

The Auditor-General
Audit Report No.22 2008–09
Performance Audit

Centrelink's Complaints Handling System

Centrelink

Australian National Audit Office

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of Australia 2009

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Canberra ACT
17 February 2009

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in the *Centrelink* in accordance with the authority contained in the *Auditor-General Act 1997*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit and the accompanying brochure. The report is titled *Centrelink's Complaints Handling System*.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee'.

Ian McPhee
Auditor-General

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

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office. 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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Abbreviations

ANAO	Australian National Audit Office
ASRT	Area Service Recovery Team
ATO	Australian Taxation Office
CEO	Chief Executive Officer
CIMS	Community Issues Management System
CRU	Customer Relations Unit
CSA	Customer Service Advisor
CSC	Customer Service Centre
DCALB	Diverse Cultural and Linguistic Background
ICFD	Integrated Customer Feedback Database
ISO	Indigenous Services Officer
JCPAA	Joint Committee of Public Accounts and Audit
MART	Multicultural Activity Recording Tool
MSO	Multicultural Services Officer
NC&EM Branch	Network Co-ordination and Emergency Management Branch
NCSS	National Customer Satisfaction Survey
NSO	National Support Office
PCS	Post Complaints Survey
QA	Quality Assurance

SP&IM Branch	Strategic Performance & Information Management Branch
Statement of Commitment	The <i>Statement of Commitment to Listening and Responding to Customer Feedback</i>
TTY	Telephone Typewriter

Glossary

Area Service Recovery Teams	Area Service Recovery Teams are located in the Centrelink's Area Offices across Australia. Any feedback classified as tier two and three complaints is referred to an Area Service Recovery Team.
Complaint	An expression of dissatisfaction or grievance about a Centrelink product or service.
Compliment	An expressions of appreciation/admiration from a customer or member of the public for an individual or team, a Call Centre, a Customer Service Centre, other Centrelink site, a Centrelink service, or Centrelink as an organisation.
Customer Relations Units	The central point for receiving customer feedback, located in four of the 25 Centrelink Call Centres. They provide a medium for customers to raise issues and to have the less complicated issues resolved. Feedback is received in the form of complaints, compliments and suggestions. Customer Relations Units also receive general enquiries.
Stakeholders	The ANAO interviewed 15 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.
Suggestion	An idea about how Centrelink can provide a better service or do things differently.
Vulnerable Customers	Vulnerable customers may include those customers who are homeless; have a drug or alcohol dependence; 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

Background

1. In 2007–08, Centrelink administered \$70.5 billion in payments to approximately 6.5 million customers. In making these payments and servicing its customer base, Centrelink received in excess of 32.8 million customer phone calls and completed 6.6 billion customer record transactions. These customer contacts not only facilitate the operation of Centrelink’s core service delivery business but also provide a valuable opportunity to obtain customer feedback.

Previous audit

2. In 2004–05, the ANAO completed Audit Report No.34, *Centrelink’s Complaints Handling System*, which was one of the Centrelink Customer Feedback series of audits.¹ The audit found that while Centrelink’s complaints handling system was well developed, there were opportunities to improve the effectiveness, efficiency and economy of the system through improvements to methods for gathering, measuring, reporting and responding to complaints. Such improvements would make the system more accessible to customers and provide more robust complaints information to Centrelink for use in enhancing service delivery.

3. The ANAO made 12 audit recommendations which were all agreed to by Centrelink.

4. Subsequent to the ANAO audit, the Joint Committee of Public Accounts and Audit (JCPAA) undertook an inquiry into the Centrelink Customer Feedback Systems series of audits.² The JCPAA made a further three recommendations relating to complaints handling aimed at improving customer access on the Centrelink website.

¹ The Customer Feedback series of audits included: ANAO Audit Report No.32 2004–05, *Centrelink’s Customer Charter and Community Consultation Program*; ANAO Audit Report No.33 2004–05, *Centrelink’s Customer Satisfaction Surveys*; ANAO Audit Report No.34 2004–05, *Centrelink’s Complaint Handling System*; ANAO Audit Report No.35 2004–05, *Centrelink’s Review and Appeals System*; and ANAO Audit Report No.36 2004–05, *Centrelink’s Value Creation Program*.

² Joint Committee of Public Accounts and Audit, Report 407, *Review of Auditor-General’s Reports*, Parliamentary Paper 394/2005.

Centrelink's customer feedback system

5. Customer feedback can take the form of complaints, compliments and suggestions and is provided to Centrelink through a range of mediums including phone, in person or by mail. In 2007–08, Centrelink received 50 218³ complaints, 7370 compliments and 1993 suggestions, with telephone feedback accounting for 85 per cent of contacts.

6. Centrelink uses a three-tiered system to classify and resolve customer feedback. This system is based on an assessment of the complexity and/or sensitivity of the feedback, and the authority and capacity of a Centrelink staff member to resolve the matter. Feedback classified as tier one is generally more administrative in nature and is expected to be resolved within one working day. Feedback classified as tier two or three is more complex with resolution targets of three and five days respectively. A majority of customer feedback contacts are classified and resolved as a tier one contact. In 2007–08, tier one contacts accounted for 85 per cent of all customer feedback, tier two comprised 12 per cent and tier three made up three per cent.

7. Centrelink's customer feedback system is supported by a network of Customer Relations Units (CRUs)⁴ and Area Service Recovery Teams (ASRTs).⁵ The role of a CRU is, where possible, to resolve feedback at the first point of contact - that is, tier one complaints and all compliments and suggestions. Any feedback classified as a tier two and three complaint is referred to an ASRT for resolution. Customer feedback information is primarily recorded and managed through the Integrated Customer Feedback Database.

Audit scope and objective

8. The objective of the audit was to review the effectiveness and efficiency of Centrelink's customer feedback system and the progress Centrelink had made in implementing the recommendations of the 2004–05 audit and the subsequent JCPAA inquiry.

³ This number excludes complaints received regarding 'call centre busy'. In 2007–08 Centrelink received 3268 complaints regarding 'call centre busy'. A 'call centre busy' complaint is where the customer experiences a busy signal when trying to contact Centrelink and then makes a follow-up call to the CRU to make a complaint.

⁴ Customer Relations Units provide a medium for customers to raise issues and have them resolved. They are the central contact point for handling customer complaints and are examined in detail in Chapter 2, at paragraph 2.15.

⁵ Area Service Recovery Teams are located within the Centrelink Area Office network around Australia. This is discussed in further detail in Chapter 2, at paragraph 2.16.

9. The focus and two major criteria for this audit were to determine:
- the extent to which Centrelink had progressed and/or implemented the recommendations from the previous audit and JCPAA inquiry; and
 - the subsequent impact on the effectiveness and efficiency of the complaints handling system.

Conclusion

10. Obtaining and recording customer feedback provides Centrelink with the opportunity to gain customers' perceptions and expectations of service delivery and identify areas for improvement. It can also act as an early warning mechanism for emerging issues and provide important information about the organisation's performance.

11. Centrelink has further developed its customer feedback system for handling complaints, compliments and suggestions since the previous audit in 2004–05. Centrelink's customer feedback system provides for, and demonstrates, the characteristics of better practice⁶ such as accessibility, responsiveness and objectivity.⁷ In particular, Centrelink:

- offers a variety of methods for customers to use in providing feedback, including free-call telephone numbers, a reply paid postal address and the Centrelink website;
- promotes the customer feedback system through widely accessible mechanisms such as a customer factsheet and *Centrelink's Customer Charter*;
- has developed a public policy on handling customer feedback - the *Statement of Commitment to Listening and Responding to Customer Feedback* (the Statement of Commitment)⁸;
- has restructured its operational framework to establish clear roles and lines of responsibility. This includes integrating CRUs (with staff specifically trained and responsible for handling customer feedback)

⁶ Commonwealth Ombudsman, *A Good Practice Guide for Effective Complaint Handling*, 1997, p.7–9.

⁷ Australian Standard ISO 10002–2006 *Customer satisfaction – Guidelines for complaints handling in organisations*, p.3–4.

⁸ Centrelink's Statement of Commitment, <[http://www.centrelink.gov.au/internet/internet.nsf/filestores/soc_0607_2/\\$file/soc_0607en.pdf](http://www.centrelink.gov.au/internet/internet.nsf/filestores/soc_0607_2/$file/soc_0607en.pdf)> [accessed 21 August 2008].

within the National Call Centre Network; and developing the Integrated Customer Feedback Database (ICFD); and

- has introduced a number of surveys to measure customer and staff satisfaction with the customer feedback system, in particular complaints handling.

12. Centrelink has implemented 10 of the 12 2004–05 audit recommendations (partially implementing the remaining two) and the three JCPAA recommendations. The audit recommendations not implemented are:

- Recommendation No. 2(a) - Centrelink has not recommenced surveying customer awareness of its complaints handling system; and
- Recommendation No. 7(a) - Centrelink has not sufficiently improved controls for ensuring that all oral complaints are recorded in an appropriate and timely manner within its customer feedback database.

13. While Centrelink has improved its customer feedback system, there are areas of complaints management that could be further developed to improve service delivery and also provide Centrelink with a greater understanding of customer expectations. These areas include:

- measuring and monitoring customer awareness of the complaints handling system to assess the impact of communication strategies;
- analysing and using survey information to better understand the customer/staff behaviours and experiences underpinning feedback; and
- using the ICFD (or similar) as the central repository for all customer feedback to enable better quality assurance coverage and comprehensive records for internal and external reporting purposes.

14. The ANAO has made three recommendations in this follow-up audit aimed at assisting Centrelink to further improve its complaints management system; and fully implement the two partially implemented recommendations from the previous audit.

Key findings by chapter

Customer Feedback (Chapter 2)

15. Centrelink has promulgated a public policy - the Statement of Commitment - and developed a supporting operating framework that provides a basis for consistent identification, recording and resolution of

customer feedback across the network. Two key developments in the operating framework have been the integration of CRUs (dedicated to handling customer feedback) into the National Call Centre Network, the channel through which 85 per cent of customer feedback is provided; and the development of the ICFD to capture customer feedback across the network.

16. In 2007–08, Centrelink received 50 218 complaints, 7370 compliments and 1993 suggestions. These figures, while comparable with other Australian Government agencies, represented a significant increase on the 2006–07 results: 39 308 complaints (21.7 per cent increase), 5432 compliments (35.7 per cent increase) and 950 suggestions (109.8 per cent increase). Supporting these increases was a 15.4 per cent increase in the level of customer contacts from 197 149 in 2006–07 to 227 539 in 2007–08.

17. While there is an absence of any direct quantitative data, the ANAO considers that improved accessibility to the customer feedback system is a likely driver of the increased number of customer contacts including complaints, compliments and suggestions. This assessment is based on the improvements to the customer feedback system as a result of the 2007 restructure; the general increase in customer contacts; and feedback from stakeholders.

Classification and Resolution of Complaints (Chapter 3)

18. Centrelink has a key performance indicator target of resolving 90 per cent of: tier one complaints in one working day; tier two complaints in three working days; and tier three complaints in five working days. Between 2003–04 and 2007–08 Centrelink consistently exceeded its tier one target. However, it did not achieve its tier two targets in 2007–08 and its tier three targets from 2005–06 to 2007–08. ANAO analysis indicates that the complexity of tier two and three complaints meant that resolution processes were sometimes not possible within the established targets.

19. In 2006 Centrelink engaged a market research company to conduct a Post Complaints Survey (PCS) of 700 customers who had made a complaint to Centrelink within the period July to September 2006. This was repeated in the period November 2007 to April 2008.

20. The PCS results when compared to Centrelink's Annual Report, demonstrate that Centrelink and its customers do not share a common view on the time it takes to resolve a complaint. There are a number of factors that

could be driving this result including different interpretations of when a complaint is considered resolved.

21. Stakeholders interviewed for the audit advised the ANAO that while customers might accept an explanation provided by Centrelink, they did not always consider that this resolved their complaint. This was particularly the case when a customer had made a complaint about government policy, legislation or a decision made by Centrelink (25.4 per cent of all complaints). However, a significant proportion of complaints made to Centrelink are regarding 'staff knowledge and/or practice' or 'staff attitude' (38.6 per cent of all complaints).

22. The PCS did not provide data or analysis that considered if a relationship existed between the type of complaint lodged and the customer's satisfaction that it had been resolved. Therefore, it is not possible to determine if the reason for a customer complaint impacted on whether they consider the complaint resolved.

Barriers to a customer lodging a complaint with Centrelink

23. Stakeholder feedback, Centrelink data and survey results confirm there is an ongoing concern from customers that they may suffer retribution if they lodge a complaint with Centrelink.

24. In April 2007, Centrelink's Internal Audit undertook a management initiated review to determine if there were any incidences of retribution from staff towards a customer after they had lodged a complaint. The internal audit did not identify any cases where customers were discriminated against after they had made a complaint and no breaches of the *APS Code of Conduct* were established.

25. While a perceived fear of retribution is likely to remain to some degree, the Statement of Commitment aims to provide a policy of assurance that customers will not suffer any retribution or discrimination if they lodge a complaint and this is supported by staff guidance. Centrelink has internal follow-up procedures to investigate all complaints or allegations of serious misconduct by Centrelink staff in relation to discrimination, retribution or a breach of privacy. This meets the suggested approach from the Ombudsman's Guide.

Complaints Handling System - Awareness and Satisfaction (Chapter 4)

26. Centrelink uses a range of surveys to measure customer and staff awareness and satisfaction with the complaints handling system including the National Customer Satisfaction Survey (NCSS).⁹

Customer awareness of the complaints handling system

27. Centrelink has a number of communication strategies that focus on enhancing customer awareness of the complaints handling system including a customer factsheet on complaints, *Centrelink's Customer Charter*¹⁰ and the Statement of Commitment. These documents are widely accessible, with most available in a large range of languages and on dedicated 'Complaints' and 'Customer Charter' webpages on the Centrelink website.

28. While some questions in the NCSS measure customer satisfaction with the complaints handling system, they do not directly measure customer awareness of the system.

29. Two of the questions in the NCSS could provide Centrelink with an *indirect* measurement of customer awareness. However, the methodology used to analyse the results for these questions excluded those customers who responded 'don't know', 'refused', or 'not applicable' (missing data). When the ANAO included the missing data in the analysis, the results reported by Centrelink changed significantly and indicated that only 53 per cent of customers agreed it was easy to make a complaint compared to the 71 per cent reported.

30. The ANAO considers that Centrelink cannot solely rely on this information to provide an assurance that customers are aware of its complaints handling system. As a result, Centrelink's ability to assess the impact of communication strategies on increasing customer awareness is limited.

Customer and staff satisfaction with the complaints handling system

31. Centrelink continues to conduct a suite of surveys that measure customer and staff satisfaction, including the NCSS, PCS and the introduction of two staff surveys.

⁹ The National Customer Satisfaction Survey is a telephone survey conducted on an annual basis. In 2007, 1828 customers were surveyed.

¹⁰ <http://www.centrelink.gov.au/internet/internet.nsf/about_us/customer_charter.htm>[accessed 21 August 2008].

32. The NCSS and the PCS represent sound management tools that allow Centrelink to assess how customer satisfaction changes over time and to develop measures to improve satisfaction rates. However, the ANAO examined the methodology used in the surveys and identified a number of areas for improvement, such as including customer groups that are currently excluded.

33. The staff surveys present useful information about staff perceptions and attitudes towards complaints handling. In particular, the *Complaints Culture Research Project* is also conducted in other organisations and the results detail how Centrelink performed compared with other participating government agencies. However, the ANAO identified a number of areas for improvement in the methodology used in these surveys, such as, ensuring the sample population and weightings used are representative of the total staff population.

34. Based on the results of the customer satisfaction surveys, the ANAO considers that resolving complaints in a timely manner and keeping customers informed of the progress of their complaint provide the greatest opportunities for Centrelink to improve customer satisfaction with the complaints process.

Monitoring and Reporting of Customer Feedback Information (Chapter 5)

35. Centrelink has developed and implemented a new database to capture customer feedback - the ICFD. All customer contacts and feedback actioned through the CRUs and resolved at the first point of contact are recorded in the ICFD. However, there is a risk that Centrelink's data included in the ICFD regarding the total number and types of complaints received by the agency is inaccurate, as data on oral complaints received at Customer Service Centres (CSC) is limited.

36. In January 2008, Centrelink introduced a quality assurance framework covering data integrity and procedural checking of complaints information entered into the ICFD. This process involves checking 10 per cent of referred, and 10 per cent of resolved, complaint feedback records and associated DOCs (information on the customer's mainframe record).

37. However, there are a number of other Centrelink databases used to record customer feedback outside of the ICFD, such as the Multicultural

Activity Reporting Tool¹¹ and the Community Issues Management System¹². These databases are not subject to Centrelink's quality assurance mechanism for complaints resolution and there is a risk that these complaints are not being resolved in an appropriate and timely manner and actioned in accordance with the CRU protocols and taskcards. Further, these contacts are not included in the total number of customer feedback details reported in various documents such as the Annual Report and are not included in the selection of complaints followed up as part of the PCS.

Reporting of customer feedback information

38. Centrelink produces a number of regular internal reports on its customer feedback system. All national and Area Office reports are populated with data from the CRU component of the ICFD. Centrelink internal reports have the potential to further improve the use of customer feedback and provide Centrelink with opportunities to identify improved performance areas and address systemic problems. For complete and accurate reporting, it is important that the data from all sources are included in the reports.

39. Centrelink's Annual Reports from 2003–04 to 2007–08 provide performance information on the operation of the CRU network. This includes a breakdown of the numbers for all customer contacts and the percentage of each type as a total of all contacts received in the CRU. However, customer feedback that is received and recorded outside of the CRU, such as Ministerial¹³ and stakeholder correspondence, is not included in the overall reporting on the numbers of complaints, compliments and suggestions for the Annual Report. Accordingly, the performance information reported under *Centrelink's Customer Service Charter* in Centrelink's Annual Report does not accurately reflect the total amount of customer feedback received.

ANAO Report No. 34, 2004–05, *Centrelink's Complaints Handling System and JCPAA Report 407 (Chapter 6)*

40. Centrelink has fully implemented 10 of the 12 recommendations from the previous audit and partially implemented the remaining two (refer

¹¹ This tool is used by Multicultural Service Officers to record feedback from customers of diverse cultural and linguistic backgrounds; and is discussed further in Chapter 5, paragraphs 5.28 - 5.33.

¹² This tool is used to record feedback from stakeholders such as advocacy groups, community groups, peak bodies or the business sector, and is discussed in Chapter 5, paragraphs 5.31 - 5.36.

¹³ Information on Ministerial correspondence was reported in the 2004–05 to 2006–07 Annual Reports; however, this is separate from the reported customer feedback actioned through the CRU. Information on Ministerial correspondence was not reported in the 2007–08 Annual Report.

paragraph 12). Centrelink has implemented the three recommendations from the JCPAA inquiry.

Summary of agency response

Centrelink

41. Centrelink agrees with the recommendations of the audit of its Complaints Handling Systems. Customer feedback is an essential part of Centrelink's relationship with its customers and Centrelink is committed to managing feedback with professionalism and integrity. Centrelink therefore welcomes any improvements that can be realised as a result of the audit.

Department of Human Services

42. The Department of Human Services (DHS) welcomes the recommendations made in Centrelink Complaints Handling System follow-up audit. DHS believes that the audit will aid the receipt of feedback from customers who wish to make a complaint and the identification of areas for improvement in service delivery.

Recommendations

Recommendation No.1

Para 4.25

To improve Centrelink's ability to effectively and accurately measure, monitor and report on customer awareness of its complaints handling system, the ANAO recommends that Centrelink:

- (a) develop and include in the annual National Customer Satisfaction Survey, questions that specifically assess the level of customer awareness of the complaints handling system and the likely avenues by which a customer would lodge a complaint; and
- (b) review the statistical treatment used to analyse the survey results to more accurately represent the 'missing data' and address the risk of misinterpretation of customer survey results.

Centrelink response: *Agree. Centrelink will use its survey program to gather this information on an annual basis. However, other survey instruments may be used for this purpose. Questions of this nature will also be included in relation to suggestions and compliments.*

DHS response: *Agree. Implementing the above recommendation will be a useful tool for Centrelink. It is important to know if Centrelink's customers are aware of the channels available for them to access their rights, and the service levels they can expect.*

**Recommendation
No.2**

Para 5.18

To improve the accuracy of Centrelink's data on the total number and types of complaints received by the agency, the ANAO recommends that Centrelink:

- (a) investigate options for improving the integration of the oral complaint reporting function into the existing systems used by CSC officers; and
- (b) regularly review and monitor the reporting of oral complaints received to ensure that all oral complaints are recorded.

Centrelink response: *Agree. A Customer Feedback Macro has replaced the Centrelink Service Feedback Sheet used by CSC officers. The Macro was introduced on 13 October 2008. This means that Customer Service Centrelink Staff now use the same system used by Call Centre staff.*

DHS response: *Agree. Centrelink has progressed work on this recommendation and Customer Service Centre staff now use the same system for the capture of oral complaints.*

**Recommendation
No.3**

Para 5.44

The ANAO recommends that Centrelink use the ICFD (or similar) as the central repository for all customer feedback to enable:

- (a) better quality assurance coverage; and
- (b) accurate and complete records for internal and external reporting purposes.

Centrelink response: *Agree. Centrelink is actively implementing this recommendation to ensure customer feedback is captured in one central repository.*

DHS response: *Agree. The capture and analysis of this intelligence in the one central area will aid in the identification of potential issues for service delivery.*

Audit Findings and Conclusions

1. Introduction

This chapter provides background information on Centrelink and the importance of customer feedback to the agency. It also discusses the previous ANAO report¹⁴ and the audit approach for the follow-up audit.

Background

1.1 In 2007–08, Centrelink administered \$70.5 billion in payments to approximately 6.5 million customers. In making these payments and servicing its customer base, Centrelink received in excess of 32.8 million customer telephone calls and completed 6.6 billion transactions on customer records. These customer contacts not only facilitate the operation of Centrelink’s core service delivery business, but also provide a valuable opportunity to obtain customer feedback.

Previous ANAO audit

1.2 In 2005, the ANAO tabled Audit Report No.34 2004–05, *Centrelink’s Complaints Handling System*. The audit was one of the Centrelink Customer Feedback series of audits.¹⁵ It sought to examine: the effectiveness, efficiency and economy of the complaints handling system as a tool for Centrelink to gather, measure, report and respond effectively to customer feedback; and the extent to which Centrelink used the data obtained to improve service delivery.¹⁶

1.3 The audit found that Centrelink had a well developed complaints handling system that was supported by a network of Customer Relations Units (CRUs) dedicated to handling customer feedback. The CRUs dealt with approximately 200 000 customer contacts each year, including around 40 000 complaints. The ANAO also found that opportunities existed to enhance the system through improvements to Centrelink’s methods for gathering, measuring, reporting and responding to complaints. The ANAO made 12 recommendations aimed at making the system more accessible to customers,

¹⁴ ANAO Audit Report No.34 2004–05, *Centrelink’s Complaints Handling System*.

¹⁵ The Customer Feedback series of audits included: ANAO Audit Report No.32 2004–05, *Centrelink’s Customer Charter and Community Consultation Program*; ANAO Audit Report No.33 2004–05, *Centrelink’s Customer Satisfaction Surveys*; ANAO Audit Report No.34 2004–05, *Centrelink’s Complaint Handling System*; ANAO Audit Report No.35 2004–05, *Centrelink’s Review and Appeals System*; and Audit Report No.36 2004–05 *Centrelink’s Value Creation Program*.

¹⁶ ANAO Audit Report No.34 2004–05, op. cit., p.13.

and to provide more robust complaints information to Centrelink for use in enhancing service delivery.¹⁷

1.4 Subsequent to the tabling of Audit Report No.34 2004–05, the Joint Committee of Public Accounts and Audit (JCPAA) undertook an inquiry into the Centrelink Customer Feedback Systems series of audits¹⁸ and made a further three recommendations aimed at improving Centrelink’s administration of the complaints handling system.¹⁹

1.5 In 2006–07, the ANAO conducted follow-up audits of Audit Report No.32 2004–05, *Centrelink’s Customer Charter and Community Consultation Program*²⁰, and Audit Report No.35 2004–05, *Centrelink’s Review and Appeals System*²¹, which were both part of the Customer Feedback series of audits. This follow-up audit continues the ANAO’s wider examination of Centrelink’s overarching feedback system.

Audit approach

1.6 The objective of the audit was to review the effectiveness and efficiency of Centrelink’s customer feedback system and the progress Centrelink had made in implementing the recommendations of the 2004–05 audit and the subsequent JCPAA inquiry.

1.7 The focus and two major criteria for this audit were to determine the:

- extent to which Centrelink had progressed and/or implemented the recommendations from the previous audit and JCPAA inquiry; and
- subsequent impact on the effectiveness and efficiency of the complaints handling system.

¹⁷ ANAO Audit Report No.34 2004–05, op. cit., p.22.

¹⁸ Joint Committee of Public Accounts and Audit, Report 407, *Review of Auditor General’s Reports*, Parliamentary Paper 394/2005, August 2005.
<http://www.aph.gov.au/house/committee/jpaa/auditor_generals1/prelims.htm>[accessed 24 August 2008].

¹⁹ *ibid.*, p.115.

²⁰ Audit Report No. 33 2006–07, *Centrelink’s Customer charter – Follow-up Audit*.
<http://www.anao.gov.au/uploads/documents/2006-07_Audit_Report_33.pdf>[accessed 4 February 2009].

²¹ Audit Report No. 40 2006–07, *Centrelink’s Review and Appeals System Follow-up Audit*.
<http://www.anao.gov.au/uploads/documents/2006-07_Audit_Report_40.pdf>[accessed 4 February 2009].

Audit methodology

1.8 The audit methodology included:

- analysing Centrelink's key systems and documents relating to the customer feedback system with a focus on complaints handling;
- interviewing staff from Centrelink, the Commonwealth Ombudsman's Office and the Office of the Privacy Commissioner;
- seeking the views of non-government stakeholders;²²
- examining data relating to the complaints handling system; and
- conducting general research into the administration of the complaints handling system.

1.9 The audit team conducted fieldwork throughout New South Wales, Victoria, Queensland and the Australian Capital Territory, including visiting nine Area Offices and two Call Centre CRUs.

1.10 The ANAO examined Centrelink's complaints handling system against the Commonwealth Ombudsman's better practice *A Good Practice Guide for Effective Complaint Handling* (Ombudsman's Guide)²³, as well as the Australian Standard ISO 10002–2006.²⁴

1.11 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of \$357 000.

Structure of the report

1.12 Figure 1.1 details the chapter structure of the report with reference to the recommendations of the previous audit report and JCPAA inquiry.

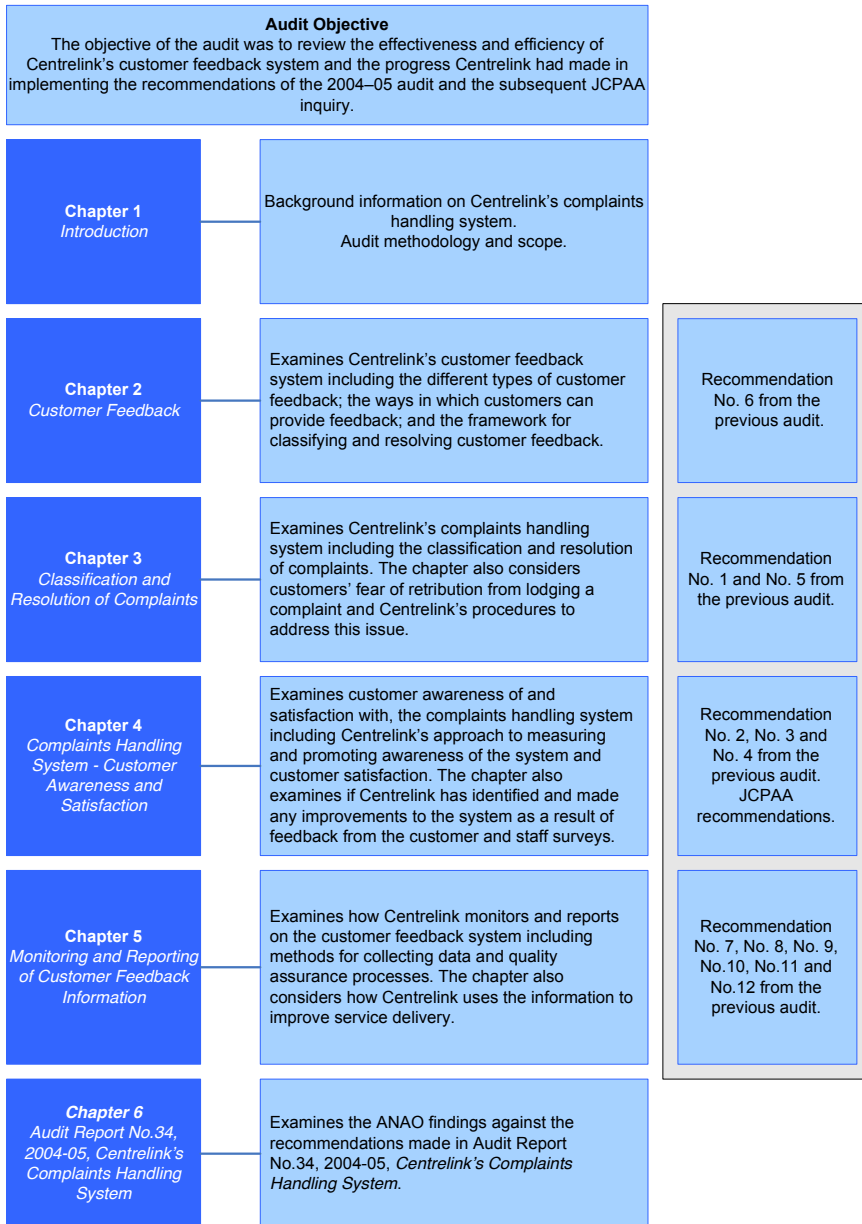
²² The ANAO interviewed 15 stakeholder organisations, including advocacy groups, peak bodies representing various customer groups (ranging from the aged to the homeless), and organisations that provide services directly to customers.

²³ Commonwealth Ombudsman, *A Good Practice Guide for Effective Complaint Handling*, 1997.

²⁴ AS ISO 10002–2003 *Customer satisfaction – Guidelines for complaints handling in organisations*, 2006.

Figure 1.1

Structure of chapters and recommendations from the previous audit



2. Customer Feedback

This chapter examines Centrelink's customer feedback system including the different types of customer feedback; the ways in which customers can provide feedback; and the framework for classifying and resolving customer feedback.

Introduction

2.1 Obtaining and recording customer feedback provides Centrelink with the opportunity to gain an insight into customers' perceptions and expectations of service delivery and identify areas for improvement. It can also act as an early warning mechanism for emerging issues and provide important information about the organisation's performance.

2.2 To develop an understanding of Centrelink's feedback system, the ANAO examined:

- the type and frequency of customer feedback;
- the methods customers can use to provide feedback to Centrelink;
- the way Centrelink classifies and resolves customer feedback;
- the extent to which the roles and responsibilities of staff have been defined and implemented;
- the policy and operational procedures/guidance for handling customer feedback; and
- whether training and ongoing support is provided to the staff underpinning Centrelink's customer feedback system.²⁵

Types of customer feedback

2.3 Centrelink defines customer feedback as:

... any statement made by a customer about how Centrelink delivers payments and services to customers and other members of the public.²⁶

2.4 Feedback can take the form of:

²⁵ Commonwealth Ombudsman, op.cit., p.40.

²⁶ Centrelink e-reference 101.00700 -*Customer feedback and complaints received in Centrelink*, 2008.

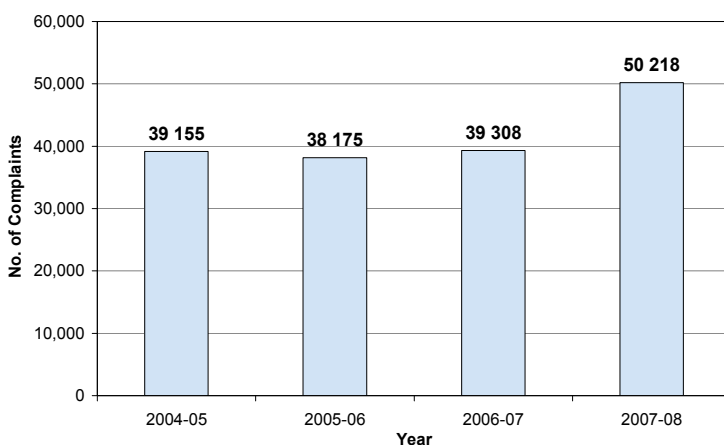
- complaints – expressions of dissatisfaction or grievance about a Centrelink product or service. Complaints may be service-related, merit-based, policy-related, or have elements of all three types;
- compliments – expressions of appreciation/admiration from a customer or member of the public for an individual or team, a Call Centre, a Customer Service Centre (CSC), other Centrelink site, a Centrelink service, or Centrelink as an organisation; and
- suggestions – includes ideas about how Centrelink can provide a better service or do things differently.²⁷

Complaints

2.5 In 2007–08, Centrelink recorded 50 218²⁸ complaints, an increase of 21.7 per cent from the 39 308 complaints recorded in 2006–07 (the increase in the number of complaints received in 2007–08 is discussed further in paragraphs 2.29 to 2.37). Prior to 2007–08, complaint numbers had remained relatively constant as demonstrated by Figure 2.1.

Figure 2.1

Number of complaints received



Source: ANAO analysis of data from Centrelink's 2004–05, 2005–06 and 2006–07 Annual Reports and ICFD (for 2007–08).

²⁷ Centrelink e-reference 101.00700 -*Customer feedback and complaints received in Centrelink, 2008.*

²⁸ This number excludes complaints received regarding 'call centre busy'. In 2007–08 Centrelink received 3268 complaints regarding 'call centre busy'. A 'call centre busy' complaints is where the customer experiences a busy signal when trying to contact Centrelink and then makes a follow-up call to the CRU to make a complaint.

Comparison of complaint numbers received in other government agencies

2.6 The 50 218 complaints Centrelink recorded in 2007–08 represented approximately 0.0077 complaints per customer.²⁹ Table 2.1 shows a comparison of complaint numbers, to number of customers for the Child Support Agency, Australian Taxation Office (ATO) and Centrelink.

Table 2.1

Number of complaints and customers per agency in 2007–08

	Child Support Agency	ATO	Centrelink
No. of Complaints	10 337	17 590 ³⁰	50 218
No. of Customers	1 400 000	13 500 000 ³¹	6 500 000 ³²
Complaints per customers	0.0074	0.0013	0.0077

Source: ANAO analysis of Child Support Agency, ATO and Centrelink Annual Reports 2007–08.

2.7 Table 2.1 shows that despite the large number of complaints recorded by Centrelink in 2007–08, the figure is consistent with that of other Australian Government agencies.

Compliments and suggestions

2.8 In 2007–08, Centrelink recorded 7370 compliments and 1993 suggestions. Consistent with the trend in complaints, these results represented increases of 35.7 per cent in compliments and 109.8 per cent in suggestions from the 2006–07 levels (the increase in the number of compliments and suggestions received in 2007–08 is discussed further in paragraphs 2.29 to 2.37). Figure 2.2 shows the numbers of compliments and suggestions received from 2004–05 through to 2007–08.

²⁹ This assumes that each complaint was made by a different customer.

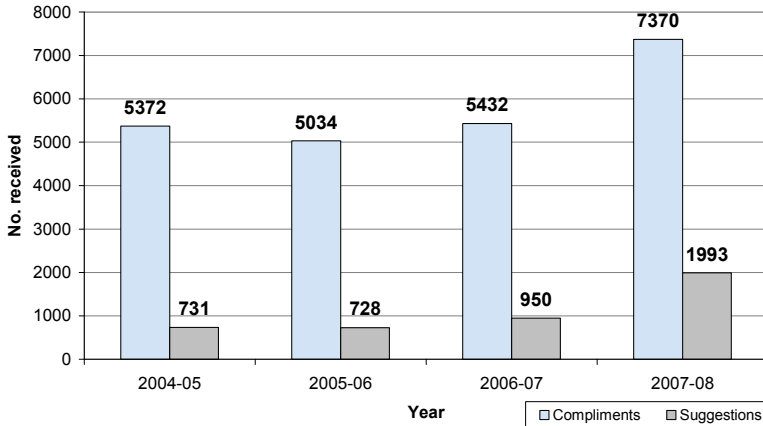
³⁰ ANAO Audit Report No.40 2007–08, *Taxpayers' Charter Follow-up Audit*, p.58.

³¹ *ibid.*, p.27. The number of ATO customers, or 'Taxpayers' includes: individuals; companies; partnerships, trusts and super funds. It also includes residents and non-residents. This information is based on ANAO analysis of *Tax Statistics* 2005–06, Table 1.1.

³² *Centrelink Annual Report 2006–07*, p.v.

Figure 2.2

Number of compliments and suggestions



Source: ANAO analysis of data from: Centrelink's 2005–06 and 2006–07 Annual Reports; and ICFD (for 2007–08).

2.9 Compliments can be as important to service improvement as complaints. They can identify good practices from the customer perspective, boost staff morale and be used to promote desired behaviours in customer service. Table 2.2 demonstrates how Centrelink acknowledges and celebrates staff compliments.

Table 2.2

Compliments

Good Practice Example - acknowledgement of compliments
<p>In conducting fieldwork for the follow-up audit, the ANAO interviewed Area Office staff, including Area Managers, Customer Service Delivery Business Managers, Area Service Recovery Teams and Centrelink Customer Service Centre Managers. All staff commented on the importance of compliments and outlined ways in which they were celebrated including:</p> <ul style="list-style-type: none">• a personalised email from management acknowledging the compliment;• inclusion of compliment and the details acknowledging staff in local newsletters; and• letters of acknowledgement from senior Centrelink management such as the Chief Executive Officer.

Methods for providing customer feedback

2.10 There are a variety of ways in which a customer can provide feedback to Centrelink. These include:

- telephone, through the Customer Relations Line³³ (1 800 number) on free-call 1 800 050 004, or 1 800 000 567 (accepts telephone typewriter);³⁴ or to a CSC or a Call Centre;
- speaking to a Centrelink Customer Service Advisor (CSA) at a CSC;
- through a specialist Centrelink officer, such as a Multicultural Service Officer or Indigenous Service Officer;
- completing a customer comment card and lodging it either at a CSC or by mail through a reply paid post address;
- mail or facsimile, such as letters to the CEO;
- email, using a Service Feedback form that can be completed and forwarded via Centrelink's website; or using the Message service via the Centrelink website, the Chief Executive's e-mailbox, or the Hank@centrelink.gov.au mailbox;
- through the mass media;
- lodging a complaint with a Member or Senator of Parliament; and
- through an advocacy group, community group, peak body or the business sector.

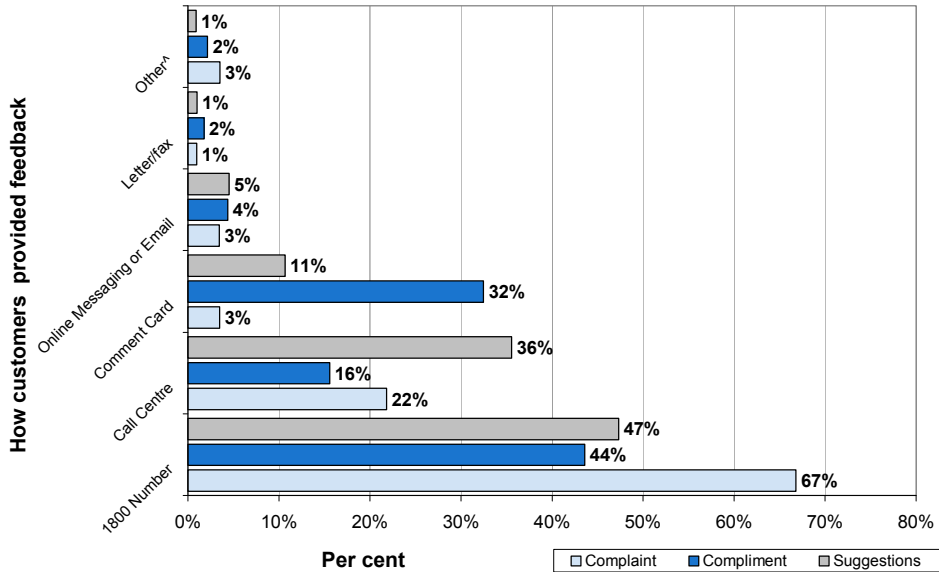
2.11 Figure 2.3 demonstrates the various avenues used by customers to provide feedback to Centrelink in 2007–08.

³³ Telephone calls made to this line are administered by the CRU network.

³⁴ The telephone typewriter allows people who are deaf or hearing impaired to communicate by telephone.

Figure 2.3

Centrelink customer feedback methods in 2007–08



Source: ANAO analysis of the 2007–08 ICFD data.

[^] Other includes: Members of Parliament, nominees/community or business sector, Hank email and talkback radio, CSC, CEO email/letter and the Commonwealth Ombudsman's Office.

2.12 The data shows that telephone (through the free-call 1 800 number and general Call Centre 13 numbers) is the most popular way for customers to provide feedback to Centrelink. In 2007–08, the combined telephone feedback options accounted for 85 per cent of all customer feedback received.

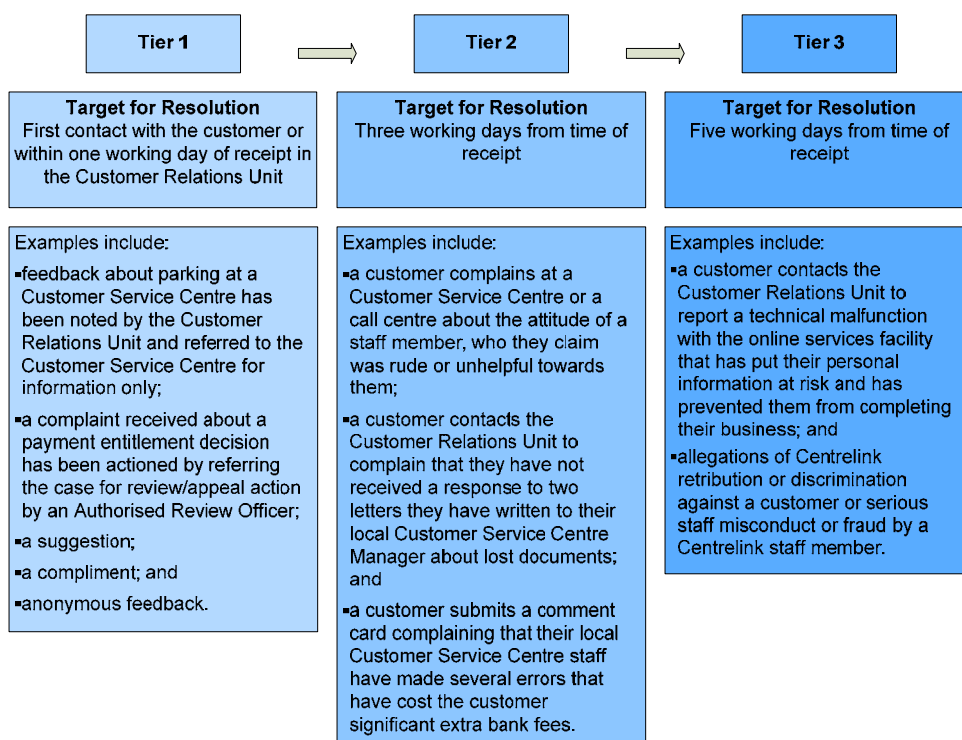
Classifying and resolving feedback

2.13 Centrelink uses a three-tiered system to classify and resolve customer feedback. This system is based on an assessment of the complexity and/or sensitivity of the feedback, and the authority and capacity of a Centrelink staff member to resolve the matter.³⁵ Figure 2.4 indicates the process followed by Centrelink for resolving customer feedback.

³⁵ Centrelink's *Customer Feedback Protocols - Taskcards*, February 2008, v8, p.4.

Figure 2.4

Process for resolving customer feedback

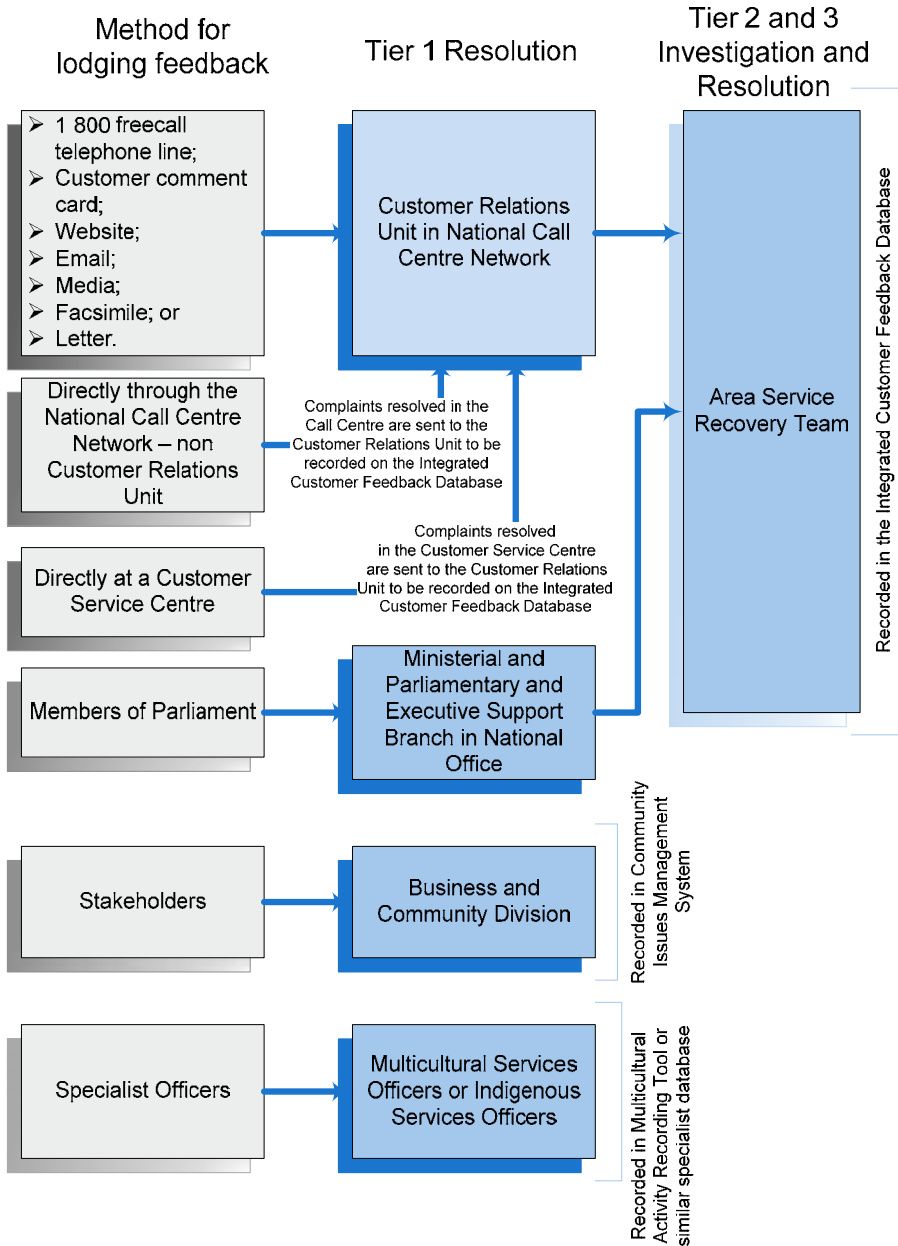


Source: ANAO analysis.

2.14 A majority of customer feedback contacts are classified and resolved as tier one customer contacts. In 2007–08 tier one customer contacts accounted for 85 per cent of customer feedback contacts while tier two comprised 12 per cent and tier three made up 3 per cent. All compliments and suggestions are classified and resolved as tier one customer contacts. Figure 2.5 details the structure of the customer feedback system and demonstrates the relationship between the type of feedback, the method used by the customer to provide the feedback and the subsequent resolution process.

Figure 2.5

Centrelink's customer feedback system



Source: ANAO analysis.

ANAO Audit Report No.22 2008–09
Centrelink's Complaints Handling System

Roles and responsibilities

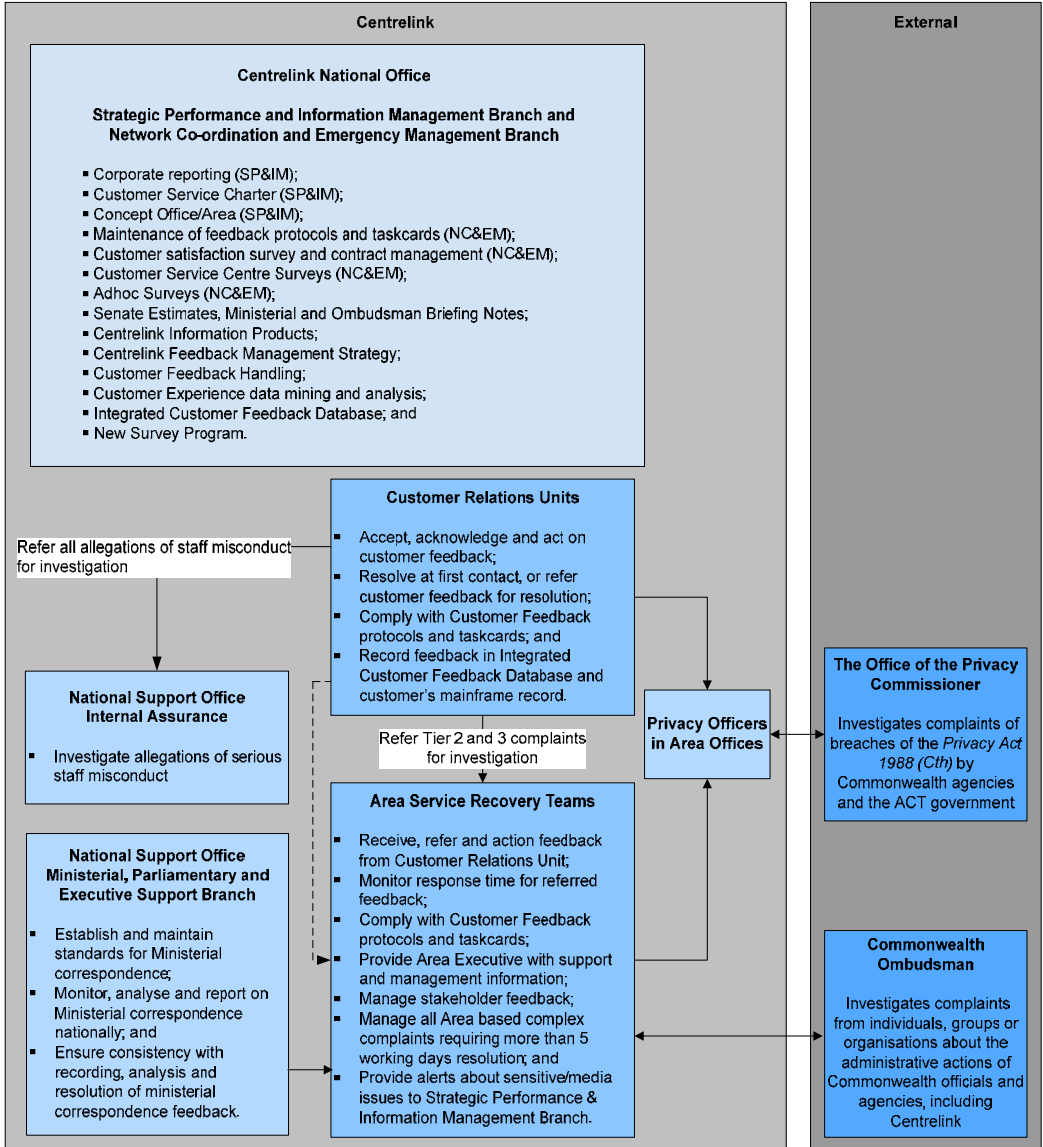
2.15 From 1 July 2007, the customer feedback handling system was split into two sections. The CRUs were integrated with Centrelink's National Call Centre Network and located in four call centres. The role of a CRU is, where possible, to resolve feedback at the first point of contact – that is tier one complaints and all compliments and suggestions. Any feedback classified as tier two and three complaints is referred to an Area Service Recovery Team (ASRT) for resolution.

2.16 ASRTs are located in all Area Offices. When the restructure took place Area Offices retained their experienced CRU staff to perform the role of the ASRT. The ASRT action the more complex complaints (tier two and three) from customers referred from the CRUs, including Ministerial correspondence and complaints referred from the Commonwealth Ombudsman's office.

2.17 The Strategic Performance and Information Management (SP&IM) and Network Co-ordination and Emergency Management (NC&EM) branches in the National Office work collaboratively and are responsible for the development, implementation, monitoring and reporting of the customer feedback mechanisms within Centrelink. Figure 2.6 details the roles and responsibilities in the Centrelink customer feedback system.

Figure 2.6

Roles and responsibilities of Centrelink’s customer feedback handling system



Source: ANAO analysis.

Procedures and guidelines for handling customer feedback

2.18 A responsive customer feedback system is supported by documented procedures that help customers and staff understand how the system operates. This includes procedures that ensure customer feedback resolutions are consistent, regardless of where the feedback is provided or to who it is directed.

2.19 In July 2007, Centrelink developed and promulgated a standard public policy and operating framework for handling customer feedback. The public policy and operating framework provide the basis for consistent identification, resolution and recording of customer feedback across the Centrelink network.

2.20 The *Statement of Commitment to Listening and Responding to Customer Feedback*³⁶ (the Statement of Commitment) is Centrelink's public policy on handling customer feedback. It sets out the systems, processes and principles that Centrelink works with to handle customer feedback and provides guidance to customers on what they can expect from Centrelink when providing feedback.

2.21 The operating framework includes customer feedback protocols and a series of customer feedback taskcards. These outline the steps staff must follow when actioning feedback and provide the basis for interactions with customers to be objective and standardised which is consistent with better practice advice from the Ombudsman's Guide.³⁷ There are 29 taskcards which cover all the main types of customer feedback. All CRU and ASRT staff interviewed as a part of the follow-up audit demonstrated an awareness of the protocols and taskcards and the ability to practically apply their guidance in actioning customer feedback.

2.22 As part of the operating framework Centrelink has also developed a new reporting database to capture customer feedback across the network. The Integrated Customer Feedback Database (ICFD) provides for consistent monitoring and recording of customer feedback actioned through the CRUs, including oral feedback provided in CSCs and Call Centres.

³⁶ The Statement of Commitment document has been produced in two forms:

- a short version that summarises how Centrelink uses feedback, how staff will work with customers and customer rights; and
- a full version.

³⁷ Commonwealth Ombudsman, op. cit, p.16.

Dissemination of better practice between the Areas Service Recovery Teams and the Customer Relations Units

2.23 Fortnightly telephone hook-ups initiated in July 2007 provide an opportunity for CRU Team Leaders, ASRTs and key National Support Office (NSO) staff to discuss and contribute to the dissemination of better practice. This is achieved through the participants reviewing the customer feedback protocols and taskcards, quality assurance processes and results, the ICFD database workbook, and discussing legislation or policy changes relevant to the complaints handling process. The CRU Team Leaders also participate in a separate CRU specific fortnightly phone hook-up meeting with the NSO.

Training

2.24 The Ombudsman's Guide notes:

All staff should know about complaints procedures and understand their role and responsibilities with the complaint handling system.³⁸

...Complaint handling procedures should aim to ensure that complaint outcomes are consistent, regardless of the characteristics of the client, where their complaint is made or to whom it is directed.³⁹

2.25 Face-to-face training in complaints resolution/management and the national customer feedback protocols and taskcards is provided to CRU and ASRT staff across the network. In addition, all Centrelink staff can access customer focussed training through the e-reference suite on Centrelink's intranet. The training modules include:

- customer relations;
- effective communications;
- meeting customer expectations; and
- skills for dealing with customers with difficult or aggressive behaviours.

2.26 When required, CRU staff also assist other program specific Call Centre teams. Therefore, in addition to complaints handling training, CRU staff receive standardised Call Centre technical training relating to a specific

³⁸ Commonwealth Ombudsman, op. cit, p.16.

³⁹ *ibid.*, p.36.

program delivered by Centrelink, for example, the Newstart Allowance program.

2.27 Many of the ASRT staff interviewed as part of the audit were experienced and some had developed their complaint handling skills while working in the CRUs when they were part of the Area Offices. Those staff with extensive complaint handling experience had contributed to, and facilitated training the new CRU staff following the restructure in July 2007.

2.28 The consistency of national training for all CRU and ASRT staff meets better practice as suggested by the Ombudsman's Guide and further promotes a standardised customer service approach in the resolution of customer feedback.

Increases in the number of customer contacts and feedback

2.29 Customer feedback including complaints, compliments and suggestions has significantly increased from 2006–07 to 2007–08 (refer paragraphs 2.5 – 2.9). Supporting this has been a general increase in the number of customer contacts

2.30 In 2007–08 there was an increase in the overall customer contacts with CRUs. This was consistent across all categories of contacts except for 'call centre busy.'⁴⁰ Table 2.3 provides a breakdown of the results for each of the customer contact categories from Centrelink's Annual Reports for 2006–07 and 2007–08.

⁴⁰ The customer experiences a busy signal when trying to contact Centrelink and then makes a follow-up call to the CRU to make a complaint.

Table 2.3

Customer contacts and customer feedback in 2006–07 and 2007–08

Category	2006–07	2007–08	Percentage change from 2006–07 to 2007–08
Complaint	39 308	50 218	+ 21.7%
Compliment	5 432	7 370	+ 35.7%
Suggestion	950	1 993	+ 109.8%
Tip-Off	1 436	3 080	+ 114.5%
General Enquiries	140 603	158 732	+ 12.9%
Intent to Claim	123	2 995	+ 2335%
Call Centre Busy	9 297	3 268	- 64.8%
Total	197 149	227 539	+ 15.4%

Source: ANAO analysis based on data published in Centrelink's 2006–07 and 2007–08 Annual Reports and data from the ICFD.

2.31 There are numerous reasons why customer contacts, particularly complaints, compliments and suggestions, could have increased between 2006–07 and 2007–08. These include improved accessibility, changes in the quality of customer service and policy changes affecting customer entitlements.

2.32 In its 2007–08 Annual Report, Centrelink attributes the increase in customer contacts to:

...The restructure of CRUs and improvements to the data collection processes in July 2007 to better capture and report on customer feedback...⁴¹

However, it was unable to provide quantitative evidence supporting this assertion.

2.33 To gain the most from an effective customer feedback system, it needs to be accessible by customers. An agency should not only inform its customers of the existence of the system, but make it easy for customers to use. One way this can be achieved is by providing a free-call telephone number and a Call Centre and/or telephone centres that can be a single access point for customers to contact to provide feedback.⁴²

⁴¹ *Centrelink Annual Report 2007–08* p 82.

⁴² Commonwealth Ombudsman, *op.cit.*, p.31.

2.34 As discussed in paragraph 2.15, in July 2007 Centrelink restructured its CRUs and moved them from the Area Offices into the National Call Centre Network. With the majority of customer feedback (85 per cent) being provided to Centrelink via telephone contact the ANAO considers this approach improves accessibility and allows customers to provide feedback to staff that are trained and dedicated to taking and resolving customer feedback.

2.35 Stakeholders advised the ANAO that prior to the restructure they, and their customers, had encountered long delays in calls being answered and/or being redirected to a message service when calling the 1800 number. In 2007–08 Centrelink had a target of answering 70 per cent of calls within 180 seconds. This was achieved and the target subsequently changed to 70 per cent within 150 seconds — in line with Centrelink’s target for all its Call Centres and 13 general numbers and its customer charter commitments.

2.36 The ANAO considers that improved accessibility is a likely driver of the increased number of customer contacts in 2007–08 including complaints, compliments and suggestions. This assessment is based on: the improvements made to the customer feedback system as a result of the 2007 restructure; the general increase in customer contacts; and feedback from stakeholders.

2.37 However, in the absence of any direct quantitative data to support this conclusion, the ANAO suggests that Centrelink regularly monitor and evaluate the reasons for changing volumes of customer feedback to understand the customer behaviours driving such changes and to better identify any improvements for the system.

3. Classification and Resolution of Customer Complaints

This chapter examines Centrelink's complaints handling system including the classification and resolution of complaints. The chapter also considers customers' fear of retribution from lodging a complaint and Centrelink's procedures to address this issue.

Introduction

3.1 While all forms of customer feedback are important to improving service delivery, the majority of feedback Centrelink receives is complaints. In 2007–08 Centrelink recorded receiving 50 218⁴³ complaints as compared to 7370 compliments and 1993 suggestions. Accordingly, it is important that Centrelink has in place an efficient and effective system for handling complaints.

3.2 A responsive complaints handling system provides customers with a full, impartial, speedy investigation of their concerns and appropriate remedies where warranted.⁴⁴

3.3 The ANAO examined Centrelink's complaints handling system with specific reference to:

- the classification and resolution of complaints, with a particular focus on consistency;
- the indicators Centrelink had developed to measure the timeliness of complaints resolution and if these had been achieved;
- if there were any barriers to customers lodging complaints, in particular, fear of retribution and how this had been addressed; and
- how multiple complaints are identified and handled.

3.4 From 2004–05 to 2006–07 complaints and 'call centre busy' complaints were reported in Centrelink's Annual Reports as separate numbers. In July 2007, Centrelink restructured its complaints handling system and began

⁴³ This number excludes complaints received regarding 'call centre busy'. In 2007–08 Centrelink received 3268 complaints regarding 'call centre busy'. A 'call centre busy' complaint is where the customer experiences a busy signal when trying to contact Centrelink and then makes a follow-up call to the CRU to make a complaint.

⁴⁴ Commonwealth Ombudsman, op. cit., p.13.

including 'call centre busy' complaints in the reporting of total complaint numbers. In Centrelink's 2007–08 Annual Report the total number of complaints reported (53 486) included the 'call centre busy' complaints and therefore throughout this chapter the analysis is based on the aggregate figure of 53 486 complaints.

Classification and resolution of complaints

3.5 The series of protocols and taskcards introduced in 2007 help to guide staff in the consistent classification and recording of complaints. All complaints are classified by standard categories and subcategories. Table 3.1 provides a breakdown of the top 10 reasons for customer complaints in 2007–08.

Table 3.1

Reasons for complaints in 2007–08

Reason	Number	Percentage [^]
Predominantly service-based complaints		
Staff Knowledge and/or Practice	12 865	24.1%
Staff Attitude	7769	14.5%
Access to Call Centre	4061	7.6%
Written Communication with Customer	2813	5.3%
Mistake - Complaint Handling	2617	4.9%
Channel Handovers	1299	2.4%
Queues	1100	2.1%
IVR ⁴⁵	955	1.8%
Predominantly merit-based complaints		
Disagree with Legislation/Policy	1463	2.7%
Decision Making	12 142	22.7%
Other		
Other Reasons	6402	12.0%

Source: ANAO analysis of Centrelink data from the ICFD in 2007–08.

Note: [^] Does not add to 100 per cent due to rounding.

3.6 Table 3.1 indicates that 'Staff Knowledge and/or Practice', 'Decision Making' and 'Staff Attitude' account for 61.3 per cent of all complaints

⁴⁵ IVR is an Integrated Voice Recognition system used by Call Centres.

received by Centrelink in 2007–08. Further, customers were more likely to complain about service-related issues (such as a delay in payment) than merit-based issues relating to the correctness or reasonableness of decisions (such as payment eligibility).

3.7 Of the 53 486 complaints⁴⁶ in 2007–08, 75.5 per cent were first actioned through the CRUs with the majority (71 per cent) being classified as tier one complaints. Table 3.2 provides the number of complaints recorded in 2007–08 classified by tier.

Table 3.2

Complaints classified by tier in 2007–08

Tier	Number	Percent
1	37 910	71.0%
2	15 169	28.2%
3	407	0.8%

Source: ANAO analysis of Centrelink data from the ICFD in 2007–08

Timeliness of the resolution of complaints

3.8 An important aspect of being responsive to customer complaints is how long it takes for a customer to have a complaint resolved. The Ombudsman’s Guide advises that agencies should:

Set time targets for each step in the complaint handling process...performance against these timeliness standards should be monitored and any weakness in the complaints handling process identified and resolved.⁴⁷

3.9 Centrelink has a key performance indicator (KPI) target of resolving 90 per cent of tier one, two and three complaints within specific timeframes. Table 3.3 outlines these timeliness targets.

⁴⁶ This includes ‘call centre busy’ complaints.

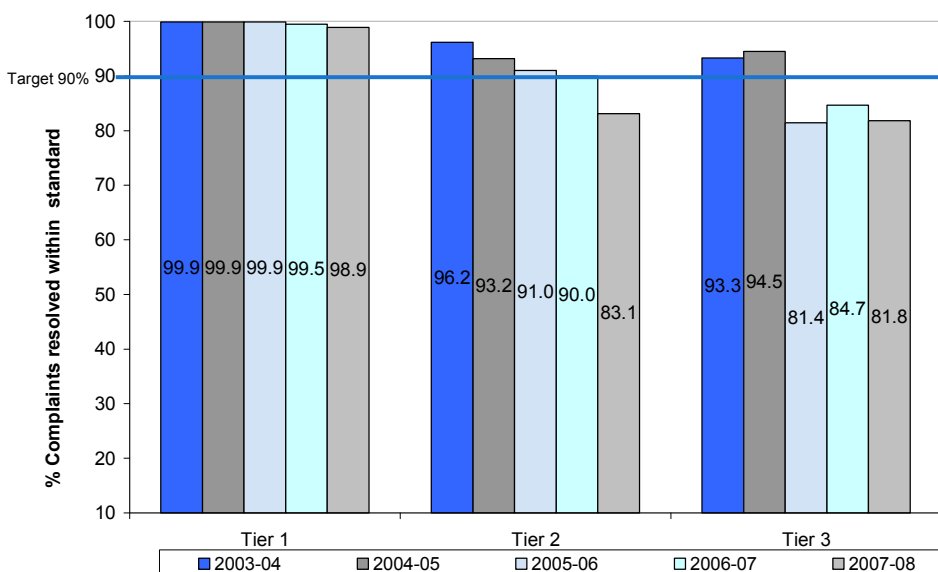
⁴⁷ Commonwealth Ombudsman, op. cit., p.38.

Table 3.3**Timeliness targets for resolution of complaints**

Tier	Timeliness target
1	90% of complaints are resolved within 1 day
2	90% of complaints are resolved within 3 days
3	90% of complaints are resolved within 5 days

Source: Centrelink Annual Report 2006–07, p.78.

3.10 Figure 3.1 details Centrelink’s performance against this KPI as reported in Centrelink’s Annual Reports from 2003–04 through to 2007–08.⁴⁸

Figure 3.1**Resolution of customer complaints**

Source: ANAO analysis of Centrelink Annual Report results and ICFD data for 2007–08.

3.11 Figure 3.1 indicates that Centrelink consistently exceeded its target of resolving 90 per cent of tier one complaints within 1 day. However, it also demonstrated that Centrelink did not achieve its tier two targets in 2007–08 and its tier three targets from 2005–06 to 2007–08.

⁴⁸ The ANAO conducted testing of the ICFD data to confirm the 2007–08 results published in the Annual Report. Prior years’ testing was not conducted due to the ICFD only being introduced in July 2007.

Resolution of tier two and tier three complaints

3.12 In 2007–08, the main category for tier two complaints that had not been resolved within three days was ‘staff knowledge and/or practice’ (26 per cent). Within the ‘staff knowledge and/or practice’ category the provision of misleading or incorrect information was the main sub-category accounting for 38 per cent.

3.13 ANAO analysis indicates that the main cause of delay in resolving these types of complaints was a delay in telephone contact. Centrelink has a procedure whereby they will telephone a customer on three different occasions at different times of the day to try and contact a customer. Where Centrelink is not able to contact a customer, they will send the customer a letter requesting they contact Centrelink. If Centrelink is unable to contact the customer, this can delay the resolution of the complaint.

3.14 Tier three complaints are those complaints that require extensive follow-up and are most complex in nature. ANAO analysis indicates that the main reason complaints were not resolved within the five days was due to a disagreement with a Centrelink decision (27 per cent of cases). Further, in some instances, the complaint was referred to an Authorised Review Officer⁴⁹ to review the decision. This process can take up to 28 days.

3.15 Centrelink advised the ANAO:

Tier 3 complaints are the most complex complaints, requiring deeper investigation and action to resolve them. Many of these cases require referral to a number of different areas within Centrelink in order to determine the most appropriate resolution and to correct any problems that are identified. Many of the tier three cases involve multiple contacts with the customers to clarify the circumstances as part of the resolution. While some tier three cases do legitimately take longer than five days to resolve (and this is acknowledged in the Customer Feedback Protocols) the Post Complaints Survey highlights that Centrelink needs to improve keeping the customer informed of the progress where a longer time frame for resolution is required. Centrelink is changing protocols and taskcards to remind staff handling complaints of the importance of keeping customers informed.⁵⁰

⁴⁹ An Authorised Review Officer is a Centrelink Officer responsible for reviewing a decision at the request of the customer.

⁵⁰ Centrelink advice provided 26 September 2008.

Customer experience of the resolution of complaints

3.16 In 2006 Centrelink engaged a market research company to conduct a Post Complaints Survey (PCS) of 700 customers who had made a tier one or two complaint to Centrelink within the period July to September 2006.⁵¹ This was repeated in the period November 2007 to April 2008.

3.17 Table 3.4 shows the percentage of customers who considered that their complaint had been resolved within Centrelink's target. The ANAO compared the results of the PCS with those recorded and reported by Centrelink.

Table 3.4

Comparison of Post Complaints Survey (PCS) results and Centrelink reporting for resolution of complaints

Tier	Centrelink target	PCS 2006	Centrelink Annual Report 2006–07	PCS 2008	Centrelink Annual Report 2007–08
1	90% resolved within 1 day	15%	99.5%	11%	97%
2	90% resolved within 3 days	26%	90%	8%	88.2%

Source: ANAO analysis of results published in the 2006 and 2008 PCS and Centrelink's 2006–07 and 2007–08 Annual Reports

3.18 The results from the PCS and those recorded in Centrelink Annual Report demonstrate that Centrelink and its customers do not share a common view on the time it takes to resolve a complaint. There are a number of factors that could be driving this result including different interpretations of when a complaint is considered to be resolved.

3.19 Centrelink defines a complaint as being resolved when:

... the matter a complainant has raised is investigated in accordance with Centrelink practices and the complainant:

- receives an explanation of the outcome of that investigation;
- acknowledges they understand the outcome as explained to them; and
- is informed of additional options they have to seek a review⁵² of the outcome (such as an Original Decision Maker, Authorised Review

⁵¹ The methodology and findings from these surveys are discussed further in Chapter 4.

⁵² Reviews may not be appropriate or relevant for all complaints, but customers will always be advised of their right to have a review if they are dissatisfied with a Centrelink decision or its effect upon them.

Officer, Social Security Appeals Tribunal, Administrative Appeals Tribunal review or Commonwealth Ombudsman).⁵³

3.20 Centrelink recognised that it may not always be possible to provide a customer with an outcome that satisfies their complaint.

3.21 Stakeholders interviewed for the audit advised the ANAO that while customers might accept an explanation provided by Centrelink, they did not always consider that their complaint had been resolved. This was particularly the case when a customer had made a complaint about government policy, legislation or a decision made by Centrelink (25.4 per cent of all complaints).

3.22 However, a significant proportion of complaints made to Centrelink are regarding 'staff knowledge and/or practice' or 'staff attitude'. These types of complaints make up 38.6 per cent of the total number of complaints Centrelink received in 2007–08.

3.23 The PCS did not provide data or analysis that considered if a relationship existed between the type of complaint lodged and the customer's satisfaction that it had been resolved. Therefore it is not possible to determine if the reason for a customer complaint impacted on whether they consider the complaint resolved.

3.24 In order to obtain a greater understanding of the drivers behind the different views on complaints resolution, the ANAO suggests that Centrelink use future PCSs to specifically investigate the relationship between the type of complaint and the customers' views on resolution. This would allow Centrelink to obtain further insights as to why customers may not consider a complaint is resolved and, where relevant, take steps to improve the system.

3.25 In October 2008, Centrelink advised the ANAO that:

Centrelink is embarking on a more regular Post Complaints surveying program and tender documentation is being prepared to conduct this survey in November 2008, March 2009 and June 2009.⁵⁴

3.26 In January 2009, Centrelink further advised the ANAO that:

A Post Complaints Survey was not conducted in November 2008. Centrelink intends to conduct the next Post Complaints Survey in March 2009.⁵⁵

⁵³ Centrelink, *Statement of Commitment: Listening and Responding to Feedback*, 2007, p.15.

⁵⁴ Centrelink advice provided 17 October 2008.

⁵⁵ Centrelink advice provided 21 January 2009.

3.27 The ANAO notes that the tender documentation for the PCSs includes obtaining detailed verbatim comments from customers on why they did not consider their complaint has been resolved. In addition, Centrelink will be drawing the sample from those customers who have made a specific category of complaints such as disagreeing with policy or legislation. This will provide a basis to determine if the type of complaint a customer makes has an influence on the satisfaction results.

Barriers to customers lodging complaints to Centrelink

3.28 The Ombudsman's Guide describes one of the essential elements of an effective complaints handling system is to remove any barriers that may prevent customers from accessing the system. One such barrier can be a fear of retribution and the Ombudsman's Guide contends that:

Fear of retribution can be a powerful disincentive for clients thinking of making a complaint. People will not complain if they believe the agency will somehow discriminate against them in the future. This is particularly true if the relationship between the client and the organisation puts the client in a vulnerable position, for example complaints involving the receipt of a pension or benefit, or whistleblower complaints. This can also be particularly relevant for clients from certain cultural backgrounds.⁵⁶

3.29 The Ombudsman's Guide further states that:

Clients may also be concerned that they may be subject to repercussions from agency staff if it is known that they have made a complaint and will need to be assured of the confidentiality of information they provide.⁵⁷

3.30 The ANAO interviewed stakeholders and reviewed Centrelink documents and data to determine whether:

- a fear of retribution created a barrier to a customer's willingness to provide feedback to Centrelink;
- Centrelink had guidance to assure customers that they will not suffer any retribution or discrimination if they lodge a complaint;
- customers had suffered any form of retribution from Centrelink staff after lodging a complaint; and

⁵⁶ Commonwealth Ombudsman, op. cit., p.32.

⁵⁷ *ibid.*, p.23.

- Centrelink had an internal follow-up procedure to address the risk of discrimination against customers or stakeholders who lodge a complaint.

Customers perceived fear of retribution

3.31 Stakeholders interviewed by the ANAO indicated that many of their clients, particularly those from vulnerable groups, were still unlikely to make a complaint to Centrelink about its service. A fear from customers that Centrelink may discriminate against them in the future was raised as the primary reason. Stakeholders acknowledge that in many cases this fear was based largely on a perception, rather than any actual instances of retribution.

3.32 The ANAO reviewed Centrelink’s data from the ICFD, which included limited instances of customer feedback to Centrelink that reflected a continuing fear of retribution in making a complaint. Table 3.5 provides a case study of a customer that advised that they were unwilling to make a formal complaint as they believed that it would result in retribution.

Table 3.5

Case study - fear of retribution

Case Study — Fear of Retribution
<p>Customer X called the 1 800 number to make a complaint about a claim for payment that had been delayed. A Customer Service Advisor (CSA) told Customer X that they would need to provide information in a specific format —(different to how the customer had initially presented the information) – to enable Centrelink to progress the claim for payment.</p> <p>Customer X considered that the delay was due to retribution from a complaint the customer had previously lodged about the attitude of another CSA.</p> <p>Centrelink contacted Customer X to explain the process for investigating the complaint of retribution. However, Customer X was still concerned about retribution. Customer X advised the CSA that although they understood Centrelink treats these matters seriously, they no longer wanted this referred for internal follow-up due to possible further retribution. Customer X advised the CSA they would wait until their claim was finalised and would then lodge a complaint.</p>

Source: ANAO analysis of ICFD data 2007–08.

Post Complaints Survey

3.33 In relation to the ongoing concerns regarding a fear of discrimination, the following question was included in Centrelink’s 2006 and 2008 PCSs:

To what extent do you agree or disagree that Centrelink customers are not discriminated against after lodging a complaint?

3.34 Survey results showed that 58 per cent of customers agreed with the statement in 2006 and 60 per cent agreed with the statement in 2008.⁵⁸

3.35 In the 2008 survey, of those customers that disagreed with the above question, 38 per cent advised that they had experienced some form of personal retribution following a complaint and 10 per cent advised that Centrelink did discriminate against them. Table 3.6 provides a breakdown of the survey results relating to customer views on discrimination and shows that fear of personal retribution remains a key customer concern.

Table 3.6

Reasons customers feel discriminated against if they make a complaint

Reason	2006	2008
Responses related to fear of personal retribution		
They do / did discriminate against me (general)	25%	10%
I have experienced more reviews, problems or issues after making a complaint	16%	21%
Making a complaint affected my payments (e.g. payments changed, rejected, cut off)	12%	10%
I have been marked as a trouble maker, records must say I'm problematic, comes up on screen	9%	7%
Other responses		
Staff have poor attitude (disrespectful, dismissive, rude, aggressive)	33%	26%
Staff are untrained / inexperienced	19%	3%
Not satisfied with action / feedback regarding my complaint	17%	20%
Staff did not believe what I was saying / did not believe me	11%	12%
Confidentiality / privacy was breached	4%	1%
I was given false/wrong/contradictory information	n/a	8%
Centrelink claim I owe them money	n/a	1%
Other	3%	10%
Don't know / Unsure	n/a	5%

Source: ANAO analysis of Centrelink 2006 and 2008 Post Complaints Survey. Base is all customers who disagreed that Centrelink customers were not discriminated against after lodging a complaint. Question 30. *'You mentioned that you disagreed that Centrelink customers are not discriminated against after lodging a complaint. What were your reasons for saying this?'*

*Customers were able to provide more than one response.

⁵⁸ The ANAO has included 'don't know' and 'non-response' results in determining these percentages, the reasons for this are further explained in Chapter 4, paragraphs 4.22 - 4.24.

3.36 Stakeholder feedback, Centrelink data and survey results confirm there is an ongoing concern from customers that they may suffer retribution if they lodge a complaint with Centrelink regarding its service. This has the potential to create a barrier to a customer actively using Centrelink's complaints handling system. Consequently, there is a risk that Centrelink will not receive complaints from customers and therefore not obtain valuable information about its service delivery; nor be able to investigate and rectify any serious breaches of customer confidentiality or cases of discrimination.

Addressing customers' fear of retribution

3.37 The Statement of Commitment describes 10 principles that Centrelink staff are to apply when working with customers who provide feedback. The application of the 10 principles is mandated by a Chief Executive Instruction (CEI) issued in May 2007 and requires all Centrelink staff to apply the principles when handling feedback. The CEI outlines that customers have a right to:

Suffer no retribution or discrimination as a result of lodging a complaint or other feedback.⁵⁹

3.38 To support staff in the application of the Statement of Commitment, Centrelink has produced a staff guide. The guide explains what each principle means and how staff can apply the principles. In particular the ANAO considers that Principle 6 and Principle 9 provide explicit statements that assure customers and stakeholders of the confidentiality of the information they provide when making a complaint.⁶⁰

3.39 Results from the 2008 PCS indicate that 71 per cent of customers strongly agree or agree that 'Centrelink keeps customer complaints confidential between Centrelink and the customer making the complaint'. In 2006 this was 74 per cent. This was a higher result than for other questions in the survey.⁶¹

Awareness of the 'Statement of Commitment'

3.40 The 2008 PCS included a question on customer awareness of the Statement of Commitment. Of the customers surveyed, 33 per cent were aware

⁵⁹ Chief Executive's Instructions 22, *Customer Complaints and Dispute Resolution*, 21 May 2007.

⁶⁰ The Statement's 10 Principles are at Appendix 1.

⁶¹ In 2008, one question received a higher result - 'Centrelink staff who handled your complaint were courteous and treated you with respect' (76 per cent).

that Centrelink had a policy about listening and responding to customer feedback. Among customers who are aware of the policy, 40 per cent become aware of the policy through Centrelink staff and 17 per cent were informed through a recorded message when calling Centrelink. Of the 33 per cent of customers who were aware of the policy, only 25 per cent had read it.

3.41 The Statement of Commitment is an important document for providing assurance to customers that they will not suffer any discrimination when lodging a complaint. It also assures customers that their information will be kept confidential.

3.42 Given the relatively low awareness of the Statement of Commitment, the ANAO suggests that Centrelink investigate other avenues to promote the Statement and its principles to improve customer awareness of their right to lodge a complaint and what they can expect from Centrelink in providing feedback.

Incidences of retribution

3.43 In April 2007, Centrelink's Internal Audit undertook a management initiated review of fear of retribution. This was in response to the concerns raised by the JCPAA⁶² and Recommendation No. 5(b), from the previous ANAO audit report. The objective of the review was to determine whether there was evidence that Centrelink staff had breached the *APS Code of Conduct* in respect to dealings with Centrelink customers, particularly in relation to evidence that staff adjusted customer records after a complaint had been made to:

- enable a change to entitlements;
- cause rejection of a claim;
- cause a suspension of an entitlement;
- trigger more reviews or requests for further information; or
- indicate on the customer record that they were problematic.

3.44 The internal audit did not identify any cases where customers were discriminated against after they had made a complaint, and hence no breaches of the *APS Code of Conduct* were established.

⁶² JCPAA, op. cit., <http://www.aph.gov.au/house/committee/jpaa/auditor_generals1/prelims.htm> [accessed 24 August 2008].

Investigating allegations of serious misconduct

3.45 In 2007–08 Centrelink followed-up all complaints or other feedback that related to allegations of:

- Centrelink retribution or discrimination against a customer;
- serious staff misconduct or fraud by a Centrelink staff member; and
- other serious *APS Code of Conduct*⁶³ breaches by a Centrelink staff member.

3.46 These allegations are investigated using computer programs and a manual analysis of an employee's access of customer records. A report is then developed which outlines any suspected fraud, misconduct or unauthorised access by the Centrelink staff member. If any unauthorised access is identified it will be referred to the Privacy and Information Section within Centrelink for further investigation.

3.47 Between January and June 2008, Centrelink followed up 24 referrals from CRUs relating to customer allegations of serious staff misconduct. None of the allegations were substantiated and/or led to disciplinary action.

Staff attitude complaints

3.48 More generally staff attitude can provide a barrier to a customer lodging a complaint. Staff attitude was one of the top three reasons for customer complaints to Centrelink with 7769 such complaints being made in 2007–08. Table 3.7 provides a breakdown in sub-categories of staff attitude complaints.

⁶³ <<http://www.apsc.gov.au/conduct/>> [Accessed on 24 August 2008],

Table 3.7**Breakdown of staff attitude complaints in 2007–08**

Reason for the Complaint	Number	Per cent [^]
Rudeness	3336	42.9%
Unacceptable service	2050	26.4%
Lack of empathy, understanding of individual customer circumstances	906	11.7%
Insensitive	575	7.4%
Harassment, bullying	332	4.3%
Judgemental	309	4.0%
Other	184	2.4%
Retribution	47	0.6%
No apology offered	30	0.4%

Source: ANAO analysis of Centrelink ICFD data, 2007–08.

Note: [^] Does not add to 100 per cent due to rounding.

3.49 While retribution⁶⁴ was the subject of very few complaints, in the 2006 and 2008 PCS, poor staff attitude was one of the main reasons cited by customers on why they felt that they were discriminated against when making a complaint in general to Centrelink.

Resolving staff attitude complaints

3.50 Centrelink has developed a standard procedure for resolving staff attitude complaints. All complaints received in the CRUs regarding staff attitude are classified as tier two complaints. The ASRT then allocate the complaints to the relevant senior manager within the Area or the Centrelink CSC Manager. All customers who lodge a complaint about staff attitude will receive a follow-up telephone call from a relevant member of the Area Office management team, who is best positioned to deal with the complaint.

3.51 The CSC Managers that the ANAO interviewed as part of the audit advised that if they receive a staff attitude complaint about a CSA they undertake coaching of the CSA, and if required, identify training, development or support needs.

⁶⁴ That is, a customer allegation against a Centrelink staff member of serious misconduct, fraud, retribution or discrimination.

Multiple complaints

3.52 Multiple complaints can indicate the presence of a systemic problem. Early identification of multiple complaints and their cause can allow an agency to respond to, and resolve issues, before they escalate to a stage that affects a large number of customers and requires considerable additional resources to resolve. Multiple complaints can arise when a customer has had to complain more than once to have their complaint resolved and from those customers that repeatedly complain about different issues.

3.53 The ANAO examined Centrelink's processes for:

- identifying and managing multiple complaints about the same issue from a customer;
- identifying and managing multiple complaints about a particular staff member or section of Centrelink; and
- managing customers who repeatedly complain about different issues.

Process for identifying multiple complaints about the same issue

3.54 The ICFD provides for the recording, monitoring and analysis of multiple complaints about the same issue. Customer feedback can be retrieved and analysed at different levels, including the service experienced by the customer, where the service was received (for example from a Call Centre or particular CSC) and the type of complaint.

3.55 For example, a search can be conducted on the ICFD to locate a customer reference number (CRN). When the CRN is matched with a CRN in the ICFD, a pop-up box will appear with a list of all customer feedback records recorded under that CRN. Selecting any of the customer records shown will open that customer record.

3.56 Centrelink advised the ANAO that there is no reporting or analysis conducted to determine the number or type of multiple complaints for individual customers. Although there is the functionality within the ICFD to access information on multiple complaints for individual customers, there is no process to systematically identify instances of multiple complaints by a customer on the same issue. The ANAO suggests that Centrelink use the ICFD capability to determine the level of multiple complaints.

3.57 Centrelink advised that:

The next quarterly Customer Feedback Report ... will specifically focus on multiple complainants ... This report is scheduled to be finalised in January [2009] and will cover the July - September and October - December quarters.⁶⁵

3.58 The quarterly Customer Feedback Report is discussed further in Chapter 5 paragraphs 5.49 to 5.52.

Centrelink staff who receive multiple complaints

3.59 Where a particular Centrelink staff member or a CSC has been subject to numerous complaints in a given period of time, this will be collected and tracked at the local level by the ASRT and the staff member's supervisor. For example, if a staff member receives a complaint about staff attitude, this will be classified as a tier two complaint. This results in the complaint being sent to the ASRT for monitoring and resolution. At the same time an email will be sent to the staff member's supervisor advising them of the complaint. If a staff member was to receive multiple complaints of this nature over time then the ASRT and the staff member's supervisor should become aware of the situation through this process.

3.60 For privacy reasons, staff identification is removed from the ICFD in cases of allegations of serious misconduct.

3.61 If a staff member has repeated complaints made about them, this will be addressed in performance discussions and coaching and/or training will be identified to address the issue.

3.62 For CSCs that receive multiple complaints about similar issues, the ASRT will look at the performance of the CSC from a number of perspectives, including the results from staff satisfaction surveys to identify any trends and areas for improvement. This will be followed up by the Area Manager.

Processes for dealing with repeat complainants

3.63 As with all government agencies a small number of Centrelink's complainants could be defined as unreasonable. The Commonwealth Ombudsman's interim practice manual on Unreasonable Complainant Conduct identifies various types of complainant conduct that can be considered unreasonable, these include:

- unreasonable persistence;

⁶⁵ Centrelink advice provided 28 October 2008.

- unreasonable demands;
- unreasonable lack of cooperation;
- unreasonable arguments; and
- unreasonable behaviour.

3.64 The interim guide recommends identifying someone within an agency as being the person responsible for supervising unreasonable complainant conduct. The Ombudsman's interim guide also suggests that it can be useful to limit contact to a defined officer and/or contact time where a complainant's demands for contact are unreasonable or where the complainant is 'shopping' for a more sympathetic ear in the agency. However, it is important that despite the potentially unreasonable conduct of these complainants, staff should not preclude the existence of a valid issue.

3.65 Centrelink has provided guidance to staff in dealing with repeat complaints. This can include designation of a Centrelink staff member responsible for all complaints raised by such customers. Area Office staff that the ANAO interviewed for the audit indicated that it would be useful if the ICFD could automatically identify customers who had made multiple complaints.

3.66 The ANAO suggests that Centrelink investigate introducing the functionality within the ICFD (or similar), to automatically identify repeat or 'unreasonable' complaints and develop a defined process, based on the guidance from the Ombudsman's interim guide, for handling such complaints

4. Complaints Handling System – Awareness and Satisfaction

This chapter examines customer awareness of and satisfaction with, the complaints handling system. It considers Centrelink's approach to measuring and promoting awareness of the system and customer satisfaction. The chapter also examines if Centrelink has identified and made any improvements to the system as a result of feedback from the customer and staff surveys.

Introduction

4.1 Customer awareness is a key element of an effective complaints handling system. A low awareness may indicate that not all customers know how, or are able, to lodge a complaint. Complementing customer awareness of the system is their level of satisfaction with how it operates.

4.2 At a business management level, effective complaints handling is a valuable tool to identify both service delivery issues and areas for improvement. Accordingly, low awareness and/or satisfaction levels can limit the value of the information drawn from the complaints handling system for systemic improvement.

4.3 To provide good access to a complaints handling system and promote awareness of the function, two activities are essential:

- widespread information about the complaints handling system should be made available to customers; and
- customer awareness, perception and satisfaction levels should be measured.

4.4 Centrelink undertakes a number of customer and staff surveys that are designed to measure awareness and satisfaction with the complaints handling system. These include the:

- National Customer Satisfaction Survey (NCSS) – customer survey undertaken on an annual basis;
- CSC and Call Centre Surveys – customer surveys undertaken monthly;

- Post Complaints Survey (PCS) - first undertaken in 2006 and repeated in 2008, designed to survey customers who have lodged a complaint with Centrelink;
- Organisational Change Survey (Hinds) - staff survey conducted in 2006; and
- Complaints Culture Research Project (TMI) - a staff survey conducted every two years in a range of agencies from the private and government sectors exploring staff attitudes towards a range of factors relating to complaints. Centrelink took part in 2005 and has indicated an intention to take part again in 2009.

Customer awareness of the complaints handling system

4.5 The ANAO reviewed Centrelink's strategies for measuring, promoting and increasing customer awareness of the complaints handling system by examining:

- how Centrelink informs customers about its complaints handling system and whether it has a communication strategy to increase their awareness;
- whether Centrelink measures customer awareness of the system; and
- what the information available indicates in relation to the level of customer awareness.

Communication strategies to increase customer awareness

4.6 The Ombudsman's Guide lists a number of strategies that agencies use to publicise their complaints handling system. These include: the promotion of a Customer Service Charter, the widespread integration of information on the complaints handling system in correspondence, brochures, newsletters and other publications, the availability of dedicated leaflets and comments cards, dedicated internet web pages and listings in the telephone directory.⁶⁶

4.7 Centrelink uses all these avenues to publicise its complaints handling system. In particular, Centrelink undertakes a number of initiatives focussed on enhancing customer awareness of the system. These include making available a customer factsheet on complaints handling and the development of

⁶⁶ Commonwealth Ombudsman, op cit., p.30-31.

*Centrelink's Customer Charter*⁶⁷ and the Statement of Commitment. The ANAO found that all these documents are widely accessible to customers and most are available in a large range of languages.

Information on Centrelink's website

4.8 The Centrelink website is an important tool in raising customer awareness of the complaint handling system. The Centrelink website receives an average of 17 million unique visitors per annum.⁶⁸ The term 'Centrelink' was ranked second out of ten for the most searched government word in a four week period ending 28 June 2008.⁶⁹ In April 2008, it was the 145th most accessed internet site by Australian internet users.⁷⁰ In the government website category, it was ranked fourth.⁷¹

4.9 In 2007, Centrelink undertook an online survey of 5000 participants comprising both Centrelink and non-Centrelink customers. The survey provided participants with two designs and asked them to select the design that they considered provided easier access to locating information about making a complaint to Centrelink. Of the 2003 responses, 61 per cent preferred a particular design concept. This design underwent further testing and became the basis of a new homepage which went live in July 2008.

4.10 The ANAO conducted a search on the word 'complaint' on the Centrelink website and found that it directs customers to 37 search results.⁷² Importantly, the first result is a link to a dedicated 'Complaints' webpage.

'Complaints' webpage

4.11 The 'Complaints' webpage provides information on:

- how to lodge a complaint by telephone, comment card, CSC, secure online message⁷³ or by reply paid post;
- the details a customer will need to provide when making a complaint;

⁶⁷ <http://www.centrelink.gov.au/internet/internet.nsf/about_us/customer_charter.htm> [accessed 21 August 2008].

⁶⁸ Centrelink advice provided 11 June 2008.

⁶⁹ *Hitwise Benchmark Report for Centrelink*, April 2008, p.3.

⁷⁰ 145 out of 648 005 websites. *Hitwise Benchmark Report for Centrelink*, April 2008, p.3.

⁷¹ 4 of 6 553 government websites. *Hitwise Benchmark Report for Centrelink*, April 2008, p.3.

⁷² Test conducted on 25 September 2008.

⁷³ A secure online message is a webpage form completed by the customer and emailed to Centrelink from the website.

- how Centrelink will handle a complaint, including the resolution timeframe based on the complexity of the complaint;
- options for the customer if a complaint cannot be resolved to their satisfaction; and
- assurance of confidentiality and resolution without discrimination or disadvantage.

4.12 The ANAO also tested the ease with which a website user could access the 'Complaints' webpage from the Centrelink homepage and found that it was accessible by one click on the permanent link from the homepage. The information regarding complaints handling available on the 'Complaints' webpage is consistent with the requirements of the Australian Standard in providing customers with readily accessible information.⁷⁴

4.13 The ANAO also considered the numerous options and different navigation methods available to users of the website and found that it could be further improved by:

- providing a link on the 'Contact Us Index', 'Write to Us' and 'Individuals' webpages that directs customers to the 'Complaints' page;
- under the 'Tell us what you think' subheading on the 'Contact Us Index' page, Centrelink clearly advise customers that this form is for providing feedback on complaints, compliments and suggestions; and
- the link 'send us feedback, how to make this a better website' could be amended, as customers may think that this link is only for the purpose of providing suggestions regarding the Centrelink website. Customers will not necessarily be aware that a click on this link will direct the user to the 'Contact Us/Message Us' page, where they can lodge a complaint by secure online message.

Measuring customer awareness

4.14 Each year Centrelink conducts its NCSS⁷⁵ which includes a series of questions about the complaints handling system. Centrelink advised the ANAO that:

⁷⁴ AS ISO 10002–2006, op. cit., p.6.

⁷⁵ The NCSS is a telephone survey conducted on an annual basis. In 2007, 1828 customers were surveyed.

New questions were included in the 2005–06 National Customer Satisfaction Survey and again in the 2007 survey to assess customers' experience with Centrelink's complaints handling system.⁷⁶

4.15 The ANAO examined the NCSSs conducted between 2004 and 2007 to assess whether they adequately measured customer awareness of the complaints handling system. Despite new questions being introduced from 2005–06 (refer Appendix 2), the survey questions measured customer satisfaction but did not necessarily directly measure customer awareness of the complaints handling system. Table 4.1 shows the survey questions that indirectly relate to customer awareness of the complaints handling system in Centrelink since 2004.

Table 4.1

Centrelink's National Customer Satisfaction Surveys from 2004 to 2007 – questions relating to customer awareness of complaints handling

Questions	2004	2005	2006	2007
Ease of making a complaint	✓	✓	✓	✓
One thing that Centrelink could do to make it easier to lodge a complaint	✓			
Likelihood of making a complaint	✓			
Awareness of Customer Charter*	✓	✓		

Source: ANAO's analysis of NCSS reports.

Notes: *Awareness of Centrelink's Customer Charter was measured until 2005 in the NCSS. From 2006 awareness of the Charter has been measured through the CSC and Call Centre surveys.

4.16 Two of the questions in the NCSS could provide Centrelink with an *indirect* measurement of customer awareness. These are the questions on:

- awareness of the customer charter – a section of the Charter outlines the avenues available to customers who wish to lodge a complaint.⁷⁷ Although not a direct measure, a good awareness of the Customer Charter could imply awareness of the complaints handling system; and
- ease of making a complaint⁷⁸ - a high level of agreement could indicate that customers are aware of Centrelink's complaints handling mechanisms.⁷⁹

⁷⁶ Centrelink advice provided 28 April 2008.

⁷⁷ *What you can expect from Centrelink, Centrelink Customer Service Charter*, Centrelink, 26 August 2008, p.11.

⁷⁸ In the 2005, 2006 and 2007 surveys, the question read: 'To what extent do you agree or disagree that it is easy to make a complaint to Centrelink about its service?' In the 2004 survey it read 'how do you rate the ease of making a complaint to Centrelink about its service?' (Source: NCSS 2004 to 2007 reports).

4.17 The ANAO assessed the results from these questions to determine whether they can be used as a proxy to the direct measurement of the level of customer awareness of Centrelink's complaint handling system.

Awareness of Centrelink's Customer Charter

4.18 In the 2004 NCSS, awareness of the Customer Charter was 26 per cent and in 2005 it was 30 per cent. In 2006, Centrelink released a new Customer Charter and measured customer awareness through two new survey questions in the *CSC* and *Call Centre* surveys. In the *CSC* and *Call Centre* surveys conducted since October 2006, one in two customers indicated that they were aware of Centrelink's service commitments as described in the Charter.⁸⁰

4.19 As only one in two customers were aware of Centrelink's service commitments as described in the Charter, the ANAO considers that Centrelink cannot solely rely on this information to provide an assurance that customers are aware of its complaints handling system.

Ease of making a complaint

4.20 The level of customer agreement with the NCSS question on ease of making a complaint was reported as stable at around 65 per cent between 2004 and 2006, and as showing a significant improvement to 71 per cent in 2007.

4.21 The ANAO noted that the methodology used to analyse these results excluded those customers who responded 'don't know', 'refused', or 'not applicable' ('missing data'). The report indicated that excluding missing data from the interpretation of the results is a 'recognised approach'.⁸¹ However, this approach has implications for the final reported results and may present a risk of misrepresenting important information if the missing data represents a significant proportion of the respondents.

4.22 The ANAO found that when the missing data was included in the analysis, 53 per cent of respondents (rather than the 71 per cent reported) agree to the question on the ease of making a complaint, therefore showing no significant improvement since 2004 (when the result, including missing data,

⁷⁹ Asking customers how easy they find the complaint handling system is different from asking them if they know that such a system exists in the first place.

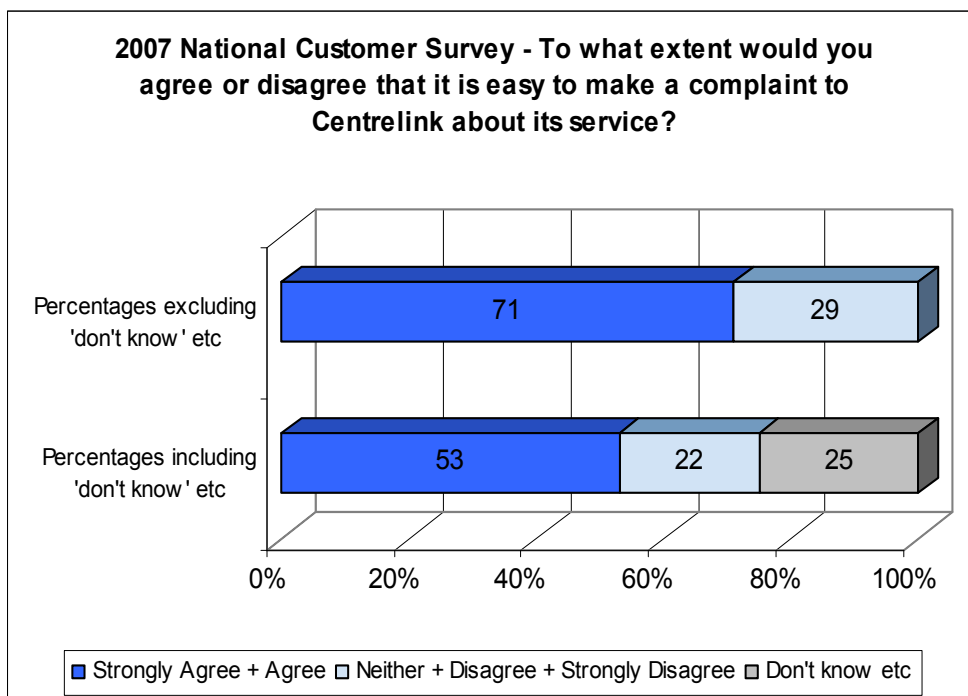
⁸⁰ Results in the *CSC* and the *Call Centres* surveys were comparable and consistent since October 2006, with between 46 per cent and 56 per cent of respondents indicating that they were aware of Centrelink's commitment to its customers. *CSC and Call Centres Surveys*, October 2006 to April 2008. Data was unavailable for the April 2008 *Call Centres* Survey.

⁸¹ 2007 NCSS report, p. 182. The same approach to treating missing data is adopted for the other questions of the NCSS and in the *Post Complaints Surveys*.

was 51 per cent).⁸² Figure 4.1 demonstrates the impact of excluding missing data from the analysis.

Figure 4.1

Impact of 'missing data' exclusion on the interpretation of results



Source: ANAO analysis of 2007 Centrelink's NCSS.

4.23 As only one in two customers agree that it is easy to make a complaint to Centrelink about its service, the ANAO considers that Centrelink cannot solely rely on this information as an assurance that customers are aware of its complaints handling system. Rather, the fact that one in four customers responded that they do not know whether making a complaint is easy potentially indicates a low awareness of the complaints handling system.

4.24 The ANAO considers that Centrelink does not measure customer awareness of the complaints handling system. Therefore there is a risk that Centrelink is unable to assess the impact, over time, of its communication strategies for increasing customer awareness.

⁸² 2004 NCSS, p.175.

Recommendation No.1

4.25 To improve Centrelink's ability to effectively and accurately measure, monitor and report on customer awareness of its complaints handling system, the ANAO recommends that Centrelink:

- (a) develop and include in the annual National Customer Satisfaction Survey, questions that specifically assess the level of customer awareness of the complaints handling system and the likely avenues by which a customer would lodge a complaint; and
- (b) review the statistical treatment used to analyse the survey results to more accurately represent the 'missing data' and address the risk of misinterpretation of customer survey results.

Centrelink response

4.26 Agree. Centrelink will use its survey program to gather this information on an annual basis. However, other survey instruments may be used for this purpose. Questions of this nature will also be included in relation to suggestions and compliments.

DHS response

4.27 Agree. Implementing the above recommendation will be a useful tool for Centrelink. It is important to know if Centrelink's customers are aware of the channels available for them to access their rights, and the service levels they can expect.

Customer and staff satisfaction with the complaints handling system

4.28 The Ombudsman's Guide outlines the importance of customer satisfaction to measuring the effectiveness of the complaints handling system. It indicates that:

The extent to which clients are satisfied is probably the best indicator of whether a compliant system is working well for clients.

... Measure of client satisfaction can provide a very rich source of information of not only how satisfied clients are with the process, but their expectations of the system and any suggestions they may have for improvement.⁸³

⁸³ Commonwealth Ombudsman, op. cit., p.45.

4.29 The Ombudsman’s Guide also considers that ‘staff satisfaction is another important factor of the effectiveness of the complaints handling system as it can indicate areas where improvements need to be made’.⁸⁴

4.30 The ANAO examined the surveys conducted by Centrelink to assess:

- whether Centrelink measures customer and staff satisfaction with the complaints handling system;
- the reliability of the measurement; and
- the key learnings about customer and staff satisfaction with the complaints handling system and how Centrelink has used this information to improve the system.

Measuring customer and staff satisfaction

4.31 Centrelink continues to conduct a suite of surveys that measure customer and staff satisfaction, including the NCSS, PCS and the introduction of two staff surveys since the previous report, namely: the Organisational Change Survey (Hinds); and the Complaints Culture Research Project (TMI).

Customer surveys

4.32 The ANAO examined Centrelink’s annual NCSS from 2004 to 2007. In the 2005 survey, a series of six questions measured the satisfaction of customers who had used the complaints handling system in the previous six to 12 months. Two additional questions were introduced in the 2006 and 2007 surveys to ascertain why a customer would not lodge a complaint. Detailed questions used in the NCSS from 2004 onwards are presented in Appendix 2.

4.33 In 2006, Centrelink commenced the PCS, which was repeated in 2008. The PCS explores the experience and satisfaction levels of customers who had lodged a complaint with Centrelink in the previous six months. The 2008 survey also included a section on customers’ awareness of Centrelink’s Statement of Commitment. The majority of questions are comparable between both surveys, allowing comparison over time.

4.34 The ANAO considers that the PCS complements the questions in the NCSS and has the potential to provide Centrelink with important information on customer satisfaction with its complaints handling system.

⁸⁴ *ibid.*, p.47.

Staff surveys

4.35 In 2005, Centrelink took part for the first time in an employee survey conducted every two years in a range of agencies from the private and government sectors. The survey, called *Complaints Culture Research Project*,⁸⁵ explored staff perceptions and attitudes towards a range of factors relating to complaints. The report provides detailed results for Centrelink and also presents how Centrelink compares with other private and government sector agencies. Centrelink did not take part in 2007 edition of the survey but indicated to the ANAO an intention to take part in the 2009 survey.

4.36 In addition, nine questions exploring complaints handling from an employee perspective were included in a general Centrelink staff survey conducted in 2006, the *Centrelink Organisational Change Survey*.⁸⁶ A specific report was produced in relation to these questions.⁸⁷

4.37 The ANAO considers that Centrelink has implemented adequate measures to assess staff satisfaction with, and attitudes towards, the complaints handling system.

Reliability of customer and staff satisfaction with the complaints handling system measurements

Customer surveys

4.38 The NCSS and the PCS represent sound management tools that allow Centrelink to assess how customer satisfaction changes over time and to develop measures to improve satisfaction rates. However, the ANAO examined the methodology used in the surveys, and identified a number of areas for improvement.

4.39 Both surveys exclude a range of Centrelink customers, including those people without a telephone, in hospital or living in a nursing home. Centrelink indicates that the reasons behind these exclusions are cost-related and/or that Centrelink does not wish to impose an undue burden on these populations:

Those who are in a nursing home [or] hospital ... are excluded as it is felt to pose an undue burden on such customers to participate in a survey.⁸⁸

⁸⁵ *Centrelink Complaints Culture Project*, October 2005, TMI.

⁸⁶ *Centrelink Organisational Change Survey*, May 2006, Hinds Workforce Research.

⁸⁷ *Customer Complaints Satisfaction Investigation and Report*, Vol 1 and 2, November 2006, Hinds Workforce Research.

⁸⁸ Centrelink, *Post Complaint Survey* 2008, p.118; NCSS 2007 p.173.

4.40 These groups can be considered to be part of Centrelink’s core customer group and excluding them may result in missing out on valuable feedback to improve Centrelink’s service delivery.

4.41 The surveys also exclude customers who are only contactable on a mobile phone number. Research shows that mobile phones are increasingly becoming an alternative to a fixed-line for some sections of the population.⁸⁹ Excluding customers with a mobile phone from the survey may present a risk of missing a significant and potentially growing section of the population.

4.42 The ANAO suggests Centrelink identify ways to include these groups in future surveys or, at least, analyse the impact of excluding these customers from the sample. The ANAO notes that this suggestion is similar to Recommendation No. 5 from ANAO Audit Report No. 33 2004–05, *Centrelink’s Customer Satisfaction Surveys*, which Centrelink agreed to at the time of that audit.

4.43 In January 2009, Centrelink advised the ANAO that:

Centrelink has commenced work to broaden the base of customers included in the survey program.

Staff surveys

4.44 The *Complaints Culture Research Project* presents useful information about staff perceptions and attitudes towards complaints handling. The same survey is conducted in other organisations⁹⁰ and the results detail how Centrelink performed compared with other participating government agencies.

4.45 The ANAO noted that the report gives little indication of how the sample of respondents was drawn.⁹¹ Consequently, some caution needs to be exercised when interpreting the results. A sample that is not controlled is likely to lack representativeness of the whole Centrelink staff population, and therefore present a higher risk of non-response bias.

⁸⁹ *Telecommunications Today: Report 5 - Consumer choice and preferences in adopting services*, ACMA, April 2008. Available from <http://www.acma.gov.au/WEB/STANDARD/pc=PC_9058>[accessed 24 August 2008].

⁹⁰ The TMI website indicates that the 2005 survey was conducted in 25 organisations, with a total of 3 245 respondents. Consulted on 18 August 2008, <http://www.tmiaust.com.au/what_we_do/surveys.htm> [accessed 24 August 2008].

⁹¹ The reports indicate that “each organisation participating in this year’s Complaints Culture Survey was asked to distribute the survey to a cross section of people from different levels and departments” (*Centrelink Complaints Culture Project*, October 2005, TMI , p.2).

4.46 For instance, the ANAO found that respondents from one specific State represented less than 1 per cent of the sample, whereas they count for 10 per cent of Centrelink employees. By contrast, respondents from another State accounted for 16 per cent of the sample, while representing just 4 per cent of the total Centrelink employee population.

4.47 Accordingly, in order to optimise Centrelink's assurance when using the survey results to assess staff attitude towards complaints handling, and to ensure that business decisions are made on the basis of robust survey results, the ANAO suggests that Centrelink:

- distribute future iterations of the survey in such a way as to achieve an improved representation of the staff population; and
- weight the data appropriately to minimise any non-response bias, that is, weight the data according to the size of the response compared to the population.

4.48 The second staff survey conducted by Centrelink, the *Organisational Change Survey*⁹² was conducted online and obtained a 58 per cent response rate⁹³ (approximately 11 300 employees⁹⁴).

4.49 The ANAO was unable to assess the reliability of the survey, nor fully interpret the results, as the survey report provided limited information on methodology. For example, the report did not indicate the number of non-responses to each question. Without this information, the reliability of the survey and the results is potentially diminished. Accordingly, the ANAO considers that current results on staff perceptions and attitudes towards Centrelink's complaint handling system need to be treated with a degree of caution given the lack of assurance available on the robustness of the survey sample.

Results from measuring customer and staff satisfaction

Customer surveys

4.50 The NCSS and PCS both included questions that measure customer satisfaction with Centrelink's complaints handling system. However, the two surveys have significant differences in methodology and are not easily

⁹² *Centrelink Organisational Change Survey*, May 2006, Hinds Workforce Research.

⁹³ *ibid.*, p.7.

⁹⁴ *ibid.*, p.13.

comparable. The ANAO focused its analysis on the results drawn from the PCS as it is dedicated to the complaints handling system and is more comprehensive than the NCSS on the issues of complaints.

4.51 Service attributes in the 2008 PCS with the highest levels of customer satisfaction included:

- Centrelink staff who handled your complaint were courteous and treated you with respect (76 per cent positive responses);
- Centrelink keeps customer complaints confidential between Centrelink and the customer making the complaint (71 per cent positive responses); and
- Centrelink customers are not discriminated against after lodging a complaint (68 per cent positive responses).

4.52 Overall, a majority of the results from the 2006 and 2008 PCSs received a positive response of 50 per cent or less⁹⁵ (refer Appendix 3). Given that the PCS draws on a population of participants who have lodged a complaint, the satisfaction levels of that group are unlikely to be as high as those among other groups of Centrelink customers. Accordingly, in this context, satisfaction levels above 50 per cent could be considered to be positive results. For comparison, a satisfaction survey conducted among the Ombudsman's clients in 2004 indicated that they had 'maintained a high satisfaction rate among complainants (58 per cent of complainants were satisfied with service delivery and 65 per cent were satisfied that Ombudsman staff did as much as they should have when investigating complaints).'⁹⁶

4.53 The 2006 and 2008 surveys recorded a lower positive response to customer satisfaction with the overall complaint process (41 per cent and 43 per cent respectively); while 52 per cent and 56 per cent respectively found the way Centrelink handled their complaint fell below their expectations.

4.54 Centrelink advised the ANAO that one of the drivers of change that led to the restructure of the CRUs in July 2007 was the 2006 PCS results. Despite the changes and improvements bought about by the restructure of the CRUs

⁹⁵ Positive answers are percentages corresponding to customers answering 'agree'/'strongly agree', 'yes' or 'good'/'very good' to the questions or statements.

⁹⁶ Commonwealth Ombudsman Annual Report 2004–05, chapter 3: Performance Report, <http://www.ombudsman.gov.au/publications_information/Annual_Reports/ar2004-05/chapter_3/chapter_3c.html> [accessed 26 August 2008].

the results of the 2008 PCS indicate that customer satisfaction with the complaints handling system only improved slightly.

4.55 2008 PCS results indicated that three key factors resulting in Centrelink not meeting customer expectations were a perceived lack of:

- resolution of the complaint;
- feedback and communication during the complaint process; and
- efficiency, with excessive time taken to deal with the complaint.⁹⁷

4.56 Based on the results of the customer satisfaction surveys, the ANAO considers that resolving complaints in a timely manner and keeping customers informed of the progress of their complaint provide the greatest opportunities for Centrelink to improve customer satisfaction with the complaints process.

⁹⁷ Centrelink, *Post Complaint Survey* 2008, p.20.

5. Monitoring and Reporting of Customer Feedback Information

This chapter examines how Centrelink monitors and reports on the customer feedback system including methods for collecting data and quality assurance processes. The chapter also considers how Centrelink uses the information to improve service delivery.

Introduction

5.1 Information gained from a customer feedback system provides an organisation with a rich source of data about where problems are occurring in service delivery. Accordingly, the data collected from customer feedback is essential to improving the quality of services.

5.2 The ANAO examined whether Centrelink:

- has a database that is used by all areas of the organisation to record and monitor customer feedback information;
- applies a quality assurance mechanism to the information captured to ensure that all feedback is collected, classified and resolved in a timely and consistent manner and according to documented procedures; and
- accurately reports information about customer feedback in internal reports and external forums.

Monitoring of customer feedback information

5.3 There a number of different methods through which customers can provide feedback to Centrelink. The Ombudsman's Guide states:

Good data collection practises are essential, particularly if you intend to use information about complaints to improve the services you provide to clients.⁹⁸

5.4 Centrelink has developed and implemented a new database to capture customer feedback. The ICFD was introduced on 2 July 2007 as a tool to capture customer feedback and integrate the previously disparate feedback recording mechanisms.⁹⁹ The ICFD provides for consistent monitoring and

⁹⁸ Commonwealth Ombudsman, op.cit., p.42.

⁹⁹ Centrelink's ICFD workbook, p.1.

recording of all customer feedback (including oral feedback) provided in CSCs, Call Centres and via CRUs.

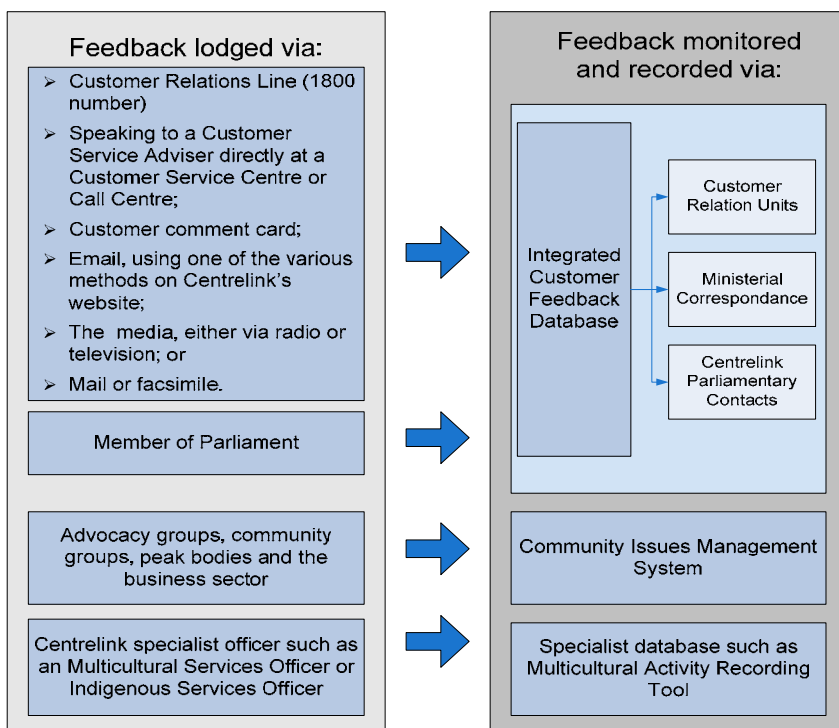
5.5 The ANAO examined:

- whether the data collected in the ICFD was complete and included contacts from all the avenues through which customers provide feedback to Centrelink; and
- Centrelink’s quality assurance processes for ensuring that complaints are recorded and resolved according to agreed policy and operating frameworks.

5.6 Figure 5.1 shows the different databases Centrelink uses to collect customer feedback.

Figure 5.1

Different reporting databases for customer feedback within Centrelink



Source: ANAO analysis.

Information collected within the Integrated Customer Feedback Database

5.7 All customer contacts and feedback actioned through the CRUs and resolved at the first point of contact are recorded in the ICFD. This includes:

- customer contacts and feedback made via the free-call 1800 numbers;
- customer comment cards;
- the Centrelink website;
- the media;
- letters and faxes, including those sent to the CEO; and
- face-to-face or phone contacts via the CSC or National Call Centre Network.

5.8 However, the ANAO found that there is a risk that the data included in the ICFD regarding the total number and types of complaints received by Centrelink is inaccurate, as data on oral complaints received at CSCs is limited.

Recording of oral complaints made in Customer Service Centres in the Integrated Customer Feedback Database

5.9 Centrelink's Customer Feedback Protocols, available on Centrelink's intranet for staff, require that:

All Centrelink staff must:

Ensure that customer feedback is formally recorded by taking action to ensure, that feedback (including action taken and resolution) is DOC'd on the customer's mainframe record. In addition to this, Call Centre Staff (non CRU) must also record feedback by using the Customer Service Macro, while CSC staff must also record feedback by using the Centrelink Service Feedback Sheet. This action will ensure that the feedback is recorded in the Integrated Customer Feedback Database by the Customer Relations Unit.¹⁰⁰

5.10 CSC staff who receive and resolve customer feedback are required to record this information on a customer feedback sheet (CFS). This sheet is then forwarded to the CRUs to be recorded in the ICFD. Staff in Centrelink's Call Centre Network (non CRU) must also record feedback they receive and resolve directly with a customer. This is done by using the Customer Service Macro, which is available on a Call Centre operator's desktop.

¹⁰⁰ Centrelink's *Customer Feedback Protocols*, December 2007 (v4.1), p.9.

5.11 The data obtained from the ICFD indicates that Centrelink received 50 218 complaints in 2007–08. Table 5.1 shows the number of complaints lodged by CSC staff using the CFS compared to those lodged Call Centre operators (non CRU) using the Customer Feedback Macro in 2007–08.

Table 5.1

Complaints lodged directly with the CSC compared with those lodged directly to the Call Centres in 2007–08

Source	Number of Complaints lodged in 2007–08
Customer Feedback Sheet (CSC)	144
Customer Feedback Macro (Call Centre Network) ¹⁰¹	11 657

Source: ANAO analysis of ICFD data.

5.12 Of Centrelink’s 15 Area Offices, 14 had recorded less than ten complaints via the CFS for 2007–08. The other Area Office had not recorded any complaints via the CFS in 2007–08. This was the same for compliments. Six Area Offices had recorded suggestions.

5.13 All Centrelink managers interviewed during the conduct of the follow-up audit indicated that information about a customer’s complaint would be recorded on the customer’s mainframe record. However, only two out of 15 Centrelink CSC Managers interviewed indicated that they were aware of the CFS and would use it to record complaints that had been resolved at the CSC.

5.14 On 30 June 2008 a reminder was provided to Centrelink Team Leaders and Managers about the recording of customer feedback received in CSCs. The article advised staff that while not all customer interactions need to be recorded via the CFS:

Feedback should be recorded if a customer clearly expresses dissatisfaction with a service aspect (which can encompass a wide range of issues such as the claim process, the office environment, staff attitude and communication products).

By expressing dissatisfaction, the customer would have an expectation that Centrelink would respond in some way to the issue raised, whether it be to quickly finalise a claim, offer some form of apology or explanation, refer the issue to 'a higher authority' etc.¹⁰²

¹⁰¹ This does not include the CRU.

¹⁰² Centrelink publication *Frontline Manager*, 30 June 2008.

5.15 The ANAO observed that officers in CSCs are under competing pressures in undertaking their duties and that the work of completing a separate CFS (in addition to updating the customer's record) can impinge upon their other responsibilities. However, it is part of Centrelink's policy to record all customer complaints, including those made orally at CSCs.

5.16 The ANAO notes that Call Centre operators are provided with a function on their mainframe desktop called a 'Customer Feedback Macro' to assist with recording feedback. The 'Customer Feedback Macro' is similar to the CFS in that it is used to capture information about complaints made directly to the Call Centre operator. However, the Call Centre operator is able to access the macro from their immediate workspace. To complete a CFS, CSC staff need to complete a record on the customer's mainframe record, locate the CFS on Centrelink's intranet, complete the form and then submit it to the CRU. Essentially, CSC staff are required to duplicate information recording processes to satisfy operational policies.

5.17 The ANAO recommends that Centrelink consider the option of providing CSC officers with a function similar to the 'Customer Feedback Macro' used in Call Centres, to assist in recording oral complaints.

Recommendation No.2

5.18 To improve the accuracy of Centrelink's data on the total number and types of complaints received by the agency, the ANAO recommends that Centrelink:

- (a) investigate options for improving the integration of the oral complaint reporting function into the existing systems used by CSC officers; and
- (b) regularly review and monitor the reporting of oral complaints received to ensure that all oral complaints are recorded.

Centrelink response

5.19 Agree. A Customer Feedback Macro has replaced the Centrelink Service Feedback Sheet used by CSC officers. The Macro was introduced on 13 October 2008. This means that Customer Service Centrelink Staff now use the same system used by Call Centre staff.

DHS response

5.20 Agree. Centrelink has progressed work on this recommendation and Customer Service Centre staff now use the same system for the capture of oral complaints.

Information collected outside the Customer Relations Unit component of the Integrated Customer Feedback Database

5.21 The development and implementation of the ICFD provides Centrelink with the opportunity to use the information in a timely manner at both a national and inter-Area level. However, to obtain a complete picture of the numbers and issues raised through customer feedback, Centrelink is required to source the information from a number of different systems.

5.22 The ANAO found that there are a number of databases across Centrelink that collect information about customer contacts and feedback. In particular, these include:

- correspondence and feedback lodged with the Minister for Human Services (the Minister), a Member of Parliament or the Centrelink CEO. If the feedback is received by the Ministerial and Parliamentary Branch of Centrelink, it is recorded in the ministerial component of ICFD. If the feedback is received by a Centrelink Parliamentary Contact (such as a CSC manager) it will be recorded in the Centrelink Parliamentary Contact component of the ICFD. Both components are separate from the information recorded by the CRUs ;
- feedback provided to Multicultural Service Officers (MSO) and recorded in the Multicultural Activity Recording Tool (MART); and
- feedback from stakeholders, such as advocacy groups, community groups, peak bodies or the business sector¹⁰³, which is recorded in a Community Issues Management System (CIMS).

¹⁰³ The business sector includes all businesses registered in Australia (837 000). Examples of interactions between the business sector and Centrelink include:

- Verification of earnings;
- Filling out job diaries for job seekers;
- Providing reasons why an employee has left a job;
- Provision by GPs of medical details for eligibility and review purposes through the completion of Medical Certificates and Treating Doctors reports;
- Provision by insurers and solicitors of information related to compensation claims and payments;
- Provision of information from Child Care Centres on children in their care, including hours and attendance patterns;
- Information provided by financial institutions; and
- Information from State Trustees regarding the application for and appointment of a trustee.

5.23 The ANAO found that the above databases are not subject to Centrelink's quality assurance mechanism for complaints resolution as used in the ICFD and their contents are not included in the total number of customer feedback details reported in various documents such as the Annual Report.

Ministerial Correspondence

5.24 In addition to providing feedback to Centrelink through the CRUs, customers can directly lodge a complaint, compliment or suggestion with the Minister, a Member of Parliament (either Federal or State) or the Centrelink CEO. Ministerial correspondence refers to correspondence which results in a response by or on behalf of the Minister.

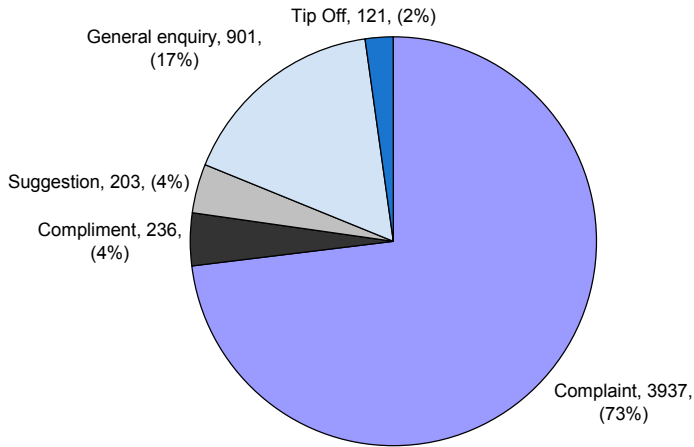
5.25 All feedback received through correspondence to the Minister or a Member of Parliament (who then forwards the correspondence to the Minister) is classified as a tier two complaint and investigated and resolved by a dedicated person in the Area Service Recovery Team. This correspondence is recorded in the ICFD.

5.26 However, the ICFD contains three separate databases, one for the CRUs, one for Ministerial correspondence and one to record information from Centrelink Parliamentary Contacts. Each of these components are separate and information will be recorded in one of the components depending which part of Centrelink is responsible for investigating and resolving the feedback.

5.27 In its 2006–07 Annual Report, Centrelink reported that Ministerial correspondence had increased by 53 per cent to 4823 items. In 2007–08, Centrelink recorded receiving 5398 items of ministerial correspondence, a further annual increase of 12 per cent. However, this information was not included in the 2007–08 Annual Report. Figure 5.2 shows a breakdown of Centrelink's 2007–08 Ministerial correspondence by the type and volume.

Figure 5.2

Ministerial Correspondence received by Centrelink in 2007–08



Source: Centrelink data drawn from the ICFD

Customers from Diverse Cultural and Linguistic Backgrounds

5.28 Stakeholders and Area Office staff, particularly Centrelink CSC managers, advised the ANAO that customers from a Diverse Cultural and Linguistic Background (DCALB) would be most likely to provide feedback to their local MSO. However, feedback provided to MSOs is not recorded in the ICFD. MSOs record their activities on the MART.

5.29 A report produced in 2007–08 shows that MSOs used the MART to record all activities, including feedback and complaints. However, the report did not include a breakdown of the specific numbers of complaints or concerns raised by customer with MSOs. The report states that customers had provided feedback relating to:

- policy and legislation;
- customer service from interpreters; and
- suggestions to improve service.

5.30 While these are recorded in the MART, they are not include in the ICFD and are not subject to the reporting, monitoring and quality assurance regimes

of the customer feedback protocols and taskcards. In addition, these complaints and other feedback will not be included in the overall numbers reported by Centrelink in internal reports and external reports, such as Annual Reports.

Stakeholder complaints

5.31 There are two key ways that stakeholder groups can lodge complaints with Centrelink. They can either contact a CRU directly, for example on the 1800 number, and lodge a complaint on behalf of a customer (individual advocacy); or they can use a central contact point within Centrelink to either lodge a complaint on behalf of a customer or raise more systemic or general concerns and issues.

5.32 Individual advocacy complaints can be and are recorded on the ICFD. The ANAO found that only 27 complaints¹⁰⁴ made by stakeholders had been recorded and resolved through the ICFD in 2007–08.

5.33 Stakeholder complaints made on behalf of an individual that are lodged with the central contact point are recorded in CIMS. CIMS is separate from the ICFD and was developed in 2006 to provide a central directory of community issues. It includes a number of additional functions to support the identification of trends, resolution monitoring, relationship management and analysis and reporting. Themes that are identified and the remedial action taken are reported to Centrelink management each quarter through the Community Sector Feedback Report.

5.34 Stakeholder complaints lodged with a central contact point that are more systemic or general in nature and often apply to groups of customers or broader aspects of policy or legislation are also recorded in the CIMS. The feedback is then referred to the relevant area for treatment.

5.35 Stakeholders interviewed by the ANAO indicated that if they had concerns they would either raise them with their direct contact, or via a number of community participation forums. These are held at the local, state and national level. However, information generated from all of these meetings is not always included in the CIMS. This reduces Centrelink's ability to systematically assess whether concerns or issues raised by the stakeholder groups have been captured and resolved.

¹⁰⁴ This includes complaints listed in the ICFD as being through the business sector, community sector and Welfare Rights Network.

5.36 By recording customer feedback on different databases across Centrelink, there is a risk that the information collected will be incomplete or not subjected to the same quality assurance processes. Further, given that reporting information utilised by Centrelink is generally drawn from the ICFD, there is a risk accountability measures such as Annual Reports do not present a complete picture of the feedback received by Centrelink. Recommendation three of this report (refer page 88), addresses this issue.

Quality assurance

5.37 In January 2008, Centrelink introduced a quality assurance (QA) framework, covering data integrity and procedural checking of complaints information entered into the ICFD. This process involves checking 10 per cent of referred and 10 per cent of resolved complaint feedback records and associated DOCs (information on the customer's mainframe record). The checks are conducted by senior staff in the CRU and the ASRT.

5.38 Records are selected on a random basis and those identified as requiring a QA check are assessed to ensure they comply with:

- the customer feedback protocols;
- the customer feedback taskcards; and
- the relevant Chief Executive Instructions.

5.39 All Centrelink staff in the CRUs and ASRTs interviewed by the ANAO during fieldwork for the follow-up audit advised that they had had complaints checked for QA through the ICFD.

5.40 From January 2008 to June 30 2008, 2736 feedback records were selected for a quality assurance check. Of these records, 234 (8.5 per cent) were returned to the CSA. Centrelink advised that common reasons for returning records were:

- incorrect coding of information, such as the reason for the complaint;
- not adhering to the procedure outlined in the relevant taskcard;
- referral to the incorrect part of the organisation for follow-up; and
- adequacy of the document recorded on the customer's mainframe record versus information recorded in ICFD (and vice versa).

5.41 The CRU team leaders utilise the QA results to address identified trends during coaching sessions with the CSA. Centrelink also uses these

reports to establish national trends and implement training or advice to staff. Further, Centrelink advised the ANAO that:

The data will also be used for an internal assurance process to monitor quality and identify national training needs. The first of these major internal assurance processes is due to commence in December 2008.¹⁰⁵

5.42 The national customer feedback protocols and associated taskcards provide guidance on how complaints are required to be resolved. Therefore, checking against the protocols would provide an assurance that the complaint resolution implemented by a staff member is adequate and effective.

5.43 However, if a customer contact is not recorded on the ICFD it will not be subject to a QA check. Accordingly, there is a risk that those complaints not recorded in the ICFD are not being resolved in an appropriate and timely manner and actioned in accordance with the CRU protocols and taskcards. These complaints will also not be included in the selection of complaints followed up as part of the Post Complaints Survey.

Recommendation No.3

5.44 The ANAO recommends that Centrelink use the ICFD (or similar) as the central repository for all customer feedback to enable:

- (a) better quality assurance coverage; and
- (b) accurate and complete records for internal and external reporting purposes.

Centrelink response

5.45 Agree. Centrelink is actively implementing this recommendation to ensure customer feedback is captured in one central repository.

DHS response

5.46 Agree. The capture and analysis of this intelligence in the one central area will aid in the identification of potential issues for service delivery.

Reporting

5.47 One of the benefits an organisation gains from a well developed complaints handling system is an ability to use the information collected to improve service delivery. Therefore, it is necessary to undertake regular

¹⁰⁵ Centrelink advice provided 18 November 2008.

reporting and analysis of the information collected to understand what it is saying about the quality and customer experience of service delivery.

National and Area reporting

National reporting

5.48 Each week Centrelink's National Support Office (NSO) produces a report titled '*Customer Feedback Analysis*' which includes the number and types of feedback received in all of the CRUs and ASRTs. The report identifies the main types of complaints received and the key reasons why customers have made these complaints. The results are broken down by the 15 Centrelink Areas Offices, as well as by payment types. The report identifies trends in the feedback and complaints data and provides information for various sections of Centrelink.

5.49 In addition, in June 2008 NSO produced the first in a series of quarterly reports on customers' perspectives of their experience in doing business with Centrelink. The first quarterly report draws together data from the:

- ICFD that includes compliments, complaints, suggestions for changes to service delivery, Ministerial correspondence, Ombudsman's Office issues and Local Liaison Officer¹⁰⁶ data;
- CIMS that contains feedback from peak bodies and other community agencies on behalf of their constituents;
- Headlight Reports of the CSC Rolling Customer Satisfaction Survey; and
- Staff Suggestion Box that contains suggestions from staff across the organisation on service delivery matters. This information source was chosen to determine the extent of the correlation between customer, community and employee views on Centrelink's service delivery.

5.50 However, the second quarterly report, which covers the period from April to June 2008, only draws complaint information from the ICFD. Complaints that have been received and recorded through avenues outside of the CRU and ICFD are not included in the report. Consequently, there is a risk that the information included in the second quarterly report is not a complete and accurate reflection of all complaints Centrelink received.

¹⁰⁶ Local Liaison Officers no longer exist. The database is now used to record Centrelink Parliamentary contacts with the local members of State and Federal Parliament.

5.51 The first and second quarterly reports identify 'staff attitude' and 'staff knowledge and/or practice' as key areas of concern for customers. The second report offers an in-depth analysis of areas of concern by Area, Channel (CSC, Call Centre or Consolidated team) and payment type.

5.52 The ANAO considers that the quarterly report has the potential to further improve the use of customer feedback. For complete and accurate reporting, it is important that the data from all sources are included in the reports. This will provide Centrelink with opportunities to identify improved performance and customer service and to address systematic and recurring problems.

Area reporting

5.53 In addition to the national report on Centrelink's customer feedback, each Area Office within the Centrelink network is able to undertake various analytical and reporting activities using the data from the ICFD.

5.54 The analysis and reporting activities undertaken by each of the nine ASRTs within the Area Offices visited during the audit, included:

- statistical or trend analysis of local Area Office feedback and complaints data, including the identification of systemic and recurring problems;
- the provision of information and reports to Area Office management and other line areas regarding the data obtained from the ICFD;
- the provision of training and information to Area Office management and other line areas in relation to the collection, recording, use and analysis of customer feedback; and
- the identification of areas for service improvement within the Area.

5.55 Each of the ASRTs interviewed advised the ANAO of the various analytical and reporting activities that they undertook. The ANAO found that there was consistency in their scope, coverage and detail and all were using similar data sets from the ICFD. By generating reports using data from the ICFD, Area Offices are able to effectively identify opportunities for improved performance and customer service, and address systemic and recurring problems.

5.56 However, by only relying on the information from the CRU component of the ICFD, valuable information collected from other data sources such as the MART and CIMS is excluded. This limits the completeness of the data and

there is a risk that subsequent analysis will not fully reflect the extent of any identified issues.

Annual Report

5.57 The types of performance information that the Ombudsman’s Guide identifies should be made publicly available and published regularly in relation to an agency’s complaints handling system, include:

- the speed of response against timeliness targets;
- the numbers and types or categories of complaints;
- levels of satisfaction with the complaints handling system;
- the number and type of remedies offered to customers; and
- the action taken by the agency as a result of complaints to improve services and service delivery.¹⁰⁷

5.58 The ANAO analysed Centrelink’s Annual Reports from 2003–04 through to 2007–08. The ANAO’s findings are provided in Table 5.2 below.

Table 5.2

Performance information in Centrelink’s Annual Reports

Year	Timeliness	Number and categories of complaints	Satisfaction with the Complaints Handling System	Number and type of remedies offered	Improvements to service delivery
2003–04	✓	✓	✘	✘	✘
2004–05	✓	✓	✓	✓(type only)	✓
2005–06	✓	✓	✘ (discussed but results not provided)	✓(type only)	✓
2006–07	✓	✓	✘	✓(type only)	✓
2007–08	✓	✓	✓	✓(type only)	✓

Source: ANAO analysis of Centrelink’s Annual Reports.

5.59 Centrelink’s Annual Reports for 2003–04 to 2007–08 provide performance information on the operation of the CRU network. This includes a breakdown of the numbers for all customer contacts and the percentage of each type as a total of all contacts received in the CRU. However, customer

¹⁰⁷ Commonwealth Ombudsman, op.cit., p.49.

feedback that is received and recorded outside of the CRU, such as Ministerial¹⁰⁸ and stakeholder correspondence, is not included in the overall reporting on the numbers of complaints, compliments and suggestions for the Annual Report.

5.60 The ANAO notes that Centrelink provides examples of the types of remedies offered to customers, but not the numbers. As each complaint can potentially have a different remedy, the ANAO recognises that reporting the numbers of remedies Centrelink has offered customers would be impractical.

5.61 The 2004–05 to 2007–08 Annual Reports included limited discussion on customer and staff satisfaction with the complaints handling system.

5.62 The 2006–07 Annual Report included a discussion about the results from the PCS conducted in 2006. However, the discussion was separate from the overall reporting on the other performance information relating to CRUs and complaints handling. Also, the discussion did not include the results from the NCSS, which included questions to monitor customer satisfaction with Centrelink's complaint handling process.

5.63 The 2007–08 Annual Report includes a discussion on the results from the 2008 PCS and identifies areas where Centrelink performed well and areas for improvement. There is no discussion about the results from the NCSS on customer satisfaction with the complaints handling system or staff satisfaction with the complaints handling system. To assist stakeholders understanding of the different surveys undertaken and their results, the ANAO suggests that Centrelink include the results and a brief analysis of all satisfaction surveys in the Annual Report.

5.64 Further, to provide readers with a complete and accurate representation of its performance, the ANAO recommends that Centrelink improve the accuracy of its customer feedback reporting by including data about the complaints, compliments and suggestions it receives from all sources, not just those contained in the ICFD, in future Annual Reports. Recommendation three of this report (refer page 88), addresses this issue.

¹⁰⁸ Information on Ministerial correspondence was reported in the 2004–05 to 2006–07 Annual Reports; however this is separate from reported feedback actioned through the CRU. Information on Ministerial correspondence was not reported in the 2007–08 Annual Report.

Funding and cost of Centrelink's customer feedback system

Funding

5.65 Centrelink advised the ANAO that there is no central funding source for the customer feedback system. Funding for individual components of the customer feedback system is the responsibility of the respective business units within Centrelink. Therefore, Centrelink Call manages the funding of the CRUs in the Call Centres; Area Offices are responsible for funding their ASRT resources; and NSO business units fund their respective areas.

Cost

5.66 Centrelink provided the ANAO with a point in time estimate of the total cost of the customer feedback system shown in Table 5.3. The estimate included:

- the cost of the CRUs in Centrelink's National Call Centre Network in 2007–08;
- an estimate of the cost of the CRUs in 2008–09; and
- a point-in-time estimate of the cost of the ASRTs in 2008–09.

Table 5.3

Centrelink's estimate of the cost of the customer feedback system

	2007–08 (\$m)	2008–09 (\$m)
Call channel	3.42	2.96
ASRTs	-	2.82
Total	-	5.78

Source: Centrelink.¹⁰⁹

5.67 There are number of limitations in Centrelink's estimate including:

- both the 2007–08 and 2008–09 estimates exclude the costs associated with complaints resolved outside the CRU and ASRT. For example, the 11 657 complaints resolved by CSAs in Call Centres which represented 22 per cent of all complaints received in 2007–08; and

¹⁰⁹ The estimated cost of the ASRTs over the full financial year, is at a point-in-time only as the number of officers associated with this function can be subject to change given the changing priorities of Centrelink's Area Offices.

- the estimated cost for Call Centres in 2007–08 is based on an average handling time for 250 997 contacts.¹¹⁰ However, Centrelink received 227 539 contacts in 2007–08. There is a potential that the estimated cost for the call centre component is overstated by up to 10 per cent.

5.68 Customer feedback plays a significant role in highlighting issues with service delivery and organisational processes, as well as the implementation of new policy. Centrelink would benefit from better monitoring of the cost of the customer feedback system to understand the impact of material changes (such as the 21.7 per cent increase in the number of complaints received in 2007–08) and the cost-effectiveness of addressing issues that drive key customer complaints.

5.69 Centrelink advised¹¹¹ the ANAO that it plans to improve its monitoring of the costs associated with the customer feedback system, including an ongoing comparison of actual cost for 2008–09 against its estimated cost, provided in Table 5.3.

¹¹⁰ The term 'contacts' refers to complaints, compliments, and suggestions received through all sources.

¹¹¹ Centrelink advice provided 27 September 2008

6. ANAO Audit Report No.34, 2004–05, Centrelink’s Complaints Handling System

This chapter examines the ANAO findings against the recommendations made in ANAO Audit Report No.34, 2004–05, Centrelink’s Complaints Handling System.

Introduction

6.1 In 2004–05, the ANAO completed an audit of Centrelink’s complaints handling system¹¹² which was one of the Centrelink Customer Feedback series of audits.¹¹³ The audit found that while Centrelink’s complaints handling system was well developed, there were opportunities to improve the effectiveness, efficiency and economy of the system through improvements to methods for gathering, measuring, reporting and responding to complaints. The ANAO made 12 recommendations relating to Centrelink’s management of its complaints handling system. Centrelink agreed to the 12 recommendations.

6.2 Subsequent to the ANAO tabling the 2004–05 audit, the Joint Committee of Public Accounts and Audit (JCPAA) undertook an inquiry into the Centrelink Customer Feedback Systems series of audits.¹¹⁴ The JCPAA made a further three recommendations in relation to the complaints handling system aimed at improving customer access on the Centrelink website.

Summary

6.3 Centrelink has implemented 10 of the 12 2004–05 audit recommendations and partially implemented the remaining two. Centrelink has implemented the three JCPAA recommendations. The audit recommendations not implemented are:

¹¹² ANAO Audit Report No.34 2004–05, op. cit.

¹¹³ The Customer Feedback series of audits included ANAO Audit Report No.32 2004–05, *Centrelink’s Customer Charter and Community Consultation Program*, ANAO Audit Report No.33 2004–05, *Centrelink’s Customer Satisfaction Surveys*, ANAO Audit Report No.34 2004–05, *Centrelink’s Complaint Handling System*, ANAO Audit Report No.35 2004–05, *Centrelink’s Review and Appeals System*, ANAO Audit Report No. 36 2004–05, *Centrelink’s Value Creation Program*.

¹¹⁴ Joint Committee of Public Accounts and Audit, Report 407, *Review of Auditor-General’s Reports*, Parliamentary Paper 394/2005.

- Recommendation No. 2(a) – Centrelink has not re-commenced surveying customer awareness of its complaints handling system; and
- Recommendation No. 7(a) – Centrelink has not sufficiently improved controls for ensuring that all oral complaints are recorded in an appropriate and timely manner within its customer feedback database.

6.4 The following provides the ANAO's assessment of the implementation of the 2004–05 audit report and JCPAA recommendations with references to the detailed findings from this audit.

Classification and resolution of complaints

Findings of the previous audit

Resolution of customer complaints
The previous audit found that Centrelink had sought to create an environment where staff felt empowered to deal with complaints directly at the first point of contact. ¹¹⁵ However, Centrelink's 2003 internal audit of Customer Complaint Management found that there was significant inconsistency across the customer service network in the frequency of prompt resolution of complaints at the point at which they are received. ¹¹⁶
<p>Recommendation No. 1 of the previous audit</p> <p>The ANAO recommends that Centrelink take prompt action to address the finding of its October 2003 internal audit report on Customer Complaint Management, which identified that there is a significant inconsistency across the customer service network in the frequency of prompt resolution of complaints at the point at which they are received.</p>

Findings of this audit

6.5 Centrelink has implemented Recommendation No. 1 of the previous audit. In July 2007 Centrelink developed and promulgated a standard public policy and operating framework for handling customer feedback. In addition, Centrelink consolidated its CRUs into the National Call Centre Network.

6.6 At the time of the previous audit, the CRUs were located in each of the 15 Area Offices. In July 2007, Centrelink consolidated the CRUs into four of the call centres. Combined, the new policy and operating framework provide the basis for a consistent approach to the resolution and classification of complaints, compliments and suggestions.

6.7 This is discussed further in Chapter 3 at paragraphs 3.5 - 3.27.

¹¹⁵ ANAO Audit Report No.34 2004–05, op. cit., p.36.

¹¹⁶ *ibid.*, p.37.

Awareness and satisfaction

Customer awareness of the complaints handling system

Findings of the previous audit

Customer awareness of the complaints handling system
The previous audit report found that customers were generally not aware of their options for lodging a service complaint with Centrelink. The ANAO examined survey data captured in the 2002 and 2003 <i>Centrelink National Customer Satisfaction Study</i> . While the 2002 survey included a series of questions about complaints handling, including a question asking customers to identify ways in which they could make a complaint to Centrelink about its service, the 2003 survey did not include such questions. ¹¹⁷
Recommendation No. 2 of the previous audit The ANAO recommends that Centrelink: a) re-commence surveying customers regarding their awareness of its complaints handling system; and b) as part of its overall communications strategy, identify ways to enhance customer awareness of its complaints handling system.

Findings of this audit

6.8 Centrelink has:

- not implemented Recommendation No. 2(a) of the previous audit, as it does not directly survey customers regarding their awareness of its complaints handling system; and
- implemented Recommendation No. 2(b) of the previous audit, as it is using strategies to enhance customer awareness of the system and making widespread information available to customers on how to lodge a complaint.

6.9 This is discussed further in Chapter 4 at paragraphs 4.5 - Recommendation No.1.

¹¹⁷ ANAO Audit Report No.34 2004–05, op. cit., p.39.

Satisfaction

Findings of the previous audit

Customer and staff satisfaction

The previous audit established that Centrelink conducted a suite of regular customer satisfaction surveys. However, none of these surveys asked any questions that would allow Centrelink to obtain information on customer satisfaction with the complaints handling system. Centrelink also conducted a staff poll every six months, however, there were no questions asked of participants regarding the complaints handling system.¹¹⁸

Recommendation No. 4 of the previous audit

The ANAO recommends that Centrelink regularly survey its customers and staff regarding their satisfaction with the complaints handling process.

Findings of this audit

6.10 Centrelink has implemented Recommendation No. 4 of the previous audit. Centrelink has developed tools such as the National Customer Satisfaction Survey, Post Complaints Survey and staff surveys to measure staff and customer satisfaction with its complaints handling system.

6.11 This is discussed further in Chapter 4 at paragraphs 4.28 - 4.56

Complaints information on Centrelink's website

Findings of the previous audit and the JCPAA Report No. 407

Locating information about complaints on the Centrelink website

The previous audit report found that it was difficult for customers and stakeholders to locate information on Centrelink's complaints handling system from its website.¹¹⁹ This included a search for the term 'complaint', the various avenues to lodge a complaint, and the accessibility of information from the various webpages.

Recommendation No. 3 of the previous audit

The ANAO recommends that Centrelink redesign its Internet website to:

- a) ensure that a search on the term 'complaint' provides pertinent information to customers and stakeholders on its Complaints Handling System;
- b) provide customers and stakeholders with more explicit information as to the various avenues by which to lodge a complaint;
- c) ensure that information on Centrelink's Complaints Handling System is easily identifiable by customers and stakeholders; and
- d) allow customers, and stakeholders to lodge a complaint without being required to navigate through numerous webpages.

¹¹⁸ ANAO Audit Report No.34 2004–05, op. cit., p.47.

¹¹⁹ ANAO Audit Report No.34 2004–05, op. cit., p.45.

Findings of this audit

6.12 Centrelink has implemented Recommendation No. 3 of the previous audit. Following the website updates undertaken by Centrelink since January 2007, information regarding the complaints handling system is more accessible to customers from the Centrelink website homepage.

6.13 A search on the word 'complaint'¹²⁰ on the Centrelink website, directed customers to 33 search results, the first result being a link to a dedicated 'Complaints' webpage.

6.14 The 'Complaints' webpage provides information on:

- how to lodge a complaint by telephone, comment card, CSC, secure online message¹²¹ or by reply paid post;
- information a customer will need to provide when making a complaint;
- how Centrelink will handle the complaint, including the resolution timeframe based on the complexity of the complaint;
- options for the customer if the complaint cannot be resolved;
- assurance of confidentiality and non-bias; and
- further information on how Centrelink will deal with the complaint.

¹²⁰ The ANAO conducted this search on 17 July 2008.

¹²¹ A secure online message is a webpage form completed by the customer and emailed to Centrelink from the website.

6.15 This is discussed further in Chapter 4 at paragraphs 4.8 - 4.13.

Joint Committee Public Accounts and Audit Report No. 407
Following the previous audit report the JCPAA held a public hearing on 19 August 2005 to review the Auditor-General's reports tabled between 18 January and 18 April 2005. Report No. 407 was published by the Committee in August 2006. The report made three recommendations in relation to Centrelink's website. ¹²²
<p>JCPAA Recommendation No. 24 (Para. 5.103)</p> <p>The Committee recommends that Centrelink ensure that a 'complaints' link be a permanent and prominent feature of the main Centrelink webpage.</p>
<p>JCPAA Recommendation No. 25 (Para. 5.108)</p> <p>The Committee recommends that the Centrelink webpage:</p> <ul style="list-style-type: none"> • provide a simple pathway for customers to locate a postal address to which complaints may be sent; and • includes a freepost address for lodging complaints.
<p>JCPAA Recommendation No. 26 (Para. 5.112)</p> <p>The Committee recommends that the 'Message Us' page on the Centrelink website includes the term 'complaint' and that the 'Service Feedback' electronic form include a space for the customer's email address should they wish to be contacted in this manner.</p>

Findings of this audit

6.16 Centrelink has implemented Recommendations No. 24, 25 and 26 from the JCPAA inquiry.

'Complaints' link

6.17 Since commencement of this follow-up audit, the ANAO has randomly tested the 'complaints' link on the homepage and found it to be stable.¹²³ In addition, when the new homepage was activated on 11 July 2008, and further updates made on 19 September 2008, the 'Your rights' link in the centre of the page remained stable.

Information on posting complaints

6.18 In examining the Centrelink website, the ANAO tested the process for locating a postal address to which complaints could be sent. It now takes a customer three clicks from the homepage to locate the freepost reply paid

¹²² JCPAA, Report 407, op. cit., p.115.

¹²³ The ANAO confirmed the stability of the 'complaints' link on the Centrelink website through access on 11 March 2008, 4 July 2008, 17 July 2008 and 25 September 2008 at <www.centrelink.gov.au>.

postal address to lodge a written complaint. This represents an improvement on the six clicks required at the time of the JCPAA report in 2005.¹²⁴

'Message Us' page

The ANAO reviewed the secure online message, accessible through the 'Complaints' and 'Contact Us/Message Us' pages. The wording below the link to the secure online message 'Customer Feedback' now includes the word 'complaint'. In addition, the secure online message form provides for a customer to include an email address to be contacted.

6.19 This is discussed further in Chapter 4 at paragraphs 4.8 - 4.13.

Fear of retribution

Findings of the previous audit

Fear of retribution
The previous audit found that there was no guidance or procedural documents within Centrelink that prescribe that all Centrelink staff should inform customers and stakeholders that the complaint information they provide will be treated as confidential, and that they will not be discriminated against as a result of making a complaint. In addition, Centrelink lacked provision for an internal follow-up procedure to address the risk of discrimination against customers or stakeholders who lodge a complaint. ¹²⁵
Recommendation No. 5 of the previous audit The ANAO recommends that Centrelink, in accordance with the Commonwealth Ombudsman's <i>Good Practice Guide for Effective Complaint Handling</i> : a) include, in each avenue available for the lodgement of a complaint, an explicit statement that assures customers and stakeholders of the confidentiality of the information they provide; and b) establish an internal follow-up procedure to address the risk of discrimination against customers or stakeholders who lodge a complaint.

Findings of this audit

6.20 Centrelink has implemented Recommendation No. 5 of the previous audit. *The Statement of Commitment: Listening and Responding to Customer Feedback*, provides an assurance that customers will not suffer any retribution or discrimination if they lodge a complaint and this is supported by the staff guidance. Centrelink has internal follow-up procedures to investigate all complaints or allegations of serious misconduct by Centrelink staff in relation

¹²⁴ *Review of Auditor-General's Reports tabled between 18 January and 18 April 2005*, JCPAA Report No. 407, 2005, p.116. *The Committee found that from the 'complaints' page on the web it took a further four mouse-clicks to locate the most appropriate postal address or Customer Service Centre.* The ANAO notes that the 'complaints' page was accessed by two clicks from the homepage.

¹²⁵ ANAO Audit Report No.34 2004–05, op. cit., p.51.

to discrimination, retribution or a breach of privacy. This meets the suggested approach from the Ombudsman's Guide.

6.21 This is discussed further in Chapter 3 at paragraphs 3.28 - 3.51.

Management of the complaints handling system

Findings of the previous audit

National consistency and dissemination of better practice
In the previous audit, the ANAO found that the Service Recovery Team (Centrelink NSO) did not have any role in defining, standardising or managing the independent analysis and reporting activities undertaken by the various CRUs across the network. ¹²⁶ In addition, the lack of authority to mandate the implementation of better practice, limited Centrelink's ability to deliver, across the network, consistency in the manner in which complaints are recorded, analysed and resolved.
<p>Recommendation No. 6 of the previous audit</p> <p>The ANAO recommends that Centrelink implement a system to:</p> <ul style="list-style-type: none"> a) improve and monitor national consistency in the way in which complaints are recorded, analysed and resolved by CRUs; and b) facilitate the timely promulgation and adoption of better practice across all CRUs.

Findings of this audit

6.22 Centrelink has implemented Recommendation No. 6 of the previous audit. With the introduction of national customer feedback protocols and taskcards, as well as the ICFD for recording customer feedback, Centrelink has nationally consistent standards for dealing with customer complaints. Fortnightly meetings between NSO staff and the various ASRTs and CRUs also assist with disseminating better practice across the network.

6.23 This is discussed further in Chapter 4 at paragraphs 4.5 - 4.24.

Monitoring of the complaints handling system

6.24 The previous audit made five recommendations aimed at improving Centrelink's monitoring of its complaints handling system. Centrelink's progress in implementing these recommendations is discussed below.

¹²⁶ ANAO Audit Report No.34 2004–05, op. cit., p.54.

Recording of oral complaints in the Customer Service Centres

Findings of the previous audit

Recording of oral complaints in the Customer Service Centres

ANAO considered that there was a substantial risk that Centrelink's data regarding the total number and types of complaints received by the agency was inaccurate, as data on oral complaints received at CSCs was severely limited.

Recommendation No. 7 of the previous audit

The ANAO recommends that Centrelink:

- a) improve controls for ensuring that all oral complaints are recorded in an appropriate and timely manner within the CFAD¹²⁷; and
- b) revise the CFS to include a greater range of relevant information to facilitate improved recording and analysis of oral complaints lodged at a CSC.

Findings of this audit

6.25 Centrelink has not implemented Recommendation No. 7(a) of the previous audit. There is still a risk that Centrelink's data regarding the total number and types of complaints received by the agency is inaccurate, as data on oral complaints received at CSCs is limited.

6.26 Centrelink has implemented Recommendation No. 7(b) of the previous audit. Centrelink has redesigned its Customer Feedback Sheet, to include fields to record important information about oral complaints received at the CSC. The revised CFS is available on the intranet for all Centrelink staff. Information gathered by the CFS reflects the information recorded in the ICFD and is consistent with the information gathered through other feedback channels, such as via the 1 800 number.

6.27 This is discussed further in Chapter 5 at paragraphs 5.9 - Recommendation No.2.

Comment cards — customer awareness and accessibility

Findings of the previous audit

Comment cards – customer awareness and accessibility

Evidence indicated that there was a low awareness amongst customers regarding the ability to lodge a complaint via a comment card. The ANAO considered that the design of the comment card may have been a contributing factor to this low awareness. In particular, there appeared to be a low awareness, or a general reluctance, amongst customers from a diverse cultural and linguistic background (DCALB).¹²⁸

¹²⁷ This was the database Centrelink used to record complaints at the time of the previous audit. It has been replaced with the ICFD.

¹²⁸ ANAO Audit Report No.34 2004–05, op. cit., p.64.

Recommendation No. 8 of the previous audit

The ANAO recommends that Centrelink:

- a) improve controls for ensuring that all completed comment cards are forwarded to the relevant CRU;
- b) redesign the comment card to enhance customer awareness of its availability as an avenue to lodge a complaint;
- c) identify ways of more generally improving customer awareness regarding the availability of comment cards as a feedback channel; and
- d) identify ways of improving the current communication strategies implemented by Centrelink to increase DCALB customer awareness regarding the availability of comment cards and DCALB fact sheets.

Findings of this audit

6.28 Centrelink has implemented Recommendation No. 8 of the previous audit. Centrelink has:

- pre-addressed the comment card to the one central address with accompanying guidance directing that all comment cards be forwarded to the central address (Recommendation No. 8(a) of previous audit);
- redesigned the comment card to include the banner '*We welcome your feedback and complaints about our service*' which is predominantly displayed. This helps make customers aware of the purpose of the card (Recommendation No. 8(b) of the previous audit);
- translated the comment card into 31 languages and made it available on the Centrelink website. Although printed brochures in languages other than English are not available in Centrelink CSCs, CSAs can access them from the Centrelink website and print them for customers, if requested (Recommendation No. 8(c) and (d) of the previous audit); and
- developed information products¹²⁹ that aim to improve customer awareness of comment cards as a feedback channel. These information products and the associated communications strategies also aim to increase specific customer groups such as DCALB customers' awareness of comment cards and fact sheets (Recommendation No. 8(c) and (d) of the previous audit).

¹²⁹ This includes:

- Centrelink's Customer Service Charter, available in a short and long version;
- Centrelink's *Statement of Commitment: Listening and Responding to customer feedback*, available in a short and long version; and
- *Helping Centrelink improve its services* – complaints, compliments and feedback fact sheet.

6.29 This is discussed further in Chapter 4 at paragraphs 4.4 - Recommendation No.1.

Recording of stakeholder complaints

Findings of the previous audit

Recording of stakeholder complaints
The previous audit found that feedback from stakeholders in the community and business sectors could not be recorded (other than from the Welfare Rights Network) in Centrelink's complaints database. ¹³⁰
Recommendation No. 9 of the previous audit The ANAO recommends that Centrelink develop the necessary functionality within the CFAD ¹³¹ to allow for the recording, monitoring and analysis of complaints lodged by all stakeholders within the business and community sectors.

Findings of this audit

6.30 Centrelink has implemented Recommendation No. 9 of the previous audit. The ICFD functionality allows for the recording, monitoring and analysis of complaints lodged by all stakeholders within the business and community sectors. However, stakeholder feedback can also be recorded in the Community Issues Management System (CIMS). Accordingly, there is a risk that stakeholder feedback is fragmented across the ICFD and CIMS and therefore reporting and the application of quality assurance process could be inconsistent.

6.31 This is discussed further in Chapter 5 at paragraphs 5.32 - 5.35.

Monitoring and analysis of multiple complaints

Findings of the previous audit

Monitoring and analysis of multiple complaints
The previous audit found that Centrelink was unable to identify where a customer had made multiple complaints about the same issue, or where a particular staff member or a CSC had been the subject of multiple complaints. ¹³²
Recommendation No. 10 of the previous audit The ANAO recommends that Centrelink develop the necessary functionality within the CFAD to allow for the recording, monitoring and analysis of multiple complaints about the same issue, a particular staff member and/or CSC.

¹³⁰ ANAO Audit Report No.34 2004–05, op. cit., p.66.

¹³¹ This was the database Centrelink used to record complaints at the time of the previous audit. It has been replaced with the ICFD.

¹³² ANAO Audit Report No.34 2004–05, op. cit., p.67.

Findings of this audit

6.32 Centrelink has implemented Recommendation No. 10 of the previous audit. The ICFD provides for the recording, monitoring and analysis of multiple complaints about the same issue. Customer feedback can be retrieved and analysed at varying and multiple levels, including the service experienced by the customer, where the service was received (for example from a call centre or particular CSC) and the type of complaint.

6.33 This is discussed further in Chapter 3 at paragraphs 3.52 - 3.66.

Quality assurance

Findings of the previous audit

Quality assurance
There was no quality assurance mechanism to ensure the consistency and quality of complaints resolution across Centrelink. ¹³³
Recommendation No. 12 of the previous audit
The ANAO recommends that Centrelink implement an effective quality assurance mechanism for the administration and monitoring of its Complaints Handling System.

Findings of this audit

6.34 Centrelink has implemented Recommendation No. 12 of the previous audit. In January 2008, Centrelink introduced a quality assurance framework, covering data integrity and procedural checking of complaints information entered into the ICFD. This process involves checking 10 per cent of referred and 10 per cent of resolved complaint feedback records and associated DOCs (information on the customer's mainframe record).

6.35 This is discussed further in Chapter 5 at paragraphs 5.37 - Recommendation No.3.

Reporting

Findings of the previous audit

Reporting of complaints handling information
The previous audit found that: <ul style="list-style-type: none"> • there was a lack of consistency in the reporting and use of customer feedback received by CRUs, amongst Area Support Office's and Centrelink staff more generally; • Centrelink did not fully employ the functionality of the telephone system used by each of the CRUs, to report on telephone call wait times, and telephone call drop out rates, across the CRU network; and • Centrelink's Annual Report did not include performance information in line with that identified in the Ombudsman's Guide.¹³⁴

¹³³ ANAO Audit Report No.34 2004–05, op. cit., p.81.

¹³⁴ *ibid.*, p.71.

Recommendation No. 11 of the previous audit

The ANAO recommends that Centrelink:

- a) report on the full range of performance information on its complaints handling system identified as good practice by the Ombudsman's Good Practice Guide;
- b) commence monitoring and reporting on telephone call wait times and telephone call drop out rates across the CRU network;
- c) accurately report the true nature of all customer contacts recorded by the CRU network; and
- d) implement a system to develop national consistency in the reporting and use of data obtained by its complaints handling system.

Findings of this audit

6.36 Centrelink has implemented Recommendation No. 11 of the previous audit. Centrelink's Annual Report includes a breakdown of the types and number of customer contacts recorded by the CRU network which has improved the accuracy of reporting in the Annual Report. Centrelink's Annual Report also provides a range of performance information on its complaints handling system, which is identified as good practice by the Ombudsman's Guide.

6.37 The consolidation of the CRUs into Centrelink's National Call Centre Network has provided for monitoring and reporting on telephone call wait times and drop out rates. The introduction of the ICFD and associated national and area reporting provides Centrelink with a national system to improve consistency in the reporting and use of data from its complaints handling system. Centrelink has also begun to produce a series of quarterly reports on customers' perspectives of their experience in doing business with Centrelink.

6.38 This is discussed further in Chapter 5 at paragraphs 5.47 - 5.64.



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17 February 2009

Appendices

Appendix 1: 10 Principles from ‘The Centrelink Statement of Commitment to Listening and Responding to Customer Feedback’

The Principles are:

1. We welcome feedback and use it to help us improve the way that we provide services to customers and the community.
2. We support a customer’s right to make a complaint about any aspect of Centrelink services or payments, and to seek a review of a Centrelink decision.
3. We will work with customers to resolve their complaints as quickly as possible either at first point of contact or by referral to the right parts of Centrelink for resolution.
4. We will apologise to customers for any distress or inconvenience they experience in their dealings with us and provide an appropriate solution wherever possible.
5. We will treat customers in accordance with the commitments we make in our Customer Service Charter, and when investigating complaints provide reasonable opportunities for customers to fully state their case.
6. We will not discriminate against, or otherwise disadvantage, anyone who provides feedback or lodges a complaint.
7. We will treat customers sensitively when they provide us with feedback, and understand that they may be faced with particularly difficult personal circumstances.
8. We will ensure customers are informed of their rights to access the review and appeals systems.
9. We will protect customers’ privacy and confidentiality in accordance with legislation.
10. We will accept anonymous feedback from customers.

Appendix 2: National Customer Satisfaction Survey questions relating to customer satisfaction with the Complaints Handling System

National Customer Satisfaction Survey questions relating to customer satisfaction with the complaints handling system

Questions	2005	2006	2007
Have you made a complaint in the last 6/12 months? ¹³⁵	✓	✓	✓
If yes, how did you make a complaint?	✓	✓	✓
If yes, satisfaction with information on progress?	✓	✓	✓
If yes, satisfaction with fairness of complaint outcome?	✓	✓	✓
If yes, satisfaction with treatment by staff?	✓	✓	✓
If yes, satisfaction with how complaint was processed	✓	✓	
If no, consideration of making a complaint in the last 6 months		✓	✓
Why decided not to complain?		✓	✓

Source: ANAO analysis of National Customer Satisfaction Survey questions.

¹³⁵ In 2007 and 2006, the time period chosen was six months. In 2005, it was 12 months.

Appendix 3: Positive responses to selected questions from the Post Complaints Survey 2008 (percentage)

Questions	%
Q24. To what extent do you agree or disagree that Centrelink staff who handled your complaint were courteous and treated you with respect?	76
Q29. To what extent do you agree or disagree that Centrelink keeps customer complaints confidential between Centrelink and the customer making the complaint?	71
Q28. To what extent do you agree or disagree that Centrelink customers are not discriminated against after lodging a complaint?	68
Q2. To what extent do you agree or disagree that it was easy to find out how to make a complaint to Centrelink? (1)	64
Q3. To what extent do you agree or disagree that making a complaint to Centrelink was easy?	63
Q4. To what extent do you agree or disagree that when you initially made your complaint, staff were available to help you?	62
Q5. To what extent do you agree or disagree that a Centrelink staff member took responsibility to resolve your complaint? (2)	57
Q25. To what extent do you agree or disagree that Centrelink staff who handled your complaint apologised for any distress or inconvenience caused?	54
Q23. To what extent do you agree or disagree that Centrelink staff who handled your complaint were skilled and knowledgeable?	53
Q34. Is Centrelink meeting the commitments made in the "Listening and Responding to Customer Feedback" policy statement?	52
Q16. To what extent do you agree or disagree that the way Centrelink handled your complaint was fair and objective?	50
Q10. Do you consider your complaint is resolved?	49
Q7. To what extent do you agree or disagree that when you first complained, Centrelink advised you of your rights and obligations?	47
Q1. Thinking about the whole experience of making a complaint to Centrelink, how would you rate the way they dealt with your complaint? (3)	43
Q31. How did Centrelink's overall handling of the complaint / problem compare to your expectations? (met or exceeded)	43
Q15. To what extent do you agree or disagree that Centrelink clearly explained how they reached their solution for your complaint?	41
Q6. To what extent do you agree or disagree that when you first complained, Centrelink advised you of how long it might take to resolve your complaint?	39
Q9. Centrelink informed you that your complaint had been resolved?	39
Q17. To what extent do you agree or disagree that the complaint was resolved to your complete satisfaction?	38
Q18. To what extent do you agree or disagree that Centrelink provided a timely resolution to your complaint?	38
Q26. To what extent do you agree or disagree that Centrelink staff informed you of a range of options for resolving your complaint?	34

Questions	%
Q33. Are you aware that Centrelink has a policy about "Listening and Responding to Customer Feedback"?	33
Q8. Centrelink kept you informed on how your complaint was progressing?	31
Q33b. Have you read this policy on "Listening and Responding to Customer Feedback"?	25
Q11. Have you taken the matter further?	22
Q37. As a result of the way in which Centrelink handled your complaint or problem, how has this experience changed your impression of Centrelink?	19

Source: Post Complaints Survey 2008. The percentages indicate positive answers to the questions or statements, that is customers who answered 'agree'/'strongly agree', 'yes' or 'good'/'very good'. The results have been sorted in descending order.

Notes: (1) In 2006, this question read "To what extent do you agree or disagree that it was easy to find from Centrelink how to make a complaint?"

(2) In 2006, this question read "To what extent do you agree or disagree that the first Centrelink staff member you spoke to took responsibility to resolve your complaint?"

(3) In 2006, this question read "Thinking about the whole experience in making a complaint to Centrelink, how would you rate the way they dealt with your complaint?"

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