Output Group 2.2: Community Support, one of the program objectives identified is to 'Facilitate partnerships between business, community groups and government to achieve well targeted and tailored solutions'.<sup>139</sup> The indicators relating to this goal in the OOF include:

- appropriate needs identified and actions agreed, including referrals;
- effective interaction with other service providers; and
- customers and community awareness and understanding of assistance, support and obligations.<sup>140</sup>

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<sup>136</sup> As noted in Chapter 1, on 22 October 2004, the Prime Minister announced machinery of government changes affecting, among other things, the administration of policy relating to income support payments and related programs. Previously, Centrelink was located in the FaCS Portfolio and, while it had agreements in place with other agencies such as Department of Employment and Workplace Relations (DEWR) and the Department of Education Science and Training (DEST) for the delivery of some services, the overwhelming bulk of Centrelink's activities related to its delivery of services on behalf of FaCS. As a result of the changes announced by the Prime Minister, Centrelink is now part of the newly established Department of Human Services Portfolio. In addition, DEWR now has policy responsibility for the delivery of working age income support payments (including Newstart, Parenting Payment (partnered and single), Youth Allowance for non-students, Disability Support Pension and Mature Age Allowance) and DEST has policy responsibility for income support payments for students (including Youth Allowance for students which had previously been administered by FaCS).

<sup>137</sup> *FaCS/Centrelink Business Alliance Agreement 2004–2008*, p. 20.

<sup>138</sup> The Outcomes and Outputs Framework is a performance framework that clarifies the contribution each organisation makes towards achieving the Government outcomes for which FaCS is responsible.

<sup>139</sup> *FaCS/Centrelink Business Alliance Agreement 2004–2008*, Section 2.2—Community Support, p. i.

<sup>140</sup> *ibid.*, p. v.

3.76 However, it is not clear from the information in the *Business Alliance Agreement 2004–2008*, how Centrelink will report to FaCS against these indicators. Previously, Centrelink provided to FaCS a descriptive account of the initiatives undertaken in the community. The report did not include performance information, such as targets or cost effectiveness; nor did it provide further analysis of the initiatives undertaken. As a result, there are difficulties in using the information in the report to help drive attainment of identified service improvements.

3.77 Following the machinery of government changes announced on 22 October 2004, the ANAO also notes that new agreements may be required in relation to Centrelink's delivery of services on behalf of a range of agencies including FaCS, DEWR and DEST. As a result, Centrelink needs to ensure that performance measures under the purchaser/provider arrangements with the various portfolio departments now responsible for income support payments are appropriate, and that targets are set at a sufficient level to help drive attainment of required performance.

## Balanced Scorecard

3.78 Community consultation is reported in Centrelink's Balanced Scorecard under Goal B: Business and Community.<sup>141</sup> The strategies in relation to community consultation are for Centrelink to:

- manage the referral process effectively;
- actively engage with the business and community sectors; and
- improve their image in the community.

3.79 The Key Performance Indicators to measure the strategies are:

- community sector satisfaction with Centrelink, measured by the Community Sector Satisfaction Survey;
- the proportion of referrals agreed to be inappropriate, measured by the number of returned Intensive Support referrals;
- the extent to which CSCs are engaged with the community and business for the benefit of customers, with a target of one activity per CSC; and
- the favourability of the overall opinion of Centrelink in the community, measured by answers to a question from the Community Sector Satisfaction Survey.

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<sup>141</sup> Centrelink, *Balanced Scorecard 2002–03*, pp. 8, 22–23.

**3.80** The indicator for Goal B is measured and reported through the Balanced Scorecard by the number of businesses and community organisations actively engaged with Centrelink in projects that benefit customers, with a target of one activity per CSC. The measure in the Balanced Scorecard focuses on the quantity of contact. There is no information reported on the quality, or outcome, of the activity with the community organisation.

**3.81** At the national level, the Community Sector and Business Liaison team has developed the Community and Business Partnership Database<sup>142</sup>, in order to provide a measurement for Goal B in the Balanced Scorecard. Once the database is populated, the information will allow reporting of results for the Balanced Scorecard against the target for individual CSCs. The database will also allow the sharing of ideas and learning across Centrelink. The database has only been developed recently. Prior to this, there was no method in Centrelink of recording community consultation at the local level. During fieldwork, this was an issue raised by various ASOs who had no Centrelink-wide method for documenting community consultation.

**3.82** It is difficult for NSO to assess, from the information in the database, the extent of coverage within the Areas. For example, some ASOs may consult a range of community organisations, whereas other ASOs may limit their consultation to one or two community groups. Also, the information collected by the database is largely descriptive. For example, beyond a description of the activity, there is little analysis on the outcomes of the activity, or recommendation for staff to follow-up on the impact of initiatives with community groups. The descriptive nature of the data impacts on the ability of NSO to aggregate and analyse the data.

## ISO Reporting

**3.83** The ISO reports provide an overview of their work with the community. These reports provide details of ISOs' contact with the community, including any initiatives undertaken, and limited statistical information about the Indigenous population in the area. The reports are largely descriptive in nature, containing only a narrative of activities undertaken by an ISO during a certain period of time. ISOs forward reports on their activities on an individual basis, without the use of an electronic database. The reports are forwarded to the ASOs, aggregated at a national level and then reported to FaCS on a quarterly basis. The composition of these reports makes aggregating the data difficult and prevents any detailed analysis, or the easy comparison, of performance across different areas.

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<sup>142</sup> Centrelink intranet,  
<[http://centrenet/homepage/nso/buscomm/surveys/community\\_partnership\\_activity.htm](http://centrenet/homepage/nso/buscomm/surveys/community_partnership_activity.htm)>.

**3.84** Furthermore, there is little consistency across Areas about how this data is recorded. As a result, it is difficult to measure the effectiveness of the outcomes of ISOs' activities in the community. Also, the reports do not provide information on how the data is used to plan initiatives. Although the reports contain some statistical information on the Indigenous population in the area, there is no depth of analysis on this quantitative data to improve service delivery to this customer group.

**3.85** Recently, a standard template for ISO reporting was created and endorsed by NIC to address some of the above issues. However, it is unclear whether the template has been mandated to ensure consistent use across the Areas.

**3.86** The difficulty of aggregating the data at a national level leads to complexities in analysing and comparing the information across Areas. This in turn leads to difficulties in identifying local trends and implementing improvements in service delivery.

## **MSO Reporting**

**3.87** Similarly, MSO reporting, which occurs through the MSO Tool, is concerned with providing a description of MSO activities. In particular, MSOs use the tool to provide details of the activities they are undertaking with the community. The data that is recorded in the tool is text based. The composition of this data makes any aggregation and subsequent analysis difficult. The descriptive nature of the data also creates difficulties in assessing the impact of MSOs' activities.

**3.88** As mentioned in paragraph 3.86, descriptive data is difficult to aggregate at a national level, and prevents the identification of potential improvements in service delivery at the local level.

## **Value Creation Workshops**

**3.89** VCWs provide another method of monitoring salient issues in the community with regard to their relationship with Centrelink. The reports on the workshops conducted from 2000 to 2003<sup>143</sup>, raised a number of common issues in regard to the relationship between Centrelink and community groups. These issues included:

- difficulties in accessing the right person;

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<sup>143</sup> Centrelink, *Value Creation Workshops Consolidated Report, Community Groups*, December 2000; Centrelink, *Value Creation Workshops Consolidated Report, Community Partnerships*, January 2001–July 2002; Centrelink, *Value Creation Workshops Consolidated Report, AWT Community Workshops*, November 2003–April 2004.

- inappropriate referrals and lack of support for customers;
- lack of, or poor quality, information and communication; and
- Centrelink's failure to fulfil its duty of care for customers and a lack of respect for, or value of, what community groups do.

**3.90** The ANAO's interviews with stakeholders, conducted in late 2003 and early 2004, echoed the above concerns. Given that community groups' complaints have remained largely unchanged over time, this suggests an issue with the monitoring and review process in terms of using the data from these workshops to address and rectify the difficulties expressed by community groups.

### **Community Sector Satisfaction Survey**

**3.91** In addition to VCWs, the Community Sector and Business Liaison team designed the Community Sector Satisfaction Survey. The survey was conducted in 2003, to assess the level of collaboration with community organisations and their local Centrelink offices. The survey was distributed to 12 peak national and state community organisations, which then distributed the survey to their members and associated organisations. Centrelink received 504 responses from individual organisations.

**3.92** The Community Sector and Business Liaison team plans to use the survey results at a national level to improve interactions with the community organisations, and at the local level to establish more appropriate working arrangements with service providers.<sup>144</sup>

**3.93** Results from the survey included the following:

- 71.3 per cent of respondents rated their current working relationship with their local office as satisfactory or very satisfactory;
- 80.9 per cent of respondents were satisfied or very satisfied with their contact arrangements; and
- 86.3 per cent of respondents rated Centrelink staff helpfulness as good to excellent, and 75.2 per cent rated the communication skills of Centrelink staff as good to excellent.<sup>145</sup>

**3.94** However, the survey also identified some areas for improvement, which correspond to the results from the VCWs as identified in paragraph 3.89. These included:

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<sup>144</sup> Letter from National Manager, Community Sector and Business Liaison team, dated 22/05/03.

<sup>145</sup> Centrelink, *Community Sector Satisfaction Survey Report*, p. 6.

- the availability of alternative/back-up contact arrangements;
- the understanding of respective roles;
- the appropriateness of Centrelink referrals to what organisations could deliver;
- the quality of information dissemination from Centrelink; and
- the need for better linkages including local office understanding of agencies' customers' needs.<sup>146</sup>

## Conclusion

**3.95** Part of the reason for information about local community consultation not filtering through to NSO is that, while Centrelink has a range of methods to monitor and report on community consultation at the various levels within the organisation, this monitoring and reporting is largely descriptive in nature. The information provided is a narrative, or listing, of consultation activities with the community and involves very little analysis in terms of assessment or planning, or levels of quality, effectiveness or impact. Therefore, as there is no systematic approach in recording or analysing the data, there is no resulting service improvement at the Area or local levels.

**3.96** Descriptive information can be a useful component in assessing community consultation. However, capturing and reporting quantitative and qualitative performance data would allow Centrelink to better understand trends and/or undertake an analysis of such performance in this area. This performance information would generally assist in informing management on possible areas for improvement in community consultation.

## Recommendation No.2

**3.97** The ANAO recommends that Centrelink:

- implement adequate systems to monitor community consultation nationally, and to identify, at the national level, common issues/trends that are emerging at the local level to allow identification of service improvement and cost savings; and
- put in place quantitative indicators, such as targets and cost effectiveness measures, in addition to descriptive indicators, when assessing and reporting its consultations with community stakeholders.

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<sup>146</sup> *ibid.*

*Centrelink Response*

**3.98** Centrelink **agrees** with this recommendation. Given the many thousands of local community organisations Centrelink deals with, to capture local issues and trends and to collect data and new performance information across Centrelink as recommended will have cost implications for the organisation. Centrelink will therefore investigate the options to implement the recommendation and apply a cost-effective solution.

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Canberra ACT  
9 March 2005



P. J. Barrett  
Auditor-General

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