

The Auditor-General
Audit Report No.28 2013–14
Performance Audit

Review of Child Support Objections

Department of Human Services

Department of Social Services

© Commonwealth of Australia 2014

ISSN 1036–7632

ISBN 0 642 81444 9 (Print)

ISBN 0 642 81445 7 (Online)

Except for the content in this document supplied by third parties, the Australian National Audit Office logo, the Commonwealth Coat of Arms, and any material protected by a trade mark, this document is licensed by the Australian National Audit Office for use under the terms of a Creative Commons Attribution-NonCommercial-NoDerivatives 3.0 Australia licence. To view a copy of this licence, visit

<http://creativecommons.org/licenses/by-nc-nd/3.0/au/>.

You are free to copy and communicate the document in its current form for non-commercial purposes, as long as you attribute the document to the Australian National Audit Office and abide by the other licence terms. You may not alter or adapt the work in any way.

Permission to use material for which the copyright is owned by a third party must be sought from the relevant copyright owner. As far as practicable, such material will be clearly labelled.

For terms of use of the Commonwealth Coat of Arms, visit the *It's an Honour* website at <http://www.itsanhonour.gov.au/>.

Requests and inquiries concerning reproduction and rights should be addressed to:

Executive Director
Corporate Management Branch
Australian National Audit Office
19 National Circuit
BARTON ACT 2600

Or via email:

publications@anao.gov.au.





Canberra ACT
30 April 2014

Dear Mr President
Dear Madam Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Department of Human Services and the Department of Social Services titled *Review of Child Support Objections*. The audit was conducted 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 to the Parliament.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', is positioned above the printed name.

Ian McPhee
Auditor-General

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

AUDITING FOR AUSTRALIA

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

For further information contact:

**The Publications Manager
Australian National Audit Office
GPO Box 707
Canberra ACT 2601**

Phone: (02) 6203 7505

Fax: (02) 6203 7519

Email: publications@anao.gov.au

ANAO audit reports and information about the ANAO are available on our website:

<http://www.anao.gov.au>

Audit Team

Angus Martyn
Rebecca Walker
Fiona Knight

Contents

Abbreviations.....	7
Summary and Recommendations	9
Summary	11
Introduction	11
The Child Support Scheme and the objection review process	11
Audit objective and criteria	13
Overall conclusion.....	13
Key findings by chapter.....	15
Summary of agency responses	19
Recommendations	21
Audit Findings	23
1. Introduction	25
Background	25
The Child Support Scheme	26
The child support objection review process	28
Previous audit coverage	35
Audit objective, criteria, scope and methodology	36
Structure of the audit report	38
2. Making the Objection Review Process Accessible to Customers	39
Introduction	39
How original decisions are communicated to customers	40
Lodging an objection	44
Servicing customers with special needs	51
Conclusion	55
3. Operation of the Objection Review Process	57
Introduction	57
Training and supporting objection staff.....	58
Collecting evidence	61
Making and communicating decisions	65
Decision outcomes.....	69
Timeliness	73
Management of workloads and overall productivity.....	75
Protecting customer privacy.....	78
Conclusion	82
4. Learning from the Objection Review Process.....	85
Introduction	85
Feedback processes.....	85

Performance reporting	94
Conclusion	96
Appendices	99
Appendix 1: Agency Responses.....	101
Appendix 2: ANAO Methodology to Assess Compliance with Key Aspects of Human Services' Child Support Objection Policies and Processes	104
Appendix 3: Making care decisions—integration with the Centrelink program	106
Index.....	108
Series Titles.....	109
Better Practice Guides	113

Tables

Table 1.1: Objection reviews appealed to the Social Security Appeals Tribunal.....	34
Table 1.2: Structure of the audit report.....	38
Table 3.1: Reasons for successful objections	72
Table 3.2: Compliance with statutory timeframe	73
Table 4.1: Proportion of objection reviews appealed to the Social Security Appeals Tribunal.....	89

Figures

Figure 1.1: Simplified objection review process	31
Figure 1.2: Objections received by Human Services.....	33
Figure 2.1: Outcomes of extension of time applications for general objections.....	50
Figure 2.2: Outcomes of extension of time applications for Part 6A objections.....	50
Figure 3.1: Outcomes of general objections	70
Figure 3.2: Outcomes of Part 6A objections	71
Figure 3.3: Part 6A objections: compliance with statutory timeframe.....	74
Figure 4.1: Numbers of feedback items from objection officers: January 2013–December 2013	87

Abbreviations

ANAO	Australian National Audit Office
CALD	Culturally and linguistically diverse
CRG	Customer review gateway
CUBA	Child support customer records management system
DHS	Department of Human Services
DSS	Department of Social Services
FTE	Full-time equivalent
OEI	Open exchange of information
RACS	Restricted access customers
SSAT	Social Security Appeals Tribunal
TSO	Technical service officer

Summary and Recommendations

Summary

Introduction

1. Every year, significant numbers of families with dependent children experience breakdown through parental separation. In 2012, 49 917 divorces were granted in Australia, with around half of these involving families with children under 18 years of age.¹ Some parents enter into independent arrangements for the financial support of their children after separation. However, many parents elect to handle child support matters through the involvement of the Child Support Scheme (the scheme): in 2012–13, some 76 053 parents and eligible carers² were newly-registered under the scheme.

The Child Support Scheme and the objection review process

2. The scheme was introduced by the Australian Government in 1988 to address concerns about the adequacy of child maintenance and difficulties in the collection of child maintenance payments, as well as the implications for government expenditure if absent parents did not contribute towards their children's upbringing.³ The scheme provides a means for independently calculating child support as well as providing a mechanism for transferring child support payments between parents. In 2012–13, the scheme transferred \$3.4 billion between parents for the benefit of approximately 1.2 million children. Since 2004, the scheme has been administered by the Department of Human Services (Human Services), exercising powers under the relevant legislation⁴ which also provides for the appointment of a Child Support Registrar (the Registrar).⁵

1 Australian Bureau of Statistics, *Marriages and Divorces, Australia, 2012*. There are no statistics available on the number of separations of unmarried parents.

2 These mostly include legal guardians, grandparents or other family members. Such persons must provide at least 128 nights of care for the relevant child or children to be eligible to make a claim for child support from one or both of the parents.

3 The objectives of the original legislation (the *Child Support Act 1988*) included parental responsibility for the financial well-being of children when parents separate. The current legislation underpinning the scheme still does so: see the *Child Support (Registration and Collection) Act 1988* and *Child Support (Assessment) Act 1989*.

4 The *Child Support (Registration and Collection) Act 1988* and *Child Support (Assessment) Act 1989*.

5 The Child Support Registrar is a senior executive of the Department of Human Services.

3. A parent or eligible carer (the customer) can request the Registrar to formally review a decision if the customer believes that a departmental child support officer has used incorrect information; has not considered relevant information, including new information if it has since become available; incorrectly applied the appropriate law or policy; or made the wrong decision in the circumstances of the customer's case. The request for review is referred to as an objection.⁶

4. Reviews are conducted by a number of dedicated teams using legislative powers delegated to staff by the Registrar.⁷ Reviews are classified by the department as regarding either:

- change of child support assessments (commonly known as 'Part 6A' objections)⁸; or
- any other matter ('general' objections).

5. Where both customers are Australian residents, the *Child Support (Registration and Collection) Act 1988* provides that reviews are to be completed within 60 calendar days of the objection application being lodged. If the review involves a customer living overseas, the department has 120 days to complete the review.

6. A review is not restricted to examining whether the original decision was legally correct, but makes the decision afresh, taking into account all relevant legislation, guidance and information, including information that may not have been available to the original decision-maker.⁹ If a customer is dissatisfied with the outcome of an objection review, they have the right to appeal to the Social Security Appeals Tribunal (SSAT). In hearing an appeal, the SSAT also makes the decision afresh, again potentially taking into account additional information not available to the previous reviewer.

6 The legal right to lodge an objection is set out in the *Child Support (Registration and Collection) Act 1988*.

7 During periods of high workload, Human Services officers outside these teams may be seconded to work on objection reviews.

8 This is because the change of assessment decisions being objected to are made under Part 6A of the *Child Support (Assessment) Act 1989*. Part 6A provides a mechanism whereby under special circumstances Human Services can vary the amount of child support that would otherwise be payable under the relevant administrative formula.

9 Department of Human Services, *Objections Procedural Instruction*, p.1. In this audit, the term 'original decision' is used to mean a decision made by the department for which a customer may lodge an objection.

7. As well as enabling parents to test the lawfulness and merits of a child support decision, objection reviews are a mechanism for Human Services to learn from and improve its decision-making.

Audit objective and criteria

8. The audit objective was to assess the effectiveness of the Department of Human Services' administration of the child support objection review process.

9. To assist in evaluating the department's performance in terms of the audit objective, the ANAO developed the following high level criteria:

- the department effectively promoted the review process and ensured accessibility for those considering objections;
- the department implemented fair¹⁰ and responsive processes and practices to decide on objections in an effective and timely manner; and
- the department analysed, and reported on, the outcomes of reviews to support the systemic improvement in child support decisions and associated processes.

Overall conclusion

10. Over 25 years, the Department of Human Services' Child Support Scheme (the scheme) has provided a means for independently calculating support payments for the children of separated parents, as well as providing a mechanism for transferring child support payments between parents. In 2012–13, the scheme transferred \$3.4 billion between parents for the benefit of approximately 1.2 million children.

11. The objection review process, a feature of the scheme since its inception, enables a parent or eligible carer to request a review of a child support decision made by the department. In 2012–13, the department received a total of 15 307 objection applications¹¹ and completed 14 032 objection

10 The concept of fairness (incorporating matters such as impartiality and sufficient opportunity to be heard) is a key underlying principle of a good internal review process: Administrative Review Council, Report No.44 *Internal Review of Agency Decision Making*, 2000, pp. 1 and 7, [internet] available from <<http://www.arc.ag.gov.au/Documents/report44.pdf>> [accessed October 2013].

11 This figure excludes objections to care decisions that are lodged with Human Services through the separate Centrelink review process. In 2012–13, Centrelink completed 1452 reviews of care decisions.

reviews.¹² The administration of the objection review process is resource-intensive, involving over 100 staff with a direct cost to the department of \$11.17 million in 2012–13.

12. Human Services' administration of the child support objection review process has been reasonably effective, with the department operating a generally accessible and methodical review process. The objection review process also features a number of positive elements intended to support customers, such as direct customer contact at key milestones, and a capacity to provide more intensive customer support for those with complex issues. However, there remains scope to strengthen aspects of quality assurance and to realise the full benefits of existing mechanisms with the potential to improve outcomes, to the advantage of customers and the department.

13. Those mechanisms include the relatively new Customer Review Gateway, which can help customers avoid the need to seek objection reviews altogether by referring them to specialist officers trained to assist in resolving cases. There is scope to evaluate the use of the Registrar's existing information-gathering powers, which include a capacity to compel evidence from non-cooperative customers, so as to improve the evidence base for departmental decision-making and reduce the potential for successful appeals on the basis of new information. Further, the more effective use of existing departmental feedback loops, particularly feedback provided by objection review staff to original decision-makers, has the potential to help reduce both the number of objections lodged by customers and the incidence of original decisions overturned through the objection review process.

14. In a resource-constrained environment, administrative effectiveness can be further improved by realising the full benefits of existing departmental quality assurance processes and using information that is currently collected to enable improved reporting on performance. Specifically, the department could provide additional assurance on the integrity of the objection review process by strengthening existing processes for recording delegate approvals of decisions and pre-decision quality assurance checks. Further, public reporting should include information such as the number of departmental decisions overturned through the objection review process and on appeal to the Social

12 These 'completions' include some 5050 reviews where applications were ruled as invalid or the customer withdrew the application at some point during the review process.

Security Appeals Tribunal, to improve stakeholders' capacity to assess the effectiveness of departmental decision-making under the objection review process.

15. The ANAO has made four recommendations aimed at improving the department's administration of the child support objection review process. The recommendations relate to: reviewing use of the Registrar's information gathering powers; recording delegate approvals of decisions and completion of pre-decision quality assurance checks; improved feedback by objection officers; and improved public reporting on the effectiveness of the department's decision-making.

Key findings by chapter

Making the objection review process accessible to customers (Chapter 2)

16. An accessible internal review process enables customers to readily test the merits and lawfulness of decisions that affect them.

17. Clear advice to customers on the outcome of child support decisions is an important first step in helping customers decide whether to exercise review rights, and the department has sought to improve the quality of that advice. The department provides explanations of its decisions by correspondence and, where a more personal approach is considered appropriate, by telephone. The use of letter templates supports efficient administration and a consistent approach, although the ANAO observed some variation in the level of detail included in letters and there is scope for improvement in the use of templates, to realise their full benefits. The benefit of a continued focus on the quality of advice is underlined by a recent departmental survey, which indicated that customer satisfaction with child support letters was significantly below levels of satisfaction for letters produced through other Human Services programs.

18. Customer surveys have also indicated a relatively high awareness of objection review rights. However, a recent decision to no longer issue an informative brochure on objection rights, which previously accompanied decision notification letters, has placed the onus on customers to access information on the department's website or by otherwise contacting the department.

19. The relevant legislation requires that most categories of objections must be lodged in writing, a potential impediment to accessing the review process.

To support customers and contribute to the efficiency of the process, Human Services seeks to discuss applications once they are received, focusing on clarifying the application and providing information on process issues.

20. In the context of a diverse Australian community, the accessibility of the objection review process could be improved by better servicing customers with special needs, including those with culturally and linguistically diverse (CALD) backgrounds. Child support customers can access translation services and obtain support to access and engage in the objection process through the department's personalised services area. However, objection officers would benefit from training about servicing CALD customers, and there is scope for Human Services' multicultural service officers to provide additional support relating to the design and delivery of child support services for these customer groups.

21. The objection review process is one that potentially involves significant effort by both customers and the department. Whilst not discouraging persons from their legal right to lodge an objection, it is appropriate that the department explore options other than objections if a child support customer is unhappy with a decision. The department has implemented a Customer Review Gateway (CRG) process with the potential to reduce the number of objections by referring customers to specialist officers trained to assist in resolving cases; a useful initiative with the potential to provide additional support to customers and reduce the number of objections to departmental decisions, to the benefit of all parties. In 2013 only around 2.7 per cent of customers lodging objections had a pre-objection discussion through the CRG process, and the proportion of referrals to the CRG varies significantly between child support team locations. To realise the potential benefit of the CRG initiative, there would be benefit in the department monitoring whether relevant cases are being referred to the CRG.

Operation of the objection review process (Chapter 3)

22. The quality of decision-making is improved by access to an appropriate evidence base. Further, the efficiency and effectiveness of the objection review process is reduced where decisions are overturned on appeal because additional information, not available to the staff member undertaking the review, is provided as part of the appeal process.

23. Gathering evidence from non-cooperative customers presents a particular challenge for objection officers, as does evaluating the reliability of

verbal advice where documentary evidence is lacking. The Registrar has legal powers to require customers to provide information, which are rarely used due to the perceived sensitivity of doing so. To inform decisions of the Registrar and delegates, the department should evaluate the use of information-gathering powers provided by the Parliament in situations where a customer has a history of unreasonably declining to comply with informal requests for information.

24. ANAO analysis indicates an increase, over the past four years, in the proportion of objections leading to a change in the department's original child support decisions. This trend is particularly evident for Part 6A objections, which relate to varying child support assessments due to special circumstances, with the proportion of successful objections increasing from 35.9 per cent in 2009–10 to 45.4 per cent in 2012–13. There would be benefit in the department focusing more on learning from objection outcomes, as a first step in considering how to reduce the proportion of overturned decisions.

25. During 2012–13, the department encountered difficulties in completing objection reviews in a timely manner. Delays have been most pronounced for Part 6A reviews, with performance against statutory timeframes falling significantly—from 86.2 per cent in 2011–12 to 35.7 per cent in 2012–13—before recovering, to some extent, to 56.0 per cent in the six months to December 2013. A contributing factor has been the rise in the number of objections received in 2012 and a reduction in the number of staff available to progress objections. Further, staff advised the ANAO that the time required to complete objections had increased to some extent due to an increased emphasis on customer contact and improved evidence collection. A continued focus on monitoring performance against statutory timeframes would help avoid a further decline in performance.

26. ANAO analysis indicates that the average number of objections completed per full-time equivalent (FTE) objection officer has declined over the last four years¹³; a reduction in overall administrative efficiency. The department has recognised timeliness and productivity as significant issues and potential improvements are currently being explored through an internal

¹³ While there has been some variation in staff numbers during this period, the overall child support objections workforce has been maintained at around 105 FTE officers. However, over the same period, the total number of objections has fallen by around 20 percent, with a larger decrease (26 per cent) in the number of the more complex and time-consuming Part 6A objections.

business review process¹⁴ which, as previously discussed, could usefully consider how best to reduce the proportion of overturned decisions.¹⁵

27. There is also scope for the department to improve the consistency of recording whether mandated quality control processes relating to objection review decisions have been implemented. ANAO analysis of a sample of objection case files indicated that evidence of formal delegate approval of Part 6A decisions could not be produced in 35 per cent of cases.¹⁶ The department advised the ANAO that the causes of the failure to record delegate approvals for Part 6A decisions had been identified and remedial action taken.

28. Human Services generally has appropriate measures in place to protect customer privacy, and to manage potential conflicts of interest where a child support officer may have some personal connection to a case. There were however some gaps in departmental record-keeping regarding approvals for staff access to information on 'restricted access customers' (RACS).¹⁷ There have also been instances of unauthorised or inappropriate access to customer records by child support staff, some of which have resulted in disciplinary action being taken against the relevant officers. Human Services advised the ANAO that it has recently expanded the scope of monitoring programs in place to detect instances of unauthorised access.

Learning from the objection review process (Chapter 4)

29. Human Services has in place feedback and reporting mechanisms to facilitate monitoring of the objection review process and to improve the quality of its decisions. However, the department has not realised the full benefit of those mechanisms, as they are not consistently implemented or employed as intended. The ANAO's examination of 100 objection case files, including 40 Part 6A objection reviews, indicated that under departmental procedures,

14 Human Services advised the ANAO that while some proposals for revised procedures had been developed, as at February 2014 no decision had been made about possible implementation.

15 As discussed in paragraph 4.36 the number of departmental decisions overturned through the objection review process and on appeal to the SSAT is a potential proxy measure for the performance of the objection review process.

16 In relation to general objection decisions, Human Services was unable to provide evidence of so-called 'simple checks' in 27 per cent of cases in the ANAO sample of 100 Part 6A and general objection case files.

17 The classification of customer information as RACS means that information on file is placed under higher security and information held is reclassified, limiting the number of officers who can access the information.

feedback should have been provided to original decision-makers in 14 of the 40 Part 6A review cases. However, departmental records indicated that feedback had not been provided in any of the 14 cases.

30. In addition, following-up departmental analysis of Social Security Appeals Tribunal outcomes has received insufficient priority, notwithstanding the potential insights it offers for improved departmental decision-making and practices—necessary steps in reducing the proportion of overturned departmental decisions and realising efficiencies.¹⁸

31. Human Services' public reporting on the objection review process has focused mainly on quantitative measures such as the number of objections received and reviews completed. However, these measures provide limited insights into the effectiveness of the department's decision-making. The use of appropriate 'proxy measures'¹⁹ in public reporting—such as the number of departmental decisions overturned through the objection review process and on appeal to the Social Security Appeals Tribunal—would improve stakeholders' capacity to assess the effectiveness of departmental decision-making under the objection review process. Responsibility for reporting on the working of the *Child Support (Registration and Collection) Act 1988*, including the objection review function, now rests with the Department of Social Services²⁰, which should include information on the effectiveness of the Department of Human Services' decision-making.

Summary of agency responses

32. The Department of Human Services provided the following summary response to the audit:

The Department of Human Services (The department) welcomes this report and considers that implementation of its recommendations will further enhance the integrity, service delivery and quality of decision-making in the child support objection process.

18 There is a significantly lower average cost to Human Services of completing objection reviews as compared to the cost to the SSAT of running hearings on child support appeals.

19 Proxy measures are output-level performance indicators and may be useful to indirectly measure effectiveness in certain situations. See Department of Finance and Deregulation, *Performance Information and Indicators* (October 2010), Finance, Canberra, 2010, p. 3; and ANAO Audit Report No.21 2013–14, *Pilot Project to Audit Key Performance Indicators*, p.74.

20 Responsibility for the administration of all aspects of the *Child Support (Registration and Collection) Act 1988* was transferred to the Department of Social Services under changes to the Administrative Arrangements Order in December 2013.

Improving the evidence gathering, quality assurance and feedback aspects of the process will enhance the department's ability to deliver an accessible, high quality service to customers, and to ensure the objections process is effectively utilised to improve decision making within the Child Support Program.

The department agrees with the recommendations outlined in the report and has commenced implementation.

33. Other than responding to the audit's recommendations, Human Services did not provide any further formal response to the audit. However, the covering letter from Human Services is included at Appendix 1.

34. The Department of Social Services provided the following summary response to the audit:

The Department of Social Services (DSS) welcomes the findings of the audit report on the Review of Child Support Objections and agrees to Recommendation Number 4 with qualification.

DSS acknowledges the requirements under section 14 of the Child Support (Registration and Collection) Act 1988 to include information in its annual reporting regarding the overall working of the Act (the Child Support Scheme). However, section 63 of the Public Service Act 1999 (Annual Report) requires the Secretary of a Department to report on the Department's activities in its Annual Report.

As the proposal is to report on the effectiveness of decision-making by DHS under the objection review process, it is more appropriate that this activity be included in the DHS Annual Report.

However, to assist in implementing the recommendation, DSS will collaborate with DHS on the development of these measures, for inclusion in the DHS Annual Report.

35. Social Services' full response is included at Appendix 1.

Recommendations

Recommendation No.1

Para 3.19

To improve the evidence base for departmental decision-making and reduce the potential for successful appeals on the basis of new information, the ANAO recommends that the Registrar evaluate the use of existing powers to require customers to provide information as part of the objection review process.

Human Services' response:

Agree. The Department of Human Services will review the use of existing powers to compel customers to provide evidence. This will commence immediately.

Recommendation No.2

Para 3.41

To provide additional assurance on the integrity of the objection review process, the ANAO recommends that the Department of Human Services strengthen existing processes for recording delegate approvals of decisions and completion of pre-decision quality assurance checks.

Human Services' response:

Agree. The Department of Human Services has since put in place appropriate record keeping for delegate approvals. Further to this, a quality framework has recently been implemented for child support objections. This includes ensuring that all quality checks of decisions are appropriately recorded.

**Recommendation
No.3
Para 4.12**

To improve service delivery and decision-making, the ANAO recommends that the Department of Human Services provide feedback to original decision-makers in accordance with departmental procedures and undertake periodic reporting to senior child support management on key issues identified in reviewer feedback.

Human Services' response:

Agree. The Department of Human Services has recently implemented a quality framework which will ensure feedback to original decision makers is provided in appropriate circumstances. A periodic report for senior managers, which summarises feedback relating to common and systemic issues, is being developed.

**Recommendation
No.4
Para 4.37**

To improve performance reporting on the effectiveness of departmental decision-making under the objection review process, the ANAO recommends that the Department of Social Services develop appropriate proxy measures, such as the number of departmental decisions overturned by review processes, to include in its annual reporting on the working of the *Child Support (Registration and Collection) Act 1988*.

Social Services' response:

DSS agrees with qualification. DSS will work with DHS to develop proxy measures and to have them reported in the DHS annual report.

Human Services' response:

The Department of Human Services notes this recommendation is for the Department of Social Services' response. The Department of Human Services will work with the Department of Social Services to ensure appropriate measures are developed which also align with the funding arrangements for the programmes.

Audit Findings

1. Introduction

This chapter provides the background and context for the audit including an overview of the Child Support Scheme and the objection review process. The audit objective, criteria, scope and methodology are also outlined.

Background

1.1 Every year, significant numbers of families with dependent children experience breakdown through parental separation. In 2012, 49 917 divorces were granted in Australia, with around half of these involving families with children under 18 years of age.²¹ Some parents enter into independent arrangements for the financial support of their children after separation. However, many parents elect to handle child support matters through the involvement of the Child Support Scheme (the scheme), administered by the Department of Human Services. The scheme provides a means for independently calculating child support as well as providing a mechanism for transferring child support payments between parents.

1.2 In 2012–13, the scheme transferred \$3.4 billion between parents for the benefit of approximately 1.2 million children.²² Given the potential significant impact of the department's child support decisions on the financial position of separated parents and the welfare of their children, it is appropriate that parents have the opportunity to seek a review of such decisions by lodging an objection. It is this internal Human Services 'objection review' process that is the subject of this audit.

1.3 Objection reviews represent a mechanism for Human Services to potentially improve the quality of their decisions. However, in order to achieve such improvements, it is essential that clear feedback and reporting systems are in place as part of the objection review process. These systems should be designed to provide Human Services management with information on any systemic shortcomings in the child support decision-making processes that may be highlighted through review outcomes. This can then inform the

21 Australian Bureau of Statistics, *Marriages and Divorces, Australia, 2012*. There are no statistics available on the number of separations of unmarried parents.

22 Department of Human Services, *Annual Report 2012–13*, p. 69.

administration of the relevant aspects of the scheme and the broader policy and legislative settings that underpin it.

The Child Support Scheme

1.4 The scheme was introduced by the Australian Government in 1988 to address concerns about the adequacy of child maintenance and difficulties in the collection of child maintenance payments. There were also concerns about women and children living in poverty following separation and divorce and the implications for government expenditure if absent parents did not contribute towards their children's upbringing.²³

1.5 While the main legislative basis for the scheme was the *Child Support Act 1988*, the broad reform of child maintenance at that time was also supported through amendments to the *Family Law Act 1975* and the *Social Security Act 1947*.²⁴ The objectives of the *Child Support Act 1988* emphasised parental responsibility for the financial well-being of children when parents separate. It also provided that 'to the greatest extent consistent with the attainment of its objects', the Act should be construed and administered in a way that 'limit[ed] interferences with the privacy of persons'.²⁵

1.6 Following legislative amendments in 1989, the *Child Support Act 1988* was renamed the *Child Support (Registration and Collection) Act 1988*. This Act established the statutory position of the Child Support Registrar (the Registrar)²⁶, who administers key aspects of the scheme including the registration, collection and enforcement of court orders and court-registered agreements for child support and spousal maintenance. This legislation is supplemented by the *Child Support (Assessment) Act 1989*, which deals with the calculation of child support payments and associated matters. Collectively, these Acts retain the broad objectives of the original *Child Support Act 1988* discussed in paragraph 1.5.

1.7 Under the scheme, the parent who does not live full-time with their child or children because of separation (the payer) may be required to make a

23 Commonwealth, *Parliamentary Debates*, House of Representatives, 9 December 1987, B Howe, Minister for Social Security.

24 *Explanatory Memorandum*, Child Support Bill 1987.

25 Subsection 3(2) *Child Support Act 1988*.

26 The Child Support Registrar is a senior executive of the Department of Human Services.

financial contribution towards their upbringing. This contribution is based on an administrative formula, which:

- bases the costs of children on Australian research;
- uses an ‘income shares’ approach to calculate and share the costs of children²⁷; and
- allows both parents the same self-support amount, which is indexed annually.²⁸

1.8 Where the relevant child or children live part of the time with one parent, and partly with the other, the proportion of care each parent is providing is used in determining what proportion of the costs of raising the child or children each parent should be meeting. This is then incorporated into the calculation for child support payments.²⁹

1.9 The scheme can assist separated parents with the calculation, collection and transfer of child support, or can calculate the amount of child support payable and allow separated parents to directly transfer these payments themselves.

Administration of the Child Support Scheme by the Department of Human Services

1.10 When established in 1988, the scheme was administered by the newly-formed Child Support Agency (CSA), which was part of the Australian Taxation Office. The CSA was transferred to the Department of Family and Community Services³⁰ in 1998 before becoming part of the newly formed Department of Human Services in 2004. The CSA no longer exists as a separate entity, and the scheme is now administered by the child support program

27 This means the cost of children is based on the parents' combined incomes, the cost is distributed between the parents by their capacity to pay and the cost of regular or shared care by the parent is considered.

28 See Department of Social Services, *The Child Support Scheme*, [internet], available from <<http://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/the-child-support-scheme>> [accessed February 2014].

29 See Department of Human Services, *The Child Support Guide*, section 2.2, [internet], available from <http://www.humanservices.gov.au/corporate/publications-and-resources/child-support-guide/?utm_id=77> [accessed December 2013].

30 This department was subsequently renamed as the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). With the change of government in September 2013, this department is now the Department of Social Services.

within the Department of Human Services. The Department of Social Services is responsible for child support legislation and policy.

The child support objection review process

1.11 The child support objection review process is an internal departmental ‘merits’ review process.³¹ The review is not restricted to examining whether the original decision was legally correct, but makes the decision afresh, taking into account all relevant legislation, guidance and information, including information that may not have been available to the original decision-maker.³²

1.12 Merit review processes have two fundamental roles³³:

- enabling people to test the lawfulness and the merits of decisions that affect them; and
- improving the quality, efficiency and effectiveness of government decision-making.

1.13 Internal reviews have the benefit of being generally quicker and cheaper than an external review process such as hearings before an administrative tribunal or court; a benefit for the person seeking the review, the responsible agency and the taxpayer.

1.14 Consistent with the principles of administrative law, internal reviews should be readily accessible by prospective applicants, including those with special needs.³⁴ Likewise, such reviews must afford applicants natural justice—they must have the opportunity to be heard on all matters relevant to the issue, and the person conducting the review must be impartial.³⁵

Outline of the child support objection review process

1.15 The legal right of a parent or eligible non-parent carer (the customer) to lodge an objection is set out in the *Child Support (Registration and Collection) Act 1988* (the Act). An objection is a request for the Child Support Registrar to

31 Department of Human Services, *Objections Procedural Instruction*, p.1.

32 *ibid.*

33 Administrative Review Council, Report No.44 *Internal Review of Agency Decision Making*, 2000, p. 2, [internet] available from <<http://www.arc.ag.gov.au/Documents/report44.pdf>> [accessed October 2013].

34 *ibid.*, p.7.

35 *ibid.*

formally review a decision if the customer believes that a departmental child support officer has used incorrect information; has not considered relevant information, including new information if it has since become available; incorrectly applied the appropriate law or policy; or made the wrong decision in the circumstances of the customer's case.

1.16 Customers can object to most child support decisions made by the department, including:

- child support assessment—the amount of financial child support to be paid by a parent, including underlying decisions about matters such as a parent's income;
- change of child support assessment—these are decisions by the department to change the level of child support to be paid by a parent;
- shared care—these are decisions by the department about what proportion of a child's care and costs are provided by each parent or carer (usually determined by the number of nights in a year for which each separated parent has care of the relevant children)³⁶; and
- the department's acceptance or refusal to accept a child support agreement made by the parents or carers.

1.17 However, customers cannot object to decisions about most collection processes (for example, the garnishment of wages or interception of a customer's tax return) or the use of Departure Prohibition Orders (issued to prevent customers with child support debts from leaving Australia).

1.18 Before lodging an objection, Human Services encourages customers to discuss the decision with the department first, but this is not mandatory. For most decisions, customers are required to lodge an objection within 28 days of being advised of a decision (or 90 days if the customer lives in a reciprocating

36 For child support purposes, the proportion of care being provided by a parent or carer will generally be decided by the department according to the actual care that they have of the child. However, where a parent or carer is not complying with a written agreement, court order or parenting plan, a different decision may be made depending on the circumstances applying to the individual case. See Department of Human Services, *Child Support Guide*, Part 2.2.5 [internet] available from <<http://www.humanservices.gov.au/corporate/publications-and-resources/child-support-guide/part-2/2-2-5>> [accessed December 2013].

overseas jurisdiction).³⁷ Customers can request an extension to the timeframe in which they must lodge an objection.³⁸ With the exception of objections to care decisions, for which applications can be made over the telephone, customers must lodge all other objections in writing, including via fax or email.

1.19 Where a customer lodges an objection, the Act requires the department to provide a copy of that objection, along with any accompanying documentation to the other parent or carer (the respondent customer).³⁹ The respondent customer has 28 days to respond to the objection and accompanying documentation (or 90 days if the customer lives in a reciprocating overseas jurisdiction). This is commonly known as the 'open exchange of information' (OEI) element of the objection review process. Information may also be obtained by the department from third parties.⁴⁰ Again, each customer is given an opportunity to respond to such information.

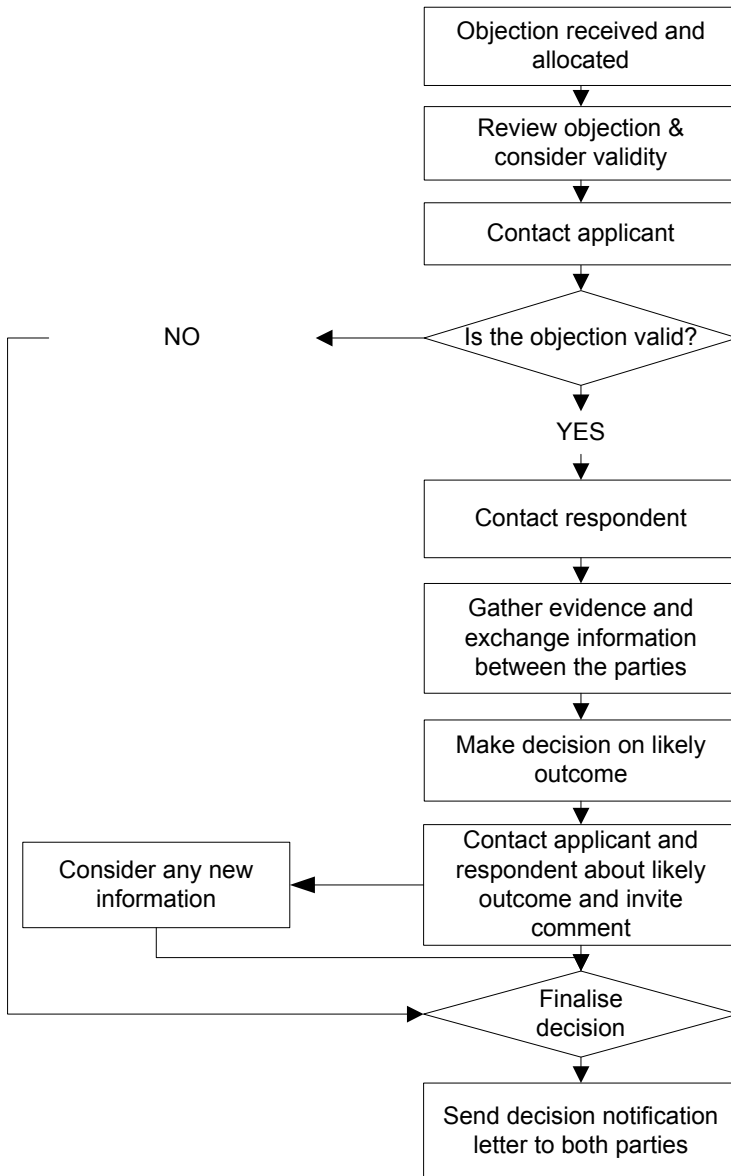
1.20 Once the departmental review officer has considered all information, they will reach a view on the likely outcome of the objection, and attempt to contact both the applicant and respondent by phone to inform them of the likely outcome. At this point, customers have the opportunity to provide any further relevant information, and following this, the review officer will finalise the decision.

37 Section 81 *Child Support (Registration and Collection) Act 1988*. Further information on reciprocating overseas jurisdictions is at [internet] <<http://www.humanservices.gov.au/customer/enablers/child-support/reciprocating-jurisdictions-and-residency-for-child-support>> [accessed December 2013].

38 The process and relevant considerations for making an application for an extension of time is discussed in chapter 2.

39 Section 85 *Child Support (Registration and Collection) Act 1988*. However, different requirements apply to objections to care decisions. This is discussed in chapter 2.

40 For example, bank statements, a letter from an employer, accountant, business partner or a solicitor, or a report from the child's school.

Figure 1.1: Simplified objection review process

Source: ANAO analysis of Department of Human Services objections procedural instruction.

Note: Although the objection officer will consider the issue of technical validity as part of their preliminary review of the objection, additional information received from the initial contact with the applicant can also be used to make the final decision on validity.

1.21 Reviews are conducted by a number of dedicated departmental teams located in various state capital cities or regional centres.⁴¹ Reviews are classified by the department as regarding either:

- change of child support assessments (commonly known as 'Part 6A' objections)⁴²; or
- any other matter ('general' objections).

1.22 Reviews of Part 6A objections are handled by different teams to those dealing with general objections.

1.23 Part 6A objection review teams are based in Brisbane, Melbourne, Perth and Parramatta. Authority to approve the Part 6A assessment following an objection review depends on the proposed outcome. Where an outcome does not change the original decision, middle-ranking administrative officers⁴³ are delegated to approve this. However, where the outcome is to partly or fully allow the objection and change the original decision, this must be approved by a more senior official.⁴⁴

1.24 General objection review teams are based in Melbourne, Perth, Hobart, Wollongong and Townsville. Authority to approve the outcome of these reviews is delegated to relatively lower-ranked administrative staff⁴⁵, regardless of whether the outcome is to affirm or change the original decision being objected to. The lower level of delegation for general objection reviews reflects the fact that the original decisions being reviewed by these teams are largely based on the application of an administrative formula. By comparison Part 6A decisions may be more complex, involving the consideration of special circumstances applying to particular cases and the exercise of discretionary

41 However, during periods of high workload, Human Services officers outside these teams may be seconded to work on objection reviews.

42 This is because the change of assessment decisions being objected to are made under Part 6A of the *Child Support (Assessment) Act 1989*. Part 6A provides a mechanism whereby under special circumstances Human Services can vary the amount of child support that would otherwise be payable under the relevant administrative formula.

43 Australian Public Service level 6 officers.

44 The exception is that a small number of external contractors retained by Human Services during 2012 and 2013 to undertake Part 6A objection reviews have been given the delegation to approve their own decision without reference to an Executive Level officer. This is further discussed in chapter 3.

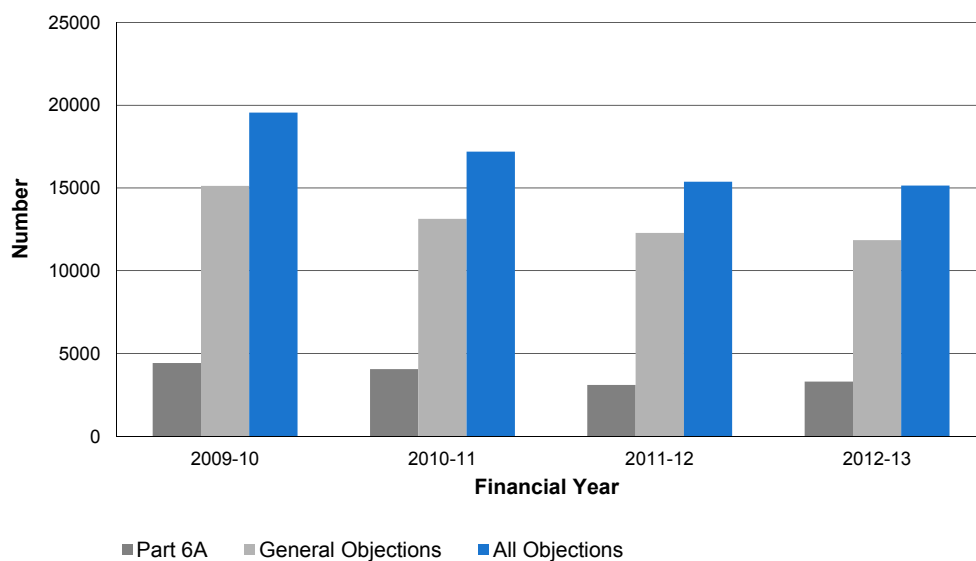
45 Australian Public Service level 4 officers.

judgment by Human Services officers to reach a decision that is 'just and equitable'⁴⁶ in regard to the child and customers.

1.25 Care decisions can be made by both the departmental child support and Centrelink staff. Centrelink make such decisions for Family Tax Benefit (FTB) purposes. As outlined in Appendix 3, objections to these decisions can be reviewed by either child support general objection officers or by dedicated Centrelink review staff under different processes.

1.26 The department's 2012–13 annual report stated that it had received a total of 15 307 objections that year.⁴⁷ The number of objections reported as being received by Human Services has declined since 2009–2010 as shown in Figure 1.2.

Figure 1.2: Objections received by Human Services



Source: Department of Human Services annual reports and ANAO analysis of CUBA data.

1.27 If a customer is dissatisfied with the outcome of an objection review, they have the right to appeal to the Social Security Appeals Tribunal (SSAT). In hearing an appeal, the SSAT also makes the decision afresh, again potentially

46 The 'just and equitable' terminology is contained in Part 6A of the *Child Support (Assessment) Act 1989*.

47 This figure excludes objections to care decisions that are lodged with Human Services through the separate Centrelink review process. In 2012–13, Centrelink completed 1452 reviews of care decisions.

taking into account additional information not available to the previous reviewer.

Table 1.1: Objection reviews appealed to the Social Security Appeals Tribunal

	2009–10	2010–11	2011–12	2012–13
Number of objections review decisions appealed	2664	2526	2060	1971

Source: SSAT annual reports.

1.28 As shown in Table 1.1, the number of appeals to the SSAT has steadily declined in recent years, from 2664 in 2009–10 to 1971 in 2012–13.⁴⁸ This decline has been proportionally slightly greater than the reduction in the number of objections received over the same period. In 2012–13, 19.1 per cent of objection decisions were subsequently appealed to the SSAT, as compared to 21 per cent being appealed in 2009–2010.⁴⁹

1.29 The number of objections and SSAT appeals, and the outcomes of these two review processes, are a potential indicator of the effectiveness of the department’s child support decisions, and customers’ experiences and perceptions of them. These matters, as well as customer feedback on the objection review process, are discussed in chapters 3 and 4.

Changes to the objection review process

1.30 In September 2009, the then Secretary of the Department of Human Services commissioned the ‘Richmond Review’ to assess the child support program’s decision-making processes and quality assurance arrangements.⁵⁰ The single recommendation dealing directly with the objections review process was that only issues that could not be dealt with by internal correction or complaints processes should be managed through the objection process.⁵¹ In

48 This excludes Centrelink reviews of care decisions that are subsequently appealed to the SSAT. There were 70 such appeals lodged in 2012-13.

49 SSAT decisions on child support appeals can be further appealed to either the Administrative Appeals Tribunal, Federal Magistrates Court or, in Western Australia, the Family Court of Western Australia. However, the total number of appeals to these courts and tribunals is relatively small, with 38 appeals lodged in 2012-13. The ANAO audit does not consider these appeals.

50 Richmond D, *Delivering Quality Outcomes: Consistency, Continuity and Confidence*, Australian Government, Canberra, 2009.

51 *ibid.*, p. 25.

response to this and some other Richmond Review recommendations, the department has put in place a Customer Review Gateway (CRG) process. Under this process, customers telephoning child support front-line staff to discuss a child support matter can be transferred through to departmental CRG staff in order to identify the best options for that customer, including helping them to understand child support decisions and the objection process before they object.⁵² This is discussed further in chapter 2.

1.31 A subsequent (2010) departmental internal review of the objection review process concluded that the process could be improved through a combination of changes to internal processes and legislative amendments.⁵³ Whilst potential legislative amendments were periodically discussed between Human Services and Social Services (then FaHCSIA) up until mid 2013, legislation has not been introduced into Parliament, and the matter is one for government decision.

1.32 The department's 2011–12 annual report recorded that child support staff handling objections were being trained in a 'new approach to improve the evidence basis for decisions'⁵⁴ and that administrative changes had been made to 'keep parents more informed about the progress of their objection'.⁵⁵ Inadequate customer contact, both prior to, and during, the objection review process was identified as an administrative weakness by the 2010 internal review.⁵⁶ These processes were introduced within the child support program through revised Procedural Instructions provided to staff in 2012, and their application is discussed in chapters 2 and 3.

Previous audit coverage

1.33 ANAO Performance Audit Report No.37 2011–12 *Child Support Program's Management of Feedback* examined the effectiveness of the department's child support feedback management system, particularly in relation to customer complaints, received directly or via other avenues such as the Commonwealth Ombudsman. That report identified a number of areas for

52 Department of Human Services, *Customer Review Gateway Procedural Instructions — Overview*.

53 Department of Human Services, Business Strategy and Productivity Improvement Division, *Objections Review*, op. cit., p.5.

54 Department of Human Services, *Annual Report 2011–12*, p. 242.

55 *ibid.*

56 Department of Human Services, Business Strategy and Productivity Improvement Division, *Objections Review*, op. cit.

improving the management of customer feedback—particularly complaints—including better recording of complaints information, improved communication with customers, more analysis of feedback to improve service delivery, and more comprehensive performance reporting. The department agreed to all the recommendations.

Audit objective, criteria, scope and methodology

1.34 The audit objective was to assess the effectiveness of the Department of Human Services' administration of the child support objection review process.

1.35 To assist in evaluating the department's performance in terms of the audit objective, the ANAO developed the following high level criteria:

- the department effectively promoted the review process and ensured accessibility for those considering objections;
- the department implemented fair⁵⁷ and responsive processes and practices to decide on objections in an effective and timely manner; and
- the department analysed, and reported on, the outcomes of reviews to support the systemic improvement in child support decisions and associated processes.

1.36 In assessing the department's performance in relation to the third criterion, the audit examined the links between the objection review process and the child support original decision-making areas and, to a limited extent, the Social Security Appeals Tribunal. In addition, the audit considered the protection of customer privacy in the context of the objection process and in relation to the security of customer records in the CUBA customer records management system.⁵⁸

1.37 To assess value for money in terms of the administration of the objection review process, the ANAO examined:

57 The concept of fairness (incorporating matters such as impartiality and sufficient opportunity to be heard) is a key underlying principle of a good internal review process: Administrative Review Council, *op. cit.*, 2000, pp. 1 and 7.

58 The system is named after Cuba, the goddess of children in Roman mythology. It is the main electronic tool used by child support staff to record customer information and case histories, calculate child support assessments, document child support decisions and generate customer correspondence. In the May 2013 Budget, the then government announced that CUBA would be replaced. The new system is expected to be operational from February 2015.

- whether the entry requirements for the objection review process operate so that matters best dealt with through other avenues, such as the complaints process, are channelled to those avenues rather than the objection review processes;
- the timeliness of completing objection reviews; and
- how the review outcomes, and results of any further appeals, are used to improve departmental administration, including primary decision-making processes and the objection review process, so as to reduce the number of decisions objected to and/or subsequently appealed to the SSAT.

1.38 The audit methodology involved:

- analysing CUBA data for the approximately 67 000 objections received by the department over 2009–10 to 2012–13 inclusive;
- examining relevant departmental policies and procedural processes, including tools and training available to child support staff to support the efficiency and consistency of objection reviews;
- inspecting selected documents from 100 objection files to assess compliance with key aspects of departmental policies and processes;
- conducting face-to-face interviews with members of six of the eleven regional objection review teams, as well as other areas of the department such as privacy protection, complaints management and Centrelink;
- conducting interviews with key stakeholder organisations supporting separated parents;
- obtaining information from the Office of the Commonwealth Ombudsman and the SSAT; and
- analysing the 26 contributions received through the ANAO's citizen input facility.⁵⁹

1.39 The audit considered the operation of the objection review process against suggested best practice in the report of the Administrative Review

59 The ANAO has recently introduced the citizen's input facility that allows members of the public, groups and organisations to provide information relating to an audit.

Council, *Internal Review of Agency Decision Making* (ARC Report).⁶⁰ This includes best practice in relation to:

- the accessibility of the process to applicants;
- providing procedural fairness;
- conducting reviews in a timely way;
- providing appropriate management oversight of the process and supporting review staff, including through staff training and having quality control mechanisms in place; and
- having feedback mechanisms in place to assist in learning from the review process.

1.40 The audit was conducted in accordance with ANAO audit standards at an approximate cost to the ANAO of \$404 000.

Structure of the audit report

1.41 The structure of the audit report is outlined in Table 1.2.

Table 1.2: Structure of the audit report

<p>Chapter 2 Making the Objection Review Process Accessible to Customers</p>	<p>This chapter examines the extent to which the Department of Human Services’ policies and practices enable child support customers to readily exercise their legal right to object to certain types of decisions made by the department.</p>
<p>Chapter 3 The Operation of the Objections Review Process</p>	<p>This chapter examines the level of training and support provided to objection officers by the Department of Human Services, how officers collect evidence, make decisions and communicate these to customers. It also considers the outcomes of reviews, whether they are completed in a timely way, and associated workload management and productivity issues. It also examines how Human Services seeks to protect the privacy of child support customers.</p>
<p>Chapter 4 Learning from the Objections Review Process</p>	<p>This chapter examines how the Department of Human Services uses the various sources of feedback related to the objection review process to improve the quality of its decisions. It also considers the extent to which performance information relevant to the review process is included in the department’s public reporting.</p>

60 Administrative Review Council, op. cit.

2. Making the Objection Review Process Accessible to Customers

This chapter examines the extent to which the Department of Human Services' policies and practices enable child support customers to readily exercise their legal right to object to certain types of decisions made by the department.

Introduction

2.1 The 'accessibility' of an internal review process will contribute to its effectiveness as a means through which people can readily test the lawfulness and merits of decisions that affect them. Accessibility is improved when:

- persons understand the decision which is subject to potential review and the basis on which the decision is made;
- persons are made aware of their review rights and how the review process works;
- it is easy to lodge a valid application for a review;
- applicants have appropriate support during the review process, particularly those with special needs due to literacy, cultural, language, physical or other reasons; and
- the review process is administered efficiently so that any 'review fatigue' or other potential disincentives are minimised.⁶¹

2.2 The ANAO examined the extent to which the department's policies and practices facilitated accessibility for child support customers who believe that a decision affecting them is incorrect. The efficiency of the objection process is considered in more depth in chapter 3.

61 These considerations are derived from a number of sources, including the Administrative Review Council's report No. 44, *Internal Review of Agency Decision Making*, November 2000 and ANAO interviews with various non-government organisations representing separated parents.

How original decisions are communicated to customers

2.3 An objection is a request for Human Services to formally review a child support decision if the customer believes that the department has:

- used incorrect information;
- not considered relevant information, including new information if it has since become available;
- incorrectly applied law or policy; or
- made the wrong decision in the circumstances of the customer's case.⁶²

2.4 In order for customers to be able to make an informed judgment on whether to lodge an objection, it is essential that the decision is communicated to them in a readily understandable way. Customers are notified of the department's decision by letter through the postal service or email, and depending on the circumstances, can be given advance notice via a phone call.

Departmental Letters

Explaining the decision

2.5 The department makes various types of child support decisions. In some cases, decisions are made through an automated process without the involvement of child support officers, with the decision notification letters also automatically generated. These 'automatic' decisions can be triggered by events such as the lodgement of a tax return⁶³, Consumer Price Index (CPI) increases or by time-related triggers such as a child turning 18.

2.6 Where a decision has been made by a child support officer, notification letters are based on an electronic template relevant to the decision type. The officer making the decision populates this template with the appropriate details, setting out the specifics of the decision outcome and the financial impact on the customer(s). The completed template is then copied into the CUBA customer records management system from which the decision

62 Department of Human Services, *Objections to Child Support decisions*, [internet], available from <<http://www.humanservices.gov.au/customer/information/objections-to-child-support-decisions>> [accessed October 2013].

63 An annual income estimate can be used to determine a child support assessment. Automatic data matching with Australian Taxation Office records can initiate a reassessment if a tax return lodgment reveals a substantially different actual income to that estimated.

notification letter is generated. In most cases it consists of a short covering letter and an attached formal decision letter.

2.7 The ANAO examined a non-statistical sample of 100 decision case files for which an objection application was subsequently lodged.⁶⁴ The formal decision letter for Part 6A (change of assessment) decisions⁶⁵ in the ANAO's sample varied from four to fourteen pages in length.⁶⁶ The format of the letters followed the standard template, with a good level of detail about how the decision was reached, including the evidence and other information used in the decision. However, there was some variability in explaining how the decision would affect the level of child support payable. In most cases the new amount payable, or likely to be payable, was not clearly specified in the decision summary, although in some cases this information was contained in the body of the decision but not highlighted in any way. In all cases, the Part 6A covering letters contained no specific information about the decision. Given the importance to the customers of the 'bottom line', the department could give greater emphasis to ensuring information about how the decision affects the level of child support payable is clearly communicated in all decision notification letters.

2.8 The decision notification letters about general (mainstream) decisions in the ANAO sample covered a large range of child support issues. The letters were relatively short, typically around two pages, and in some cases all information about the decision was contained in a combined covering and formal decision letter. The letters clearly set out the effect of the decision, and where it involved a recalculation of the amount of child support payable, the financial and other information used in the recalculation process was also included in the letter.

2.9 Decisions about 'non-agency payments' were however poorly explained. These are payments made directly between separated parents or to a third party that can, in some circumstances, be recognised as a child support

64 Included in the sample were 40 Part 6A objections and 60 general objections. All objections were lodged in February and March 2013. Further detail of the sampling methodology is contained in Appendix 2.

65 Part 6A decisions involve the consideration of special circumstances applying to particular cases and the exercise of discretionary judgment by child support officers to determine if they should depart from the general administrative formula normally used to calculate the amount of child support payable between separated parents.

66 The variation mainly related to the number of grounds on which the decision was based and the amount of evidence required to be considered by the child support officer to make the decision.

payment for expenses such as clothes, car repayments, and school fees. A number of non-agency payment decisions in the ANAO sample disallowed these payments on the ground of 'no mutual intention'.⁶⁷ However, the decision letter contained no information about the concept of mutual intention or why the payment was deemed not to comply with it. Consideration could be given to providing information in the decision notification letter so that customers unfamiliar with the concept of mutual intention do not need to contact the department to clarify the reason for the decision. The provision of relevant background information would improve customer service and help streamline the department's administration.

2.10 Overall, there is room for improvement in making decision notification letters more reader-friendly and informative for customers. This is consistent with a 2013 departmental child support customer survey that indicated less than half of respondents considered that child support letters were easy to understand. Similar views were expressed by various non-government organisations representing separated parents that were interviewed by the ANAO. Departmental staff also acknowledged in interviews with the ANAO that the letters were difficult to read and understand, and that the letters were being reviewed by the department during the course of the audit.

Explaining Objection rights

2.11 Notification letters currently advise customers who consider the decision is incorrect to call Human Services to discuss the decision. These letters also note that customers can object and that information on the objection review process is available from the 'review and appeals' section of the department's website.⁶⁸ That section provides comprehensive information on the review process. Importantly, the letters also advise customers of the general time limit for lodging objection applications.

2.12 Until mid 2013, an informative four page brochure on objection rights and the objection process was included by Human Services with decision

67 That is, there was no common understanding between the parents that the payment was intended as child support: see the Department of Human Services, *Child Support Guide*, section 5.3.1 [internet], available from <http://www.humanservices.gov.au/corporate/publications-and-resources/child-support-guide/?utm_id=77> [accessed December 2013].

68 The letter contains the specific web address for the review and appeals section see [internet] <<http://www.humanservices.gov.au/customer/information/reviews-and-appeals>> [accessed January 2013].

notification letters.⁶⁹ However, the brochure was discontinued as part of the department's ongoing 'simplify and reduce letters' (SARL) project, which is an initiative of a broader service delivery reform process. Where customers have elected to receive notification letters electronically via child support online services, a brochure is attached to the online letter. The department advised the ANAO that the 'online' objection rights brochure is scheduled to be discontinued in February 2014, and that discontinuing the brochure would result in:

A reduction in reverse workflow resulting from customers not understanding the information in the objections brochure ...[and a]... simplification of the objections process by making the information available online or through phone contact.

2.13 There would be merit in the department considering the effect the change may have on customers without ready internet access.

2.14 Organisations representing separated parents suggested to the ANAO that the department should look at the option of having information on child support objection rights provided via some form of recorded audio message for the benefit of customers with literacy issues or coming from non-English speaking backgrounds. The use of new media platforms such as YouTube and audio for non-English speaking customers with low literacy is planned by Human Services, although it is unclear what information will be available in this form in the foreseeable future.⁷⁰

Contacting customers by telephone

2.15 In the context of the objection review process, contact by telephone is the department's preferred way of interacting with child support customers to obtain, confirm or provide information. In addition to extensive departmental internal procedural instructions for child support staff regarding phone contact with customers, additional instructions provide guidance to child support decision-makers regarding the circumstances in which they should phone customers to explain decisions.

69 Department of Human Services, *Objections, complaints and reviews—your rights following Child Support Agency decisions*.

70 Department of Human Services, Agency Multicultural Plan 2013–2015 states that a 'minimum of two media products' are to be developed by June 2015: [internet] available from <<http://www.humanservices.gov.au/corporate/publications-and-resources/part-b-dhs-agency-multicultural-plan-2013-2015>> [accessed December 2013].

2.16 In the case of Part 6A decisions, the guidance provides that customers should be contacted if: it is assessed that a parent is likely to be dissatisfied or complain about a decision; one or both of the customers are managed by a 'Personalised Services' officer; or a customer has specifically requested to be contacted about the decision. In the case of care decisions, contact should be made in various circumstances, including if the result is a payee overpayment or a retrospective liability increase for the payer.

2.17 In the 100 cases in the ANAO sample, CUBA records indicated that in 38 cases both customers were successfully contacted about the relevant decision; in 32 cases one customer was successfully contacted; in 25 cases no attempt was made to contact either customer; and in 5 cases contact was not attempted by phone as there were either specific instructions for alternative means of contact with the customer(s), or the decision was notified by an automated letter.

2.18 The ANAO was not able to verify if the instances of 'no attempted contact' were consistent with departmental procedural instructions. This was due to the fact that in some cases the decision whether or not to contact the customer was largely a discretionary one by the relevant objections officer.⁷¹ However, some limited 'quality assurance' sampling of Part 6A decisions by the department in June 2013 indicated that in the majority of cases in the sample, decision-makers attempted to contact both parents about the decision. Organisations representing separated parents interviewed by the ANAO generally acknowledged that the department had, relative to previous practice, improved their level of customer service by providing better information on decisions through phone contact with customers.

Lodging an objection

Customer discussions with Human Services

2.19 As previously noted, decision notification letters encourage customers who consider a decision is incorrect to first telephone the department to discuss the decision. As Human Services does not keep statistics on the proportion of customers who make contact before lodging an objection, it is

71 As noted above, a decision as to whether a customer should be contacted could be based on an assessment by the objection officer as to whether 'a parent is likely to be dissatisfied or complain about a decision'.

not possible to assess whether this aspect of the customer contact policy has had any measurable impact on the number of objection applications received by the department.

2.20 Separate contact phone numbers are provided in the notification letters for general (mainstream) child support decisions and Part 6A decisions: these numbers connect the customer with the mainstream and Part 6A phone queues staffed by a rotating roster. Departmental policy is for 80 per cent of calls to be answered within 30 seconds: the actual performance in 2012–13 was 72.7 per cent within 30 seconds, with an average of 64 seconds.

2.21 The officer who receives the call will, after bringing up a copy of the decision on their computer screen via the CUBA system, explain the decision to the customer rather than transferring them to the officer that actually made the decision. The downside of this policy is that, particularly in complex cases, the lack of familiarity of the officer with the details of the case may make it more difficult for staff to provide a satisfactory explanation of the decision to the customer.⁷² If after this discussion the customer wishes to object, they will generally be 'cold transferred' to the child support objections phone queue.

2.22 A cold transfer means that the customer is required to repeat identification details to enable the objection officer to locate the relevant information in CUBA. In interviews with the ANAO, some objection staff expressed frustration regarding this transfer process, as some customers may become agitated as a consequence of speaking with an officer not familiar with their case and then having to give their identification details a second time to the objection officer.

2.23 After discussing the objection process with the customer, objection officers provide advice about lodging a written application. If it is a care decision that the customer wishes to object to, the officer can enter the relevant details in CUBA to complete the application process over the phone.

72 Customer satisfaction with the quality of service provided by child support staff was measured by two major customer surveys conducted in 2013. On the question of whether customers considered that child support staff were 'knowledgeable and competent', the two surveys produced significantly different results. The larger survey, which measured satisfaction with the most recent transaction the customer had with the department, reported that 91 per cent of customers considered that child support staff were knowledgeable and competent. By comparison, the smaller survey, designed to measure customers' 'general perceptions' of quality of service, found that only 59 per cent of customers considered that child support staff were knowledgeable and competent.

The Customer Review Gateway

2.24 In some cases the child support officer who initially discusses the decision with the customer may consider that an objection may not be the best option for the customer. In these cases, departmental procedural instructions provide that the customer should be ‘warm transferred’⁷³ through to the Customer Review Gateway (CRG).⁷⁴ The CRG is staffed by specialist officers trained to assist in resolving cases by, amongst other things, identifying possible administrative options or providing further information about the decision before a customer proceeds through the formal objection process.

2.25 Whilst the CRG has been in operation since May 2011, performance reporting on the CRG has only been in place since the beginning of 2013. Departmental reporting shows that during the first nine months of 2013, 1122 customers were transferred to the CRG from the various child support telephone queues to discuss a potential objection. Some 314 of these customers subsequently lodged objections.

2.26 The number of child support customers transferred to the CRG to discuss a possible objection increased incrementally during the course of 2013, but remained fairly modest. Only around 2.7 per cent of customers lodging objections during this period had a pre-objection discussion with the CRG.

2.27 The CRG is a useful initiative with the potential to provide additional support to customers and reduce the number of objections to departmental decisions—a benefit to all parties. However, the CRG’s contribution to enhancing the effective administration of the objection process largely depends on the number of appropriate referrals it receives from the various child support decision-making areas. At present, the number of referrals to the CRG as a proportion of the number of child support staff varies significantly between child support team locations, suggesting that there may be varying levels of awareness by staff of the role of the CRG or perceptions of its

73 Warm transfers are a process through which after an initial conversation with a departmental officer, the customer is put on hold, and during this time the officer will contact the child support area to which they intend to transfer the customer and explain the situation to the officer that will then take the customer’s call. This largely avoids the customer from having to repeat any basic information to the second officer.

74 The customer is not obliged to agree to the officer’s opinion or to being transferred to the CRG. In this case, the customer would be transferred directly through to an objections officer.

usefulness.⁷⁵ There would be benefit in the department monitoring referral rates to realise the full potential of the CRG.

Written objection applications

2.28 Objections (other than objections to care decisions which can be lodged orally) must be lodged in writing. No fee is payable for the lodgement of an objection.

2.29 A written objection can be lodged by mail, fax, or by email via child support online services. Customers can also access a range of child support services from Centrelink Service Centres including online and telephony services, intensive servicing, warm transfer to a child support expert, social worker referrals via email, referrals to other services including Legal Aid, products and publications and assistance with completing forms and lodging them by fax.⁷⁶

2.30 Eighty per cent of total objections received by the department in 2012–13 were lodged in writing. The department advised the ANAO that, although no formal statistics are kept, most written objection applications are received in letter form rather than the four-page objection application form available on the Human Services website.⁷⁷ The form provides details of the review process, translation service contact numbers, the main grounds on which an objection can be lodged, information on privacy matters (including the provision of the objection application to the other parent through the open exchange of information process) and information on lodging a complaint.

2.31 Human Services advised the ANAO that it is not common for the form to be provided to customers by child support staff and that the form is not

75 Based on data supplied by Human Services, the average number of CRG referrals across eight 'mainstream' child support offices in the June 2013 quarter varied from 0.46 to 2.69 per FTE officer.

76 The department advised the ANAO that child support 'face-to-face' services would be progressively phased out at customer service centres between November 2013 and January 2014. This followed from the initial closure of face-to-face services in some locations in late 2012 following customer aggression incidents. A Human Services review carried out in 2013 led to the decision to cease face-to-face child support services at the remaining 33 centres where such child support services had been offered. The department advised the ANAO that the review found that the 'vast majority of customer interactions are completed on the telephone or online and less than one per cent of child support services were conducted face-to-face... [and] that the introduction of an escalated customer model has further reduced the need for face-to-face service delivery'.

77 Department of Human Services, *Child Support — Objecting to a decision*, [internet] available from <<http://www.humanservices.gov.au/spw/customer/forms/resources/cs1893-1205en.pdf>>, [accessed November 2013].

referred to in the relevant procedural instructions. The form provides a sound basis for a customer to initiate a review and there would be merit in stronger promotion of the form to customers by staff through the CRG, online services and objection officers. In addition to supporting customers, well-designed forms can contribute to more efficient and effective administration, in this case by limiting the number of objections being misdirected or miscategorised as complaints, providing clear information on required evidence and how this will be exchanged with the other parent, and reducing the number of invalid or withdrawn applications due to misunderstanding the grounds on which objections can be made.

Online services

2.32 The use of online communication with customers has been recognised by Human Services as a way of delivering services to self-managed customers and as a means to realise increased efficiencies. According to the department's 2012–13 Annual Report, child support online services allow customers to:

- view their payment information and letters;
- advise the department of changes to their circumstances; and
- send and receive secure messages online, including attaching documents.

2.33 At the end of 2012–13, there were 158 675 current customers with child support online accounts, up from around 127 000 the previous year. Of the customers involved in an objection during 2012–13, 7 285, or 30.4 per cent of customers, had online accounts. However, as a result of the way the different types of online transactions are categorised and internally reported by Human Services, it is not possible to determine to what extent online services are used by these customers to submit, or respond to, objection applications or provide any subsequent documentation to the department.

2.34 In the past, objection officers have not been encouraged to use the online services facility largely as a result of technical issues related to the inability to attach files to outbound customer correspondence. However, child support officers were reminded during August 2013 that the outbound file attachment facility had been made operational, making the system more user-friendly.

Oral objection applications

2.35 In June 2010, legislative amendments to the *Child Support (Registration and Collection) Act 1988* enabled applications for objections to care decisions to be made orally: in practice this means contacting the department by phone to lodge an application. Currently, around 70 per cent of care decisions are lodged orally, indicating a significant acceptance of this option by customers. ANAO analysis shows that care objections lodged orally also have much lower rates of invalid or withdrawn applications than care objections lodged in writing. This indicates that discussing the details of an intended objection with an objection officer at an early stage may reduce, amongst other things, the likelihood of poor quality applications.

2.36 Human Services has indicated during discussions with the ANAO that its preferred position is that oral applications be available for all objection categories. While this proposal has been discussed with the Department of Social Services as the agency responsible for child support policy and legislation, the matter is one for government decision.

Extension of time for lodging applications

2.37 Customers can request an extension to the normal timeframe in which they must lodge an objection.⁷⁸ While the Act does not specify the matters that the department must take into account in deciding whether to grant the extension, the following considerations are set out in the *Child Support Guide*⁷⁹, and are also reflected in relevant staff procedural instructions:

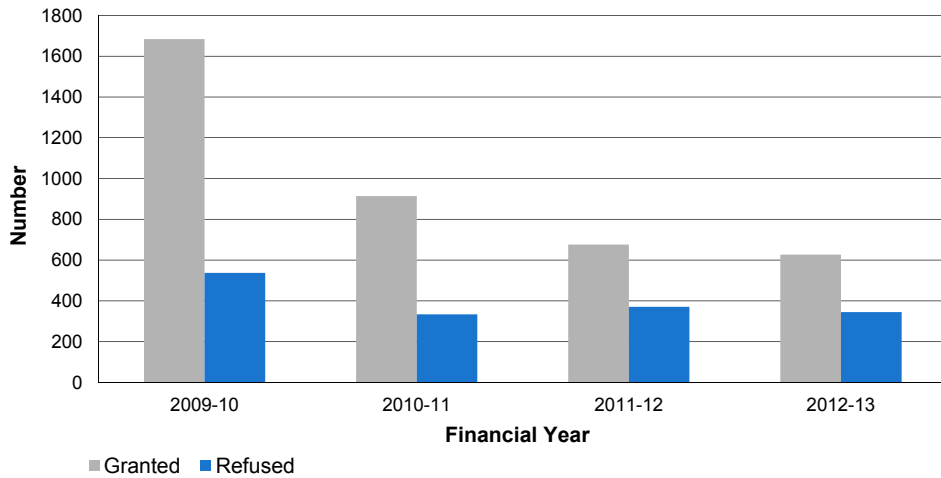
- the reasons for delay;
- the merits of the objection;
- any prejudice to the other parent;
- whether the parent rested on their rights; and
- prejudice to the general public.

78 Such 'extension of time' provisions are common for statutory internal review processes. See also Administrative Review Council, *op. cit.*, pp.31-32.

79 See Department of Human Services, *The Child Support Guide*, [internet] available from <<http://www.humanservices.gov.au/corporate/publications-and-resources/child-support-guide/>> [accessed November 2013].

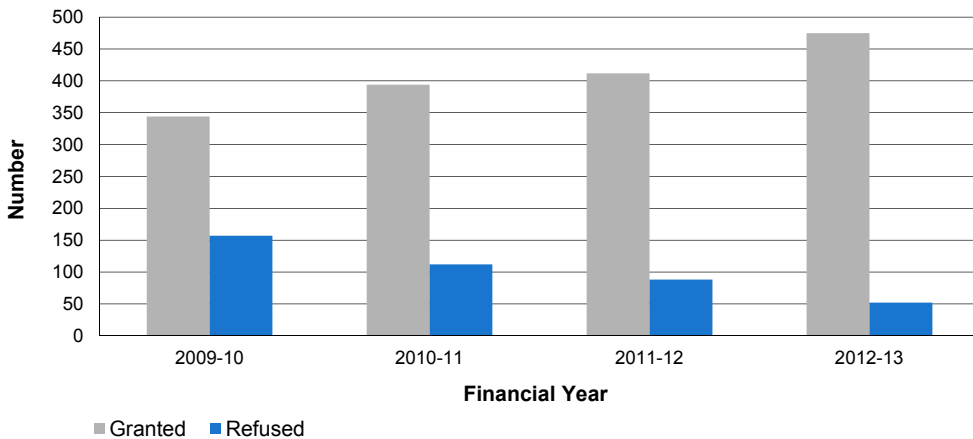
2.38 Figures 2.1 and 2.2 show the outcomes of customer applications for extensions of time over the last four years for both general objections and Part 6A objections.

Figure 2.1: Outcomes of extension of time applications for general objections⁸⁰



Source: ANAO analysis of CUBA data.

Figure 2.2: Outcomes of extension of time applications for Part 6A objections



Source: ANAO analysis of CUBA data.

80 The significant decline in the number extension of time applications for general objections between 2009–10 and 2010–11 is likely connected to removal of time limits for care objections in July 2010.

2.39 Notably, the proportion of applications for an extension of time granted for Part 6A are significantly higher than for general objections, with the proportion of applications for an extension of time granted for part 6A increasing steadily over time. Human Services advised the ANAO that an explanation for the difference in the proportion of applications granted may be that, as general objections do not involve the significant discretionary considerations that Part 6A objections do, it was often easier for the objection officer to make a clear judgement that a general objection may have no merit. In such a case, it would be unlikely that an extension of time would be granted.⁸¹

Servicing customers with special needs

2.40 The capacity for child support customers to participate in the objection process will sometimes depend on the availability of appropriate support and assistance. This is the case where the customer has special needs due to literacy, cultural, language, physical or other reasons.

Identifying customers with special needs

2.41 Since 2012, the department's ability to match new child support customers with appropriate support services has improved through the use of a Parent Referral Guide (PRG) survey. This survey, which is linked to the customer's CUBA record, allows customers to be identified as having the following needs or disability: interpreter required, hearing impaired, sight impaired, speech impaired, literacy problems or mobility issues. The survey also records whether the customer is in some form of institutional care (for example, long term hospitalisation), is incarcerated or may otherwise have difficulty in accessing child support services due to living in a rural or remote area.

2.42 Whilst the PRG survey potentially provides valuable information that can be harnessed to improve services, its overall usefulness has been limited in that this survey is not being applied to update the existing CUBA profiles of customers registered with child support before 2012. As a consequence, departmental statistics based on PRG survey information showed a very small proportion of customers with a special needs profile involved in an objection

81 The department also advised that objection officer decisions on extension of time applications was likely to be a matter included in future quality control checking processes.

during 2012–13, at only 1.6 per cent of relevant customers. The proportion of customers involved in an objection during 2012–13 with a residential location profile was even lower at 0.05 per cent, representing just 12 of the 23 992 customers who were involved in an objection. With such low numbers of customers currently identified with a special needs profile, Human Services may see value in a progressive roll-out of the PRG survey to existing customers to assist in improving the provision of appropriate support to customers in need of such services.

Servicing culturally and linguistically diverse (CALD) customers

2.43 In August 2012, the department launched its multicultural servicing strategy *Delivering services to Multicultural Australia 2012–2016*.⁸² Subsequently, following government acceptance of recommendations by the *Inquiry into the responsiveness of Australian Government services to Australia’s culturally and linguistically diverse population*⁸³, the strategy was supplemented by the department’s *Agency Multicultural Plan 2013–2015*.⁸⁴ In part, these initiatives sought to expand key elements of the existing Centrelink *Multicultural Servicing Strategy*⁸⁵ to other areas of the department, including child support. From 2014, progress towards achieving the various actions contained in the *Agency Multicultural Plan* must be included in the department’s publicly-available annual report.⁸⁶

2.44 Basic written information on child support is available in 23 languages.⁸⁷ Human Services also provides free interpreter and translation services to assist

82 See Department of Human Services, *Annual Report 2012–13*, p.172.

83 See Department of Immigration and Border Protection, [internet] available from <<http://www.immi.gov.au/living-in-australia/a-multicultural-australia/government-approach/government-services/AandEreport.pdf>> [accessed December 2013].

84 See Department of Human Services, [internet], available from <<http://www.humanservices.gov.au/corporate/publications-and-resources/part-b-dhs-agency-multicultural-plan-2013-2015>> [accessed December 2013].

85 This was the subject of a previous review by the ANAO; see ANAO Audit Report No.42 2011–12 *Management of the Multicultural Servicing Strategy for the Delivery of Centrelink Services*, available from [internet] <<http://www.anao.gov.au/~media/Uploads/Audit%20Reports/2011%2012/201112%20Audit%20Report%20No%2042.pdf>> [accessed November 2013].

86 Department of Human Services, *Part B — DHS Agency Multicultural Plan 2013-2015*, [internet] available from <<http://www.humanservices.gov.au/corporate/publications-and-resources/part-b-dhs-agency-multicultural-plan-2013-2015>> [accessed December 2013].

87 Department of Human Services, *Child Support*, available from [internet] <http://agencysearch.australia.gov.au/search/search.cgi?collection=agencies&form=custom&profile=humanservicesportfolio&num_ranks=100&sort=title&SM=meta&query=v%3Ainformation-in-your-language+v%3A9333> [accessed November 2013].

customers in their dealings with the department. In 2012–13, almost 9000 phone-based services for child support customers were provided through the department's Language Services Unit. However, overall, there is little tangible evidence of any other specific actions to improve child support service delivery to CALD customers.⁸⁸

2.45 During 2012–13, 540 departmental staff undertook day-long sessions on multicultural awareness training. However, Human Services was not able to provide information on whether any of the participants were child support officers. The department confirmed that no objection staff undertook this training, although 33 objection staff had done short-course indigenous awareness training. Human Services advised the ANAO that a multicultural awareness training package, which was previously in place in Centrelink, is undergoing review with the intention of commencing staff training later in 2014.

2.46 The department's *Agency Multicultural Plan* also provides for the development of key performance indicators relating to engagement with or outcomes of services to CALD customers. These and relevant reporting processes are scheduled to be in place by June 2014.⁸⁹

Personalised Services and referrals to external service providers

2.47 Departmental child support processes include a 'personalised services' function to manage and support child support customers with complex issues. This service aims to:

- assist customers to resolve their issues, increase their understanding and acceptance of child support and their obligations;
- correct child support errors and support customers through crisis;
- take a collaborative approach with referral agencies to the case management of complex child support cases, and address systemic service issues; and

88 The Department was also unable to provide information on the number of CALD child support customers, although a project is underway to establish this.

89 Department of Human Services, Part B — DHS Agency Multicultural Plan 2013-2015, see [internet] <<http://www.humanservices.gov.au/corporate/publications-and-resources/part-b-dhs-agency-multicultural-plan-2013-2015>> [accessed December 2013].

- manage persistent complaints and restrict negative impacts on the business area, the customer and stakeholder confidence in child support.

2.48 Customers with reduced literacy who require support through the objection process can be referred to the department's personalised services area, usually through the Customer Review Gateway. In such cases, personalised services officers can offer to:

- meet with the customer where possible at a Service Centre⁹⁰ to assist going through the form(s);
- facilitate a conference call with an objection officer to assist with explaining the process orally;
- offer to appoint a customer-authorized representative to assist with the lodgement of the objection;
- include literacy requirements or needs on their customer management plan for ongoing case management and support; and
- arrange social worker support and provide links to literacy programs for assistance.

2.49 In 2012–13 Human Services reported that 3156 child support customers were referred to the personalised services area of the department for assistance. Seventy-seven of those customers were subsequently referred to departmental social workers. On average, the personalised services area has 1174 customer cases on-hand per month.

2.50 Human Services may also refer child support customers to a range of external service providers to assist them in managing specific issues following parental separation. Customer records in respect of such referrals are not comprehensive, in part because not all referrals can be recorded in CUBA due to current limitations in the system. However, based on CUBA records, the following referrals were made in 2012–13:

- 2523 customer referrals to financial counselling providers;
- 5010 customer referrals to the Family Relationship Advice Line; and

90 Personalised services officers are located in six metropolitan areas around Australia, totalling around 45 FTE staff.

- 928 customer priority phone referrals to the Parent Support Service.

Conclusion

2.51 The 'accessibility' of an internal review process will contribute to its effectiveness as a means through which people can readily test the lawfulness and the merits of decisions that affect them. In this context, it is important that customers fully understand the decision, are made aware of their review rights, that it is easy to lodge a valid application for review and any potential disincentives are minimised. The accessibility of review processes can also be enhanced through the provision of appropriate support and assistance to customers, particularly those with special needs due to literacy, cultural, language, physical or other reasons.

2.52 The department has placed considerable emphasis on customer contact to explain child support decisions. This places customers in a more informed position to consider whether they should lodge an objection. However, the fact that original decisions may not be explained to the customer by the person who actually made the decision potentially lessens the effectiveness of such oral explanations. Customers are also notified of child support decisions by letter. While the use of templates has assisted in producing a consistent structure for decision notification letters, the ANAO observed some variation in their content and overall there is room for improvement. This is consistent with a 2013 customer survey which showed that satisfaction with child support letters was low, ranking significantly below levels of satisfaction for letters produced through other Human Services programs. While customer surveys have indicated a relatively high awareness of objection review rights, a recent decision to no longer issue an informative brochure on objection rights has placed the onus on customers to access information on the department's website or by otherwise contacting the department. There would be merit in the department considering the effect of the change on the levels of awareness of those customers without ready internet access.

2.53 The objection process is one that potentially involves significant effort by both customers and the department. Whilst not discouraging persons from their legal right to lodge an objection, it is appropriate that the department explore options other than objection if a child support customer is unhappy with a decision. The Customer Review Gateway (CRG) process is a positive development in potentially reducing the number of objections. However, it is unclear whether staff are utilising the CRG as intended, and there would be

benefit in the department monitoring staff referral rates to assist in realising the CRG's full potential.

2.54 Legislation requires that most categories of objection are lodged in writing. Consistent with increased levels of customer contact, Human Services does make considerable effort to discuss applications with customers once they are received, to clarify the application and discuss the process with customers. However, the efficiency of the written application process may be improved if child support officers promoted greater use of the objection application form.

2.55 In common with other departmental services, child support customers can access translation services. However, there was generally little tangible evidence of other specific actions to improve the servicing of customers with special needs, including customers with cultural and linguistically diverse backgrounds. This includes the under utilisation of the Parent Referral Guide, and there is scope for more involvement by Human Services multicultural service officers to support the design and delivery of child support services to CALD customers as well as providing relevant training to objection officers and child support staff more generally. This may change with the progressive implementation of various measures under the department's *Agency Multicultural Plan* during 2014 and 2015.

3. Operation of the Objection Review Process

This chapter examines the level of training and support provided to objection officers by the Department of Human Services, how officers collect evidence, make decisions and communicate these to customers. It also considers the outcomes of reviews, whether they are completed in a timely way, and associated workload management and productivity issues. It also examines how Human Services seeks to protect the privacy of child support customers.

Introduction

3.1 Once an objection application has been received, departmental procedures set out a process for collecting and assessing evidence, making a decision and then notifying customers of the decision. It is important that these processes are responsive to customer needs, provide an appropriate degree of procedural fairness to both applicant and respondent, and are capable of enabling decisions to be made in a timely manner, consistent with statutory timeframes. Maintaining the quality of decisions through, amongst things, consistently applying appropriate quality assurance measures is also fundamental to the effectiveness of the objection review process.

3.2 Similarly, effective and timely customer communication can support internal review processes, something the department has sought to address in its procedures. Appropriate communication can increase the efficiency of the decision-making process and reduce instances of customer disadvantage and complaints, improving service delivery and overall departmental productivity.

3.3 Managing customer privacy is a significant issue given the amount of personal information potentially relevant to making child support decisions, and the legislated requirement to provide objection applications to the respondent parent or carer as part of the review process. Restricting access to certain information such as addresses or contact numbers is also essential where customers have been subject to harassment, threats or violence from ex-partners or other persons. Likewise, managing potential conflicts of interest that may arise where objection review officers have some connection with a specific case is necessary in maintaining the integrity of the review process and customer confidence in its administration by Human Services.

Training and supporting objection staff

Guidance material and associated training

3.4 Child support officers, including objection officers, have access to a suite of intranet-based guidance material to support their day-to-day work. Depending on the subject matter, this material is called either *procedural instructions* or *common modules*. In addition to a dedicated objection procedural instruction⁹¹, a number of other guidelines are directly relevant to specific aspects of the objection process, covering matters such as:

- initial customer contact and ongoing customer management;
- information gathering and the open exchange of information process; and
- drafting decision notification letters.

3.5 Associated with these guidelines are a number of macros and templates used by officers to assist them in various elements of the objection review process, such as documenting key conversations with customers and drafting decision notification letters. These are also accessible via the Human Services intranet.

3.6 A new objection procedural instruction introduced in 2012 was intended to promote more intensive customer contact and questioning by objection officers at the start of the review process to improve the collection of relevant evidence.

3.7 To familiarise objection officers with the new procedural instruction, Human Services developed specific training modules which were progressively rolled-out to objection teams from mid-2012 to early 2013. The modules covered three main areas: customer contact and evidence gathering, making decisions, and providing feedback to original decision-makers.⁹²

91 There is also a procedural instruction on objections to care decisions.

92 The training exercises contained in the modules varied somewhat depending on whether they were intended for Part 6A or general objections officers to accommodate for the specific scenarios that might be encountered in the different objection types.

Human Services training attendance records indicate that around two-thirds of staff across the 11 objection teams attended the training.⁹³

3.8 Based on interviews with the ANAO, objection officers held a range of views about the new objection procedural instruction and related macros and templates. Some commented favourably, stating that they improved the consistency of evidence collection and the content of letters to customers, particularly for less experienced officers. Others were less complimentary, stating that the macros were badly worded; the objection procedural instruction was too long and set unrealistic demands in terms of customer contact that could not be met, particularly during periods of high workload. Some said that while the macros were good when they were used properly, they considered that some officers did not adequately record the context of conversations with customers when using the relevant macro, which then created more work down the line.⁹⁴ Other officers considered the amount of information that was supposed to be discussed with the customer using the 'first contact' macro was excessive and potentially confusing for the customer.

3.9 Objection officers can undertake a range of additional training activities, of which objection officers again held mixed views. For example, officers commented positively about training previously undertaken through the NSW Ombudsman's Office in managing unreasonable conduct and Human Services training on managing customer aggression. Some teams also utilised regular 'in house' training on specific issues provided by technical service officers (TSOs). However, officers often commented that other Human Services-based training was often too generic to be of much assistance in their work. A significant theme in comments by Part 6A objection officers was that they felt they lacked the training to readily interpret financial and trusts reports that sometimes formed part of the evidence they had to consider in making their decisions and that their requests for such training had not been successful.

93 Staffing levels of the relevant teams varied during the time that training modules were rolled out. The estimation of two-thirds attendance is based on the highest staff head count for each team during 2012–13.

94 At the same time, some officers considered that the increased emphasis on customer contact also increased their workload, putting pressure on the ability to complete objection reviews within the statutory timeframes. Officers also commented that they had to be careful in formatting letters using the templates because the insertion of certain characters in the text of the letter could crash the IT system when attempting to load the letter into CUBA for processing.

Technical and policy support

3.10 In addition to the written guidance material and advice from peers and team leaders, child support officers, including objection officers, have access to specialist technical and policy advisers. This network generally operates through an ascending hierarchy with an initial request for advice made to TSOs: the relevant matter can be subsequently escalated to a 'Quality Adviser' and then to a 'Policy Adviser' if necessary. However, in exceptional circumstances officers can access Quality Advisers and Policy Advisers directly.⁹⁵

3.11 The majority of requests for advice are dealt with at the TSO level. Requests may be made and responded to by phone or online (via CUBA), with face-to-face advice available for more complex issues that cannot be resolved via phone or online support. Child support managers have access to monthly reports showing the number of requests made by the various teams and the issues on which advice was sought. These reports clearly show that general objection officers requested TSO advice far more than Part 6A officers. This may reflect the relatively 'specialist' nature and seniority of Part 6A officers as compared to general objection officers. However, Human Services did acknowledge that there was the potential for under-reporting the number of requests by phone and face-to-face as these needed to be manually logged by the requesting officer.

3.12 In October 2013, TSO teams were disbanded and individual TSOs were placed with a child support team, including general objection teams. In part, this is to allow the relevant TSOs to increase the amount of time they spend on proactive coaching and development of child support officers, particularly since team leaders may not be technical experts. This is a positive move, particularly if it can assist in improving overall skill levels of objection officers through targeted job-specific training. That said it will also be important for TSOs to retain links with their peers to ensure they maintain awareness of broad trends of requests for advice occurring in other child support areas, including objection teams.

95 A Quality Adviser can be contacted directly if it is considered the relevant issue involves 'a significant risk to the customer/and or the Department'; likewise if the issue is 'urgent, complex and/or of a sensitive nature' direct contact can be made with a Policy Adviser.

3.13 During interviews with the ANAO, some objection officers expressed the view that the escalation process to obtain technical advice from the 'Policy Adviser' level can at times be very slow, placing pressure on officers to be able to complete objections within statutory timeframes. While departmental records indicate that the majority of requests to policy advisers were responded to within two weeks, there were a significant number of instances where a response was not received for at least a month. The recent move to place TSOs within objection teams, thus providing more direct access for staff, also has the potential to reduce delays in response times.

Collecting evidence

How evidence is gathered

3.14 Effective information gathering is an essential part of the objection review and helps ensure that child support decisions are soundly based. Staff guidance on relevant powers and procedures is set out in the information gathering procedural instruction, the objection procedural instruction and the *Child Support Guide*.⁹⁶

3.15 Child support officers have the option to gather information formally or informally. Formal information gathering can involve the use of powers granted under legislation to compel, via a written notice, a person or entity to provide Human Services with specific information.⁹⁷ There are criminal penalties for failing to comply with the notice, although these do not apply if the person or entity cannot reasonably comply with the notice. Notices can be issued to third party entities such as banks and employers. Certain child support staff, including some objection officers, are also authorised to undertake electronic searches of Commonwealth sources such as Australian Taxation Office (ATO) systems.

3.16 Informal information gathering usually involves phone contact with customers. The Information Gathering Procedural Instruction states that 'where possible information should be sought informally as this method of

96 The Child Support Guide is a technical resource on the administration of the child support scheme and is available both to Human Services officers and the public: see [internet], available from http://www.humanservices.gov.au/corporate/publications-and-resources/child-support-guide/?utm_id=77 [accessed December 2013].

97 S.120 of the *Child Support (Registration and Collection) Act 1988* and S.161 of the *Child Support (Assessment) Act 1989*.

obtaining information can be faster and easier for both child support and the customer'.⁹⁸

3.17 Based on interviews with staff, the use of formal written notices referred to above was not a common practice in the objection process. Further, many objection officers were of the view that they did not have the ability to compel the production of information from child support customers, contrary to the legal position.⁹⁹

3.18 Human Services has put significant emphasis on improving information gathering from customers through increased telephone contact in the initial stages of the objection process. However, the fact that the majority of successful child support appeals to the Social Security Appeals Tribunal (SSAT) are successful on the grounds of new information being provided suggests that informal methods have their limitations, particularly if a party declines to fully cooperate with Human Services requests for evidence.¹⁰⁰ Objections management considered that greater investigatory powers would be desirable. However, given that Human Services has (within certain limitations) the legal power to compel customers to provide information relevant to an objection, it may be that greater use of this power in selected cases would result in better decisions. For instance, a number of public submissions received by the ANAO in the course of the audit suggested that Human Services should make greater attempts to determine a parent's true income (and hence capacity to pay child support) in cases where they potentially received income through business or trust structures or other sources. The use of the written notices would also be of benefit in cases where a customer has a demonstrated history of unreasonably declining to comply with information requests.

98 Department of Human Services, *Information Gathering Procedural Instruction*, Section 2.3, p.2.

99 A contributing factor may be that the Objections Procedural Instruction only discusses the issuing of written notices to third parties rather than customers.

100 In some cases, new information may simply reflect new circumstances that have arisen in the period between the completion of the objection process and the hearing of the SSAT appeal.

Recommendation No.1

3.19 To improve the evidence base for departmental decision-making and reduce the potential for successful appeals on the basis of new information, the ANAO recommends that the Registrar evaluate the use of existing powers to require customers to provide information as part of the objection review process.

Human Services' response:

3.20 *Agree. The Department of Human Services will review the use of existing powers to compel customers to provide evidence. This will commence immediately.*

Providing procedural fairness in evidence collection

3.21 Providing persons affected by a decision with sufficient opportunity to put their case to the decision-maker, including in respect of evidence that is unfavourable to them, is a fundamental principle of administrative law. One mechanism used by Human Services to provide procedural fairness during the objection process is the 'open exchange of information' (OEI).

3.22 Except in the case of care objections being lodged verbally, Human Services is required by legislation to provide the objection application and any accompanying documentation to the other party (the respondent customer).¹⁰¹ For care objections, the respondent customer must be 'notified' of the objection, and departmental procedures specify that 'the objection and any relevant supporting documentation will be discussed with the other party and *may* be provided to them for comment' (emphasis added).¹⁰²

3.23 The respondent customer may provide Human Services with an oral and/or written response to the objection application. While there is no legislative requirement to provide the applicant with a copy of any such information received from the respondent the open exchange of information common module indicates that decision-makers may exercise a discretion:

Where appropriate an oral description of the response may be discussed with the applicant, however the decision maker may prefer to send a copy. If the

101 S. 85 of the *Child Support (Registration and Collection) Act 1988*.

102 *Objections on Care Decisions Procedural Instruction*, Section 4.3.1. Care objection applications can be submitted by phone and thus no documentation may have been received from the applicant at the time of contacting the respondent.

applicant requests a copy of the response, it is at the decision maker's discretion to provide a copy where satisfied to do so in relation to the case.¹⁰³

3.24 However, the common module does not provide further guidance on the exercise of the discretion, and there would be merit, in the interests of consistency and equity, to further support decision-makers in this respect.

3.25 Certain types of information are excluded from the formal OEI process, including tax returns, employer declarations and Centrelink information.¹⁰⁴ However, in the interest of procedural fairness, Human Services procedures require that customers must be informed of this information and provided with the opportunity to comment. Quality assurance work undertaken by Human Services on Part 6A objections indicate that, at least for Part 6A processes, officers have a high level of compliance with OEI procedures.¹⁰⁵

3.26 Part of the standard procedure for first customer contact is to discuss privacy implications with customers of the OEI process.¹⁰⁶ Human Services policy is that in most cases the objection, response or accompanying documents will be provided to the other party without any editing by child support officers. The exception to this is financial information to non-parent carers; removal of tax file numbers and fax numbers showing on faxed documents, where it is identified that the customer has attempted to remove or delete information but the text is still visible, and information supplied directly to child support by a third party at the request of a customer. Obscene, offensive, irrelevant and some other classes of information, if provided by a customer, is also not taken into account by the decision maker or exchanged with the other parent. This material can be returned to the customer to allow them to edit and resubmit it otherwise Human Services will not accept it.

103 *Common Module — Open Exchange of Information*, p. 4.

104 This information can, however, be exchanged if the matter progresses to the SSAT. Personal information such as telephone numbers and addresses are not exchanged.

105 'Lack of contact' by objection officers before the objection decision was a reasonably prominent source of customer complaints about the objection process. However, given the breadth of the source of the complaints in this category it is difficult to determine those that related specifically to the OEI process. By comparison, 'bias', which incorporates any complaint about lack of procedural fairness, was the source of relatively few complaints.

106 As noted later in this chapter, a failure to adequately explain the open exchange of information process can lead to customer complaints about actual or perceived breaches of privacy.

Making and communicating decisions

Assessing the evidence

3.27 The relevant procedural instructions state that objection officers should make a decision based on:

- the merit of the objection;
- the facts of the case which have been established on evidence;
- the relevant legislative provisions of the Child Support Acts; and
- any applicable policy including the objectives and principles of the Child Support Scheme.

3.28 In the decision-making process, objection officers must decide how much weight is given to each piece of evidence and how it supports the facts of the decision. The objection procedural instruction states that:

Influencing factors to be considered when weighting the evidence include the:

- nature and integrity of the evidence, for example, a document versus verbal testimony;
- source of the evidence; and
- age of the evidence—is it still relevant to the issue being decided?

3.29 The assessment of evidence can be complicated where there is a lack of documentary evidence. Departmental guidelines state that the evidence and other information available to the decision-maker ‘must be sufficient and reliable’ to support any decision. Reviews undertaken by Human Services of general objection decisions that went on to be successfully appealed to the SSAT identified that verbal information obtained by the relevant objection officer was sometimes not taken into account in making the decision. The reviews noted this was particularly evident in instances where one party gave verbal evidence and no response could be obtained from the other party because they could not be contacted. One submission provided to the ANAO by a private individual also argued that objection officers too readily accepted verbal evidence without seeking to verify it.

3.30 Human Services advised the ANAO that it has recently established ‘integrated care’ teams within the department, which will initially manage customers’ disputes about (shared) care decisions, particularly where the

persons involved are both child support and Centrelink customers. Objections to care decisions are one of the most common categories of objections. The 'integrated care' approach is designed to improve the quality of decision-making about care matters, including where difficulties arise in obtaining reliable evidence about the amount of care provided by the respective parents or carers.

Contacting the customer about the likely outcome

3.31 The making of a decision is a two-stage process: the responsible officer first reaches a preliminary view as to what the 'likely outcome' will be, based on all the information they have on hand at the time; and the decision is subsequently finalised in the light of any new information.

3.32 In the first stage, objection officers are required to contact both the applicant and respondent to advise them of the likely outcome of the objection and provide them 'with an opportunity to present further information and comment on the decision before it is finalised'.¹⁰⁷

3.33 Procedural instructions require objection officers to make three attempts to contact each customer to discuss the likely decision outcome prior to the decision being finalised. All phone conversations with customers are recorded by the objection officer as a 'free text' file note in CUBA. The ANAO examined the file notes for 100 cases as part of the ANAO's file inspection. In approximately one third of cases, objection officers were successful in making contact with both customers. CUBA file notes for remaining cases reveal that commonly only one attempt was made to contact customers prior to the decision letter being sent. This is consistent with evidence gained through ANAO interviews in which some objection officers acknowledged that, in order to meet statutory timeframes and manage their own workloads, they sometimes did not fully comply with departmental procedural requirements.

3.34 Where contact is successfully made with the customer to advise them of the likely decision and the customer indicates they wish to provide further information, officers must:

- consider its relevance and potential impact on the final decision; and

107 *Objections Procedural Instruction*, section 7.2.

- the feasibility of going through the required ‘open exchange of information’ process whilst attempting to complete the objection within the statutory timeframe.

3.35 Human Services procedural instructions do not give any guidance about how long a customer should be given to provide the objection officer with further information or comment. During interviews with the ANAO, staff reported that the provision of information by customers at this late stage could put pressure on their ability to meet statutory timeframes.¹⁰⁸ However, assessment by Human Services of Part 6A cases indicates, that at least for Part 6A cases, it is rare for additional information to be received at this stage.

3.36 Customers may withdraw their application at any time before the decision is finalised. Anecdotal comments from objection officers in interviews with the ANAO were that applicants were inclined to withdraw if they were advised that the likely outcome was unfavourable to them. Small-scale sampling by Human Services of Part 6A objections in July 2013, as part of ongoing quality assurance activities, indicated that around half of the withdrawals in the sample occurred after the applicant was advised of a ‘probable contrary decision’.

Finalising the decision

3.37 For Part 6A objections, if the objection officer considers the objection should be allowed, either wholly or in part, the decision must be approved by an Executive Level 1 delegate.¹⁰⁹ The delegate’s approval is made and recorded electronically in CUBA. However, as part of the ANAO file inspection, Human Services was unable to produce evidence of the delegate’s approval in seven of 20 (35 per cent) Part 6A cases where it was required.¹¹⁰ Human Services advised the ANAO that the primary delegate¹¹¹ who was responsible for such approvals at the time failed to record approvals as required, but the

108 One submission provided to the ANAO by a private individual advised they had been given four days to provide information on matters that went back two years and this timeframe was not sufficient given their parental and work responsibilities.

109 The delegate is a more senior officer than the objection officer.

110 In 20 out of 40 cases delegate approval was not required because the objection was not successful.

111 While a particular Executive Level 1 officer was designated as having specific responsibility for performing the approval function, other Executive Level 1 officers also held the relevant delegation and undertook approvals where necessary due to workload or other factors.

department was 'confident that delegates are now fully aware of and complying with the requirement'.

3.38 The above approval process did not apply to a group of external contractors employed by the department during 2012 and 2013 to assist in clearing a backlog in Part 6A objection applications.¹¹² These contractors have been delegated to make all types of Part 6A outcome decisions without going through a separate delegate approval process.¹¹³ However, because the contractors do not have full access to the CUBA system, their decisions are processed in CUBA by Human Services APS6 objection officers in order to generate the decision notification letter.¹¹⁴ As part of this process, objection officers were required to review the contractors' decisions for technical correctness and discuss any concerns with either their Executive Level 1 team leader or directly with the contractor. However, no formal record was kept by Human Services of this checking process and the ANAO had no basis on which to assess whether it had been consistently followed.

3.39 Human Services advised the ANAO that all general objections go through a 'simple check' process by either a senior case officer or the team leader before a decision is finalised. These checks mainly focus on presentation issues such as spelling, grammar, correct names and the like, and are recorded in CUBA. In the context of the ANAO's inspection of 100 case files, Human Services was unable to provide evidence of these checks in 16 of 60 (27 per cent) cases.

3.40 As at the end of 2013, child support quality control processes were under review by Human Services. However, in the case of general objections, the intention is to replace the simple check process with a post-check process of five decisions for each officer per month. Depending on the results,

112 Human Services advised the ANAO that no Part 6A objections have been allocated to external contractors since September 2013.

113 Human Services advised the ANAO that the skills of the external contractors provides assurance that their decisions will be made to a level of quality that doesn't require referral to a departmental Executive Level 1 delegate. The standard form contract through which the contractors were employed requires them to 'maintain a high standard of professional knowledge including relevant legislation, policies, procedures, guidelines and case law and customer management skills' and produce 'high quality decisions...which explain the decision in a way that the customer can understand'. ANAO analysis shows the proportion of Part 6A decisions made by external contractors that were appealed to the SSAT was lower than that for decisions made by Human Services objection officers.

114 Contractors have only been employed to undertake Part 6A objections, not general objections.

pre-checking of a portion of the officer's decisions could also be made before finalisation of a decision. A similar process is envisaged for Part 6A objections.

Recommendation No.2

3.41 To provide additional assurance on the integrity of the objection review process, the ANAO recommends that the Department of Human Services strengthen existing processes for recording delegate approvals of decisions and completion of pre-decision quality assurance checks.

Human Services' response:

3.42 *Agree. The Department of Human Services has since put in place appropriate record keeping for delegate approvals. Further to this, a quality framework has recently been implemented for child support objections. This includes ensuring that all quality checks of decisions are appropriately recorded.*

Communicating the decision to customers

3.43 The importance of clearly communicating how decisions affect the level of child support payable—in the decision notification letters sent as part of the original decision-making process—was discussed in chapter 2 at paragraphs 2.5 to 2.10. The ANAO also examined objection review decision notification letters as part of an inspection of 100 case files. It found there was similarly room for improvement in making these letters more reader-friendly, in particular by improving the clarity and consistency of communication relating to the reasons for a review decision and its impact.

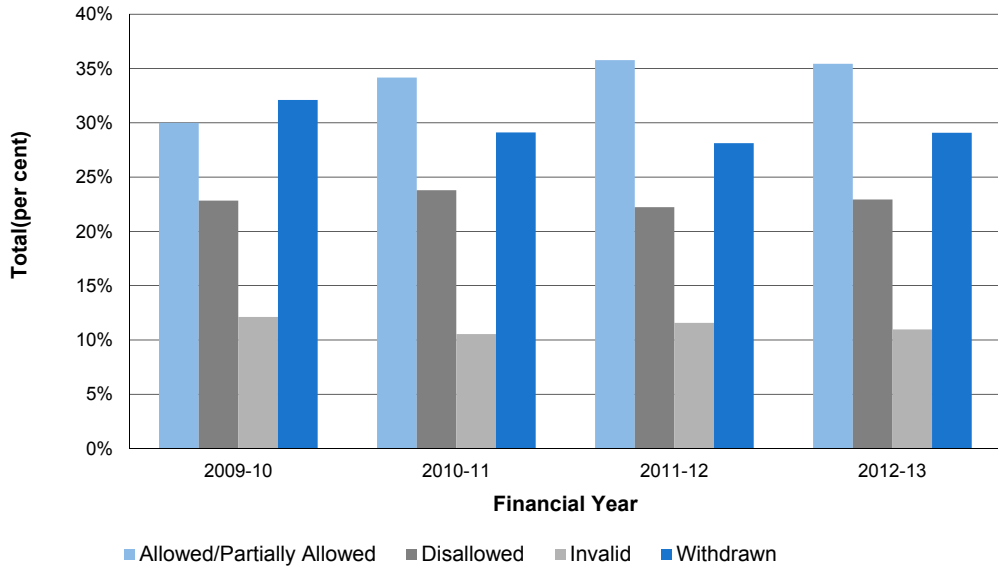
Decision outcomes

3.44 There are a range of possible outcomes from objection reviews including:

- the application is ruled invalid;
- the customer withdraws the application before a formal decision is made;
- the objection is successful—it is allowed either partly or fully, resulting in the original decision being changed in some respect; and
- the objection is unsuccessful—it is disallowed, and the original decision stands.

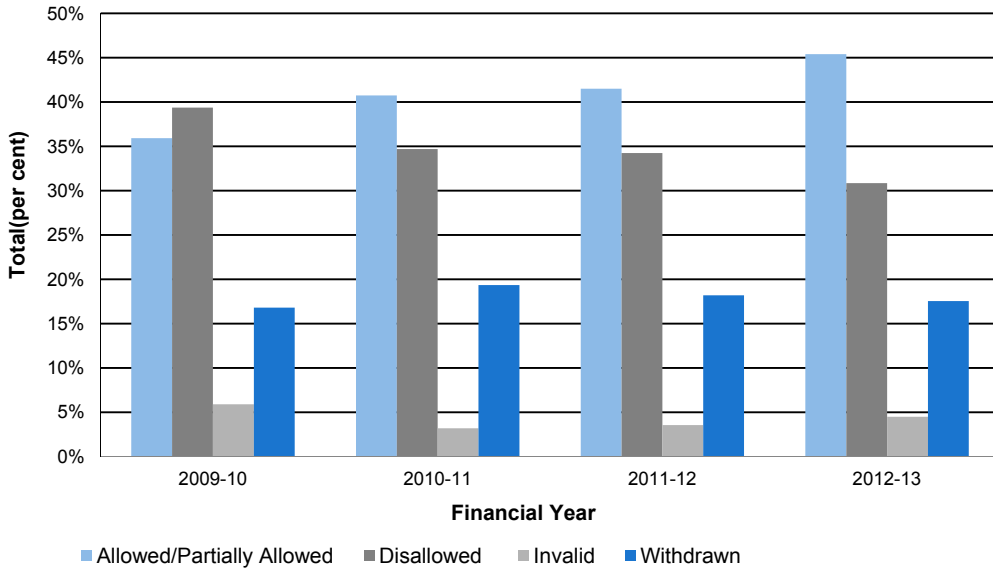
3.45 Figures 3.1 and 3.2 show the ANAO’s analysis of the outcomes of general objections and Part 6A objections respectively. While general objections have a lower success rate than Part 6A objections, Figures 3.1 and 3.2 show that in both cases the overall trend is up, particularly for Part 6A objections. Successful Part 6A objections have increased from 35.9 per cent in 2009–10 to 45.4 per cent in 2012–13.

Figure 3.1: Outcomes of general objections



Source: ANAO analysis of CUBA data.

Figure 3.2: Outcomes of Part 6A objections



Source: ANAO analysis of CUBA data.

3.46 The overall success rate of customer objections is a potential indicator of the quality and effectiveness of the original decision made by Human Services and trends in the department’s administration. However, no information on the outcomes of objections is included in the monthly child support performance reports prepared for senior child support management. Further, Human Services has not undertaken an overall analysis of the major reasons for successful objections, to inform its administration of the objection review function. However, some information is available based on the feedback provided by objection officers where an objection has been successful.¹¹⁵ As summarised in Table 3.1, the main reasons for successful objections, as reported in objection officer feedback, can be grouped into three broad categories:

- new information¹¹⁶ was provided during the objection review;

115 As noted in chapter 4, it was evident that feedback was not always being provided where required under the relevant procedural instructions. As such, the figures in Table 3.1 and the associated ANAO analysis should not be taken to be representative of all successful objections.

116 Note that under Human Services procedures, feedback is not normally required when the reason for the objection being successful was that new information was provided.

- the original decision-maker made an error or failed to collect appropriate evidence; or¹¹⁷
- the objection officer reached a different interpretation of the circumstances of the case to that of the original decision-maker.¹¹⁸

Table 3.1: Reasons for successful objections¹¹⁹

	General objections	Part 6A objections
New information provided during objection process	38.7 %	17.2%
Error or failure to collect appropriate evidence	35.1%	40.0%
Different interpretation of the circumstances of the case	9.7%	33.8%

Source: ANAO analysis of Human Services data.

Note: Percentages do not add up to 100 due to the exclusion of some reasons for providing feedback.

3.47 Table 3.1 shows that an error or failure to collect appropriate evidence by the original decision-maker were significant reasons for successful objections in the case of both general objections (35 per cent) and Part 6A (40 per cent). The incidence of these factors in over a third of all cases where feedback was provided indicates weaknesses in the department's administration of the objection process which would merit review. The issue in Part 6A cases of differing interpretations of circumstances may reflect the highly discretionary nature of the Part 6A process, but the incidence of this factor is nonetheless high (almost 34 per cent) and there would be benefit in also reviewing the reasons for this lack of consistency.

3.48 The proportion of applications that are ruled invalid by the department or withdrawn by the customer during the review process is relatively high, particularly for general objections. In 2012–13, around 11 per cent of general objection applications were invalid, and 29 per cent were withdrawn. An exact comparison with the Centrelink objection review process is difficult because of different rules about applications and somewhat different terminology for

117 There are numerous reasons in this category, but the most common include 'inadequate investigation', 'incorrect finding of fact', 'misapplication of law' and 'no procedural fairness'.

118 The reasons in this category are 'discretionary change' and 'different finding of fact'.

119 The analysis in Table 3.1 is based on statistical information on objection officer feedback supplied to the ANAO by Human Services. It covers the period January to September 2013 and is based on 1437 pieces of individual feedback.

Centrelink objection outcomes. Nonetheless it is apparent that the proportion of invalid¹²⁰ and withdrawn Centrelink applications in 2012–13 was comparatively low at 0.34 per cent and 5.33 per cent respectively.

Timeliness

3.49 The Administrative Review Council has observed that:

One of the perceived advantages of internal review mechanisms is the speed with which they can deliver merits review of decisions to applicants who might otherwise experience time-consuming delays were they to pursue their claim through the external review process.¹²¹

3.50 Section 87 of the *Child Support (Registration and Collection) Act 1988* requires Human Services to make a decision whether or not to allow objections within 60 days of receipt for domestic customers, and 120 days for international customers.¹²² The department's public reporting on compliance with Section 87, summarised in Table 3.2, indicates that timeliness has declined significantly over the last four years.

Table 3.2: Compliance with statutory timeframe

	2009–10	2010–11	2011–12	2012–13	2013–14 (to December 2013)
Domestic—per cent completed within 60 days	93.8	87.4	85.8	73.7	79.4
International—per cent completed within 120 days	99.5	86.9	86.9	77.0	77.4

Source: Department of Human Services annual reports and ANAO analysis of CUBA data.

3.51 The cause of the sharp fall in compliance in 2012–13 was mainly due to Part 6A objection reviews. As shown in Figure 3.3 compliance with the

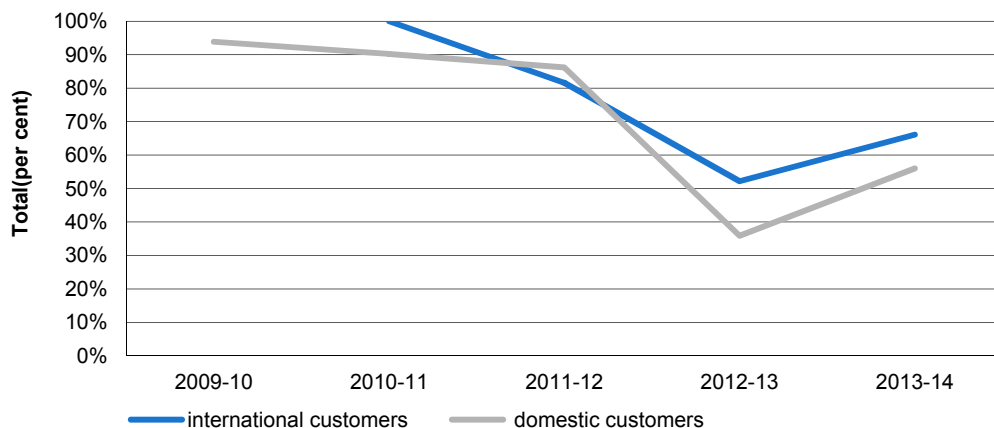
¹²⁰ Centrelink objection reviews do not have an outcome which is directly equivalent to the 'invalid' outcome for child support reviews. However, they do have an outcome referred to as 'no jurisdiction' which is a reasonably similar concept and is the basis for the invalid figure quoted above.

¹²¹ Administrative Review Council, op cit., p. 38.

¹²² Neither the second reading speech nor the explanatory memorandum specify reasons for these timeframes. The issue was not discussed in the extensive parliamentary debates on the Bill in late 1987 and early 1988.

statutory 60-day timeframe for domestic customers fell from 86.2 per cent to 35.7 per cent. For international customers, who represent around 3 per cent of Part 6A customers, compliance also fell significantly to 50 per cent. Performance over the first six months of 2013–14 has improved to some extent, with compliance against the statutory timeframe for domestic customers rising to 56.0 per cent, and 66.1 per cent for international customers.

Figure 3.3: Part 6A objections: compliance with statutory timeframe



Source: ANAO analysis of CUBA data.

Note: The lack of appropriate data recorded in CUBA meant that it was not possible to determine compliance with the statutory timeframe for international customers in 2009–2010.

3.52 The average completion time for Part 6A domestic objections rose from 54.2 days in 2011–12 to 85.1 days in 2012–13, before dropping to 64.4 days in the first six months of 2013–14. By comparison, the average completion time for domestic general objections rose only slightly from 39.8 days in 2011–12 to 43.0 days in 2012–13 and 44.0 days in the first six months of 2013–14.

3.53 The number of Part 6A objections received by Human Services fell by about 25 per cent from 2010–11 to 2011–12. This followed Human Services initiatives to, amongst other matters, better explain Part 6A decisions to customers or find alternative administrative remedies to resolve customer dissatisfaction with a Part 6A decision. However, from around February 2012, the number of Part 6A objections started to increase again, following a rise in the number of Part 6A decisions made during 2011–12. During 2011 and 2012, Part 6A objection staffing levels fluctuated significantly: they fell from around 35 full time equivalent (FTE) officers during the September 2011 quarter to 25 FTE in the March 2012 quarter before recovering somewhat to around 30 FTE during the June 2012 quarter.

3.54 With the dip in staffing levels, the number of unprocessed Part 6A objections rose from a low of 305 in December 2011 to a peak of 866 in September 2012. In September 2012, 10 external contractors were retained to assist with the Part 6A backlog, with an average of four contractors working during January–June 2013.¹²³ As at September 2013, the number of unprocessed Part 6A objections had fallen to 436.

3.55 Not surprisingly, the delay in Part 6A finalisations resulted in a significant increase in the number of customer complaints relating to Part 6A objections; rising from an average of around 100 in previous years to 284 in 2012–13. Complaints relating to timeliness were a significant element of this rise, along with complaints about the objection decision (outcomes) or lack of contact prior to decision.

3.56 The ANAO observed some variation in how team leaders attempted to improve compliance with the statutory timeframe. For example, one general objection team effectively divided its staff into two groups. The first group comprised ‘scrutiny’ officers who undertook customer contact and evidence gathering tasks, with a second group considering the evidence and making objection decisions.

Management of workloads and overall productivity

3.57 The department adopts different workload allocation methods for general objections as compared to Part 6A objections.

3.58 For written general objection applications, each of the six objection review teams are allocated a certain number of objections each day by a centrally-based ‘business service’ officer. The number of objections allocated depends on the individual team leader’s projection of the available FTE for their team for the upcoming period. Objections are then allocated to individual officers within each team by the team leader or senior case officers.

3.59 Human Services guidance documents state that the average weekly completion per FTE general objections officer is five objections per week. The department’s internal reports indicate significant variations in allocations to

123 Over this time, the contractors completed 391 objections, 12.8 per cent of the total completed in 2012–13.

individual officers.¹²⁴ ANAO calculations suggest that during 2012–13, the overall average completion rate was around 3.8 objections per week per FTE officer, assuming a 42 week working year¹²⁵ to take account of scheduled and unscheduled absences.¹²⁶

3.60 Part 6A objections allocations are also managed each day by a centrally-based business service officer. These officers also have access to staff reports that indicate team FTE levels, approved leave for individual objection officers, and the current number of objections allocated to each officer. In contrast to general objections, allocations go directly to individual officers, with team leaders having no role in deciding which allocations go to which officers within their teams. Part 6A team leaders commented that the direct allocation method did not allow them to scrutinise objections with a view to directing each objection to an officer within their team that they thought had the particular skills to best undertake the objection. Human Services guidance documents state that the average weekly completion rate for Part 6A objections per FTE officer is 2.5 objections per week. ANAO calculations suggest that, for 2012–13, completions were in fact somewhat lower at 2.2 objections per FTE officer.

3.61 During 2012–13, one of the larger Part 6A teams was taken ‘off-line’ and not allocated any new objections for a period in order to reduce the backlog of unprocessed objections. This was one of the factors affecting the fall in the Part 6A statutory compliance rate and the increase in the average time to complete cases, discussed in paragraphs 3.51–3.52.

3.62 Human Services has no system in place for staff to record how much time is spent on completing each objection. A series of internal child support workshops did however produce some estimated figures. A general objection was estimated to take between 8.8 hours and 11.5 hours to complete, depending on its complexity. However, around 40 per cent of general objection

124 Following ANAO interviews with staff, a general objections case officer commented that, although they only worked part-time (0.7 FTE) they were allocated 32 objections over a three week period.

125 Under the 2011–14 Human Services Enterprise Agreement, staff accrue 23 days annual leave, receive around another 10 days leave through public holidays, and are entitled to 18 days unscheduled absence for personal reasons such as sickness.

126 Human Services unscheduled leave for 2012–13 was 16.0 days per employee, compared to the median rate of 13.7 for larger agencies. Australian Public Services Commission, *State of the Service Report 2012–13* pp. 271-272 [internet] available from <http://www.apsc.gov.au/_data/assets/pdf_file/0005/29237/SOSR-2012-13-appendix-4.pdf> [accessed December 2013]. The median annual unscheduled leave for the eleven objections teams (measured on a FTE basis) was 19.0 days.

applications are either ruled invalid or withdrawn before a decision is made, meaning that the average time taken to deal with an objection is likely to be significantly less.¹²⁷ Estimates for completion times for Part 6A objections are longer, between 11 hours and 13.4 hours. The rates of withdrawn or invalid applications are considerably lower for Part 6A objections than general objections.

3.63 The overall child support objections workforce has varied between 93 and 116 FTE over the last four years. Typically it has been around 105. Over the same period, the number of objections has fallen by around 20 per cent (with a larger fall in Part 6A objections of 26 per cent), although objections officers have been required to take on some additional child support functions during some of this period.¹²⁸ However, the maintenance of a more or less steady level of FTE staff, notwithstanding the substantial reduction in the number of objections, indicates that the overall efficiency of the objection review process has declined if efficiency is measured by the average number of objections completed per FTE objection officer.¹²⁹ Whilst this trend might be justified if the quality of objection decision-making improved during this time, the proportion of objections appealed to the SSAT has decreased only slightly¹³⁰, and the success rate for some types of appeals, particularly regarding Part 6A and care decisions, remains high.¹³¹ External review is discussed further in chapter 4.

127 Whilst Human Services does not routinely collect or analyse statistics as to when withdrawals occur, information collected for an objection business review process in late 2013 indicated that the various objection types exhibited different withdrawal patterns. In particular, the great majority of withdrawn applications for general objections (excluding care objections) occurred within the first 14 days of the objection process. By contrast, care objections and Part 6A objections had significant numbers of withdrawn applications occurring later in the process.

128 For a period of 12 months from August 2011, objection officers were required to assume a broader 'case officer' function in respect of customers that lodged an objection. Departmental estimates were that this could add up to 45 minutes to the total time to complete an objection. In September 2012 objection officers were largely exempted from having to undertake this function, although they were still required to do basic debt collection activities in certain circumstances. One of the main reasons for granting the exemption to objection officers was concern that the function represented a risk to customer confidence in the independence of the objection review process from the broader department.

129 The average cost to Human Services' of completing an objection review in 2012–13 was \$796. This is based on direct staffing costs of \$11.173 million and completion of 14 032 reviews, including some 5050 reviews where applications were ruled as invalid or the customer withdrew the application at some point during the review process.

130 From 21 per cent in 2009–2010 to 19.1 per cent in 2012–13.

131 Both Part 6A and care appeals have a success rate of around 50 per cent.

3.64 There have been some related improvements to objection practices which have the potential to contribute to overall efficiency. In 2012–13, objection teams moved to electronic storage of files in CUBA rather than keeping paper files for all objections. The introduction of oral applications for care objections has also reduced the number of withdrawn and invalid objections compared to applications lodged in writing. Other potential improvements are being explored through an internal business review process.¹³²

Protecting customer privacy

3.65 In administrating the child support program, Human Services is bound by a number of laws regulating how and when it uses personal information, and to whom it can be released. These include the *Child Support (Registration and Collection) Act 1988*, the *Child Support (Assessment) Act 1989*, the *Crimes Act 1914* and the *Privacy Act 1988*. The latter Act contains eleven Information Privacy Principles which legislate the way the department collects, stores, provides access to, uses and discloses personal information.¹³³

3.66 All Human Services staff are required to familiarise themselves with staff privacy and confidentiality guidelines and sign a declaration of confidentiality before commencing as a Human Services employee. A similar electronic declaration is required to be signed on an annual basis. In addition, Human Services staff must adhere to the departmental Information Access Policy which is the overarching policy that assists employees understand their obligations with respect to access, use and/or disclosure of information held by the department. The policy also outlines the consequences if the access, use and/or disclosure is unauthorised.

CUBA and the Restricted Access Customer System

3.67 Child support customer records are stored and accessed by staff in the CUBA database. General access to CUBA by child support staff is by a password system. Access to the records of some customers is further limited

132 Human Services advised the ANAO that while some proposals for revised procedures had been developed, as at February 2014 no decision had made been made about possible implementation.

133 Department of Human Services, *Your Right to Privacy* [internet], available from <<http://www.humanservices.gov.au/customer/information/privacy>> [accessed November 2013].

through the Restricted Access Customer System (RACS). There is a hierarchy of three levels of restricted access—RACS 1, RACS 2, and RACS 3.

3.68 Customers whose cases might give rise to potential conflicts of interest are classified as RACS 1 customers. These include instances where customers are also a child support officer, or a partner of a child support officer, or where the customer's representative is a child support officer. Where a person is a RACS 1 customer because they are a child support officer or their representative is a child support officer, that person's case must be managed by a child support officer residing in a different state.

3.69 Persons that have been subject to harassment, threats, actual or apprehended violence from ex-partners or other persons, and special interest or high profile persons, may be classified as RACS 1, 2 or 3 customers depending on the particular circumstances.

3.70 CUBA will not allow access by a child support officer to the records of a RACS classified customer unless CUBA recognises the officer as being authorised to access the relevant RACS level. As at October 2013, 274 child support officers were authorised for RACS 1 access, 13 for RACS 2 access, and 5 for RACS 3 access. The ANAO examined whether appropriate approval processes were followed for the 18 objection staff with RACS 1 access and all other child support staff with RACS 2 and 3 access by requesting evidence of completed RACS approval forms.

3.71 Once access forms were approved by RACS Coordinators, they were processed by IT service staff and then stored on the departmental common desktop. Human Services was initially only able to locate those approvals that had been processed since October 2012—these represented 12 of the 36 approvals (33.3 per cent) requested by the ANAO in October 2013. Human Services advised the ANAO that the difficulty in producing the remaining 24 approval forms related to the integration of departmental IT systems which took place in September 2012. However, Human Services advised the ANAO in February 2014 that, following a subsequent search, it was in fact able to locate a further 20 forms, and could therefore provide the ANAO with 32 of the requested 36 forms.

3.72 Of the 32 approval forms, nine were either incomplete (the approving officer and/or the date of approval was not recorded on the form) or the approving officer indicated on the form was not the National RACS Coordinator as required under the departmental RACS Corporate

Guidelines.¹³⁴ While Human Services advised the ANAO that RACS access approvals could be provided in covering emails—and therefore the approval forms themselves may not be a complete record of the approval process—any such emails were not stored by the department. The gap in Human Services' records detracts from the department's ability to demonstrate that it has applied documented controls for access to RACS information.

Detection and investigation of unauthorised access to CUBA records

3.73 While RACS is an added level of protection for customer information stored in CUBA, this system is not guaranteed to prevent unauthorised access to customer information by those who have RACS access. Child support officers are able to access any customer record in accordance with their RACS access approval level. This can include their record and the record of anybody attached to their child support case. The RACS process relies on system indicators along with proactive monitoring and detection programs to deter unauthorised access of customer information. As part of the current CUBA replacement project, Human Services could usefully examine the feasibility of the replacement system having the ability to prevent RACS-authorized officers from accessing specified RACS customers.

3.74 Up until 2012–13, detection programs were limited in scope, and focussed on auditing access to records of 'high profile' customers. This resulted in internal investigations into four cases, two of which resulted in disciplinary action being taken against the relevant officer.¹³⁵

3.75 More recently, the range of detection activities has been extended. The programs have also been run to target previous instances of possible inappropriate access, going back as far as 2008 in some cases. In the 14 months between July 2012 and September 2013, a total of 63 cases were identified through the various programs.

134 The guidelines provided that while RACS level 1 access could be approved by a 'Regional' RACS Coordinator, approval level for 2 and 3 access could only be granted by the 'National' RACS Coordinator. There were four cases in the 32 examined by the ANAO where the access form showed the approving officer for RACS 2 or 3 access was a Regional RACS Coordinator.

135 Human Services advised the ANAO that information relating to detection programs, statistics and case reporting of unauthorised CUBA customer record access by objections review staff was not available. As a result, the ANAO was unable to determine how many cases, if any, related to such staff. All figures quoted in paragraphs 3.74–3.76 therefore relate to child support as a whole.

3.76 Seven of these 63 cases related to high profile customers: one of which resulted in disciplinary action, with the others found not to be substantiated or still under investigation. A further 56 cases related to previous access, with the majority of these cases involving officers accessing either their own customer record, a record of a customer with a personal or family relationship to the officer, or a record of a colleague. Six cases resulted in disciplinary action, with the others found not to be substantiated, still under investigation, or consideration being given to appropriate action.

3.77 Human Services has advised that it is also developing a targeted project to analyse users viewing the same child support record over a period of months or years. The aim of this project is to detect potential incidents of staff inappropriately browsing records of personal interest that are unable to be detected using existing methods as there is no direct link between the customer and the employee. The potential to do so was identified when the department analysed unauthorised access by a staff member and their access patterns.

Investigation of child support privacy complaints and other incidents

3.78 Human Services reports that it investigates all privacy complaints.¹³⁶ In addition to customer complaints—whether lodged directly or through avenues such as the Australian Information Commissioner or the Commonwealth Ombudsman—potential privacy incidents may be reported by departmental staff.

3.79 Human Services advised the ANAO that since September 2012 it has been using a database that allows for the recording of privacy incidents and requests for advice in a consistent way. The database allows Human Services to capture key information about individual privacy matters and produce relevant reports. Human Services advised that the key information captured in the database continues to develop and is subsequently reflected in the reporting produced. However, the evolving methodology and approach adopted by the department in capturing privacy incident information to date means that it is difficult to determine any quantitative trends in privacy incidents categorised according to the specific subject matter of incidents. The

136 Department of Human Services, *Annual Report 2012–13, Safeguarding Privacy*, Chapter 8 [internet], available from <<http://www.humanservices.gov.au/corporate/publications-and-resources/annual-report/resources/1213/chapter-08/safeguarding-privacy>> [accessed December 2013].

department advised the ANAO that privacy incidents are now being categorised according to the specific subject matter of the incidents (for example, privacy incidents related to the objection process).

3.80 Human Services annual reporting for the period 2012–13 states that it received 1439 privacy incident reports, with completed investigations substantiating 40 per cent of incidents.¹³⁷ Human Services advised that there were 460 child support program privacy incidents finalised in 2012–13 and nine of these incidents were directly related to the objection process. Of those related to the objection process, two were substantiated, six were not substantiated and one was withdrawn by the customer. In two cases the privacy complaint occurred as a result of the passing of information to another party under the legislatively–required open exchange of information (OEI) process. Investigation of the complaints revealed that technically no breach of privacy principles had occurred because Human Services was legally authorised to pass on the information. However, the OEI process had not been adequately discussed with the customer, and it was this shortcoming on the part of the department that had led to the complaints.

3.81 In 2012–13, it took an average of 93 days to process privacy incidents¹³⁸, although processing times varied substantially according to the ‘triage’ category an incident was accorded. High priority incidents, for example, took an average of 44 days. As at October 2013, the processing of 400 incidents had yet to be completed. The new ‘triage’ system implemented in July 2013 is intended to reduce the backlog.

Conclusion

3.82 Child support officers have access to a suite of intranet-based guidance material, along with a number of macros and templates to support their

137 Human Services advised that most substantiated incidents are caused by human error and a small number of substantiated incidents occur as a result of behavioural and systemic issues. A number of substantiated incidents involve secondary or consequential breaches of privacy. These include where the initial breach is a failure to update data such as a customer address which results in a disclosure breach when correspondence is sent to the wrong address. A consequential breach may also occur when the initial breach is related to incorrect record keeping—for example where customer records are included on the wrong customer case file.

138 The ‘average time’ is calculated from the date the privacy incident/complaint is reported to the Operational Privacy Section to the date the Section completes its review and makes a recommendation to the relevant Human Services business line about the steps that should be taken (if any) to finalise the matter. The Section does not routinely monitor the implementation of recommendations made to relevant business lines to the conclusion of a privacy incident.

day-to-day work. While some objection officers were critical of aspects of these tools, overall they assisted staff in promoting consistency in work practices and communication with customers. A reasonable level of formal and informal training was available to objection officers, although more job-specific training would be beneficial in some cases, including in relation to Part 6A objection teams. The placement of technical service officers within objection teams may enhance the overall skill levels of objection officers, as well as providing targeted training.

3.83 Gathering evidence from non-cooperative customers presents a particular challenge for objection officers, as is the assessment of conflicting verbal evidence where there is a lack of documentation. To inform decisions of the Registrar and delegates, the department should evaluate the use of information-gathering powers provided by the Parliament in situations where a customer has a history of unreasonably declining to comply with informal requests for information.

3.84 As part of its examination of a non-statistical sample of 100 objection case files, the ANAO reviewed the department's documentation of quality control processes for objection review decisions. Evidence of formal delegate approval of Part 6A decisions could not be produced by Human Services in seven of 20 (35 per cent) Part 6A cases where it was required.¹³⁹ In relation to general objection decisions, Human Services was unable to provide evidence of so-called 'simple checks' in 16 of 60 (27 per cent) cases. While the department advised the ANAO that the cause of the failure to record some Part 6A delegate approvals had been identified and corrective action taken, Human Services should continue to monitor whether required quality control processes are being consistently carried out and appropriately documented.

3.85 ANAO analysis shows that the proportion of objections that have been successful in changing the original decision has increased over the last four years. This is particularly evident for Part 6A objections, with a rise in successful objections from 35.9 per cent in 2009–10 to 45.4 per cent in 2012–13. This upwards trend indicates there would be benefit in the department focusing more on learning from objection outcomes, as a first step in

139 Out of the 40 Part 6A objection review cases examined by the ANAO, delegate approval was not required in 20 cases because the objection was not successful.

considering how to reduce the proportion of overturned decisions. This is discussed in greater detail in chapter 4.

3.86 During 2012–13, the department encountered difficulties in completing objection reviews in a timely manner. This has been more pronounced for Part 6A reviews, where compliance against the statutory timeframes for domestic customers fell significantly from 86.2 per cent in 2011–12 to 35.7 per cent in 2012–13. Performance over the first six months of 2013–14 has improved to some extent, with compliance against the statutory timeframe for domestic Part 6A objection customers rising to 56.0 per cent. In part, the decline in 2012–13 appears to have been caused by a rise in the number of objections received and a fall in the number of staff, although anecdotal comments from staff also suggested that the amount of time required to complete objections had increased somewhat because of increased emphasis in customer contact and improved evidence collection. ANAO analysis also indicates that the average number of objections completed per full-time equivalent (FTE) objection officer has declined over the last four years; a reduction in overall administrative efficiency. The department has recognised timeliness and productivity as significant issues and potential improvements are currently being explored through an internal business review process.

3.87 Human Services generally has appropriate measures in place to protect customer privacy, and to manage potential conflicts of interest where a child support officer may have some personal connection to a case. There were however, some gaps in departmental record-keeping regarding approvals for staff access to information on restricted access customers (RACS). There have also been instances of unauthorised or inappropriate access to customer records by child support staff, some of which have resulted in disciplinary action being taken against the relevant officers. Human Services advised the ANAO that it has recently expanded the scope of monitoring programs in place to detect instances of unauthorised access. The department further advised that this process is continuing through the development of a targeted project to analyse users viewing the same child support record over a period of months or years.

4. Learning from the Objection Review Process

This chapter examines how the Department of Human Services uses the various sources of feedback related to the objection review process to improve the quality of its decisions. It also considers the extent to which performance information relevant to the review process is included in the department's public reporting.

Introduction

4.1 As noted in chapter 1, internal review can assist in improving decision-making and related processes, to the benefit of customers and the agency. In particular, internal review processes provide a potentially valuable source of information on an agency's service delivery and can identify scope for future improvement.

4.2 The child support objection review process includes a formal mechanism through which feedback can be provided to original decision-makers. There are also other sources of feedback on the objection process itself, which in some cases may be relevant to original decisions. These additional sources of feedback include outcomes from reviews by the Social Security Appeals Tribunal (SSAT) and complaints or other feedback regarding objections lodged by customers.

Feedback processes

Feedback to original decision-makers

4.3 The current process for providing feedback to decision-makers has been in place since December 2012. As part of this process, an intranet-based macro is filled out by the objection officer. Departmental procedures require that feedback must be provided when an objection is successful (either fully or partly) and the objection officer considers the original decision involved:

- a misapplication of the law;
- an incorrect finding of fact;
- procedural error; or
- insufficient customer contact, investigation or follow up by the original decision-maker.

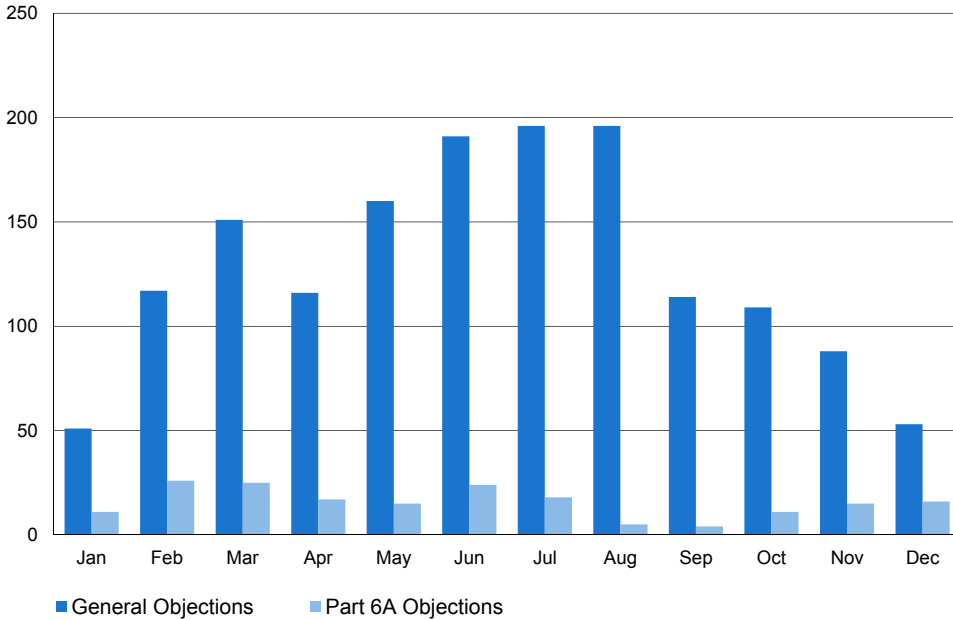
4.4 Feedback is also to be provided 'when it will benefit the recipient'.

4.5 Once the feedback macro has been completed, it is emailed to the objection officer's team leader who is then responsible for forwarding it to the team leader of the original decision-maker for consideration and discussion with the relevant staff member. The CUBA customer records management system also has a 'radio button' facility that allows objection officers, when finalising the objection review in CUBA, to record that they had provided feedback.

4.6 As part of its examination of 100 objection case files, the ANAO identified that feedback was required in 17 of 60 general objection reviews and 14 of 40 Part 6A objection reviews. However, the department was unable to provide evidence that feedback had in fact been provided to decision-makers in any of the 14 Part 6A cases. There were also two out of the 17 general objection cases where the required feedback could not be documented. In some cases officers were also using the feedback radio button incorrectly and as a consequence Human Services sent a reminder to staff about its use. Further, there was also no uniform system in place for team leaders to check whether feedback was provided when required.

4.7 The department advised the ANAO that the two main reasons for introducing the current feedback process was to make it easier for objection officers to provide feedback and to facilitate the analysis by objections management staff of the main themes contained in feedback. Figure 4.1 documents the number of individual pieces of feedback on original decisions provided by objection officers to their team leaders over a 12 month period.

Figure 4.1: Numbers of feedback items from objection officers: January 2013–December 2013



Source: Human Services data.

4.8 For general objections, the upward trend is broken in September 2013. This resulted from internal analysis indicating that around half of general objection feedback was being provided in circumstances when it was actually not required.¹⁴⁰ During the four months from September to December 2013, feedback was provided on around 10 per cent of the total number of general objections completed over this time and around five per cent of Part 6A objections. Human Services advised the ANAO that the planned implementation of revised quality control processes ‘will introduce further accountability to ensure staff provide feedback in appropriate circumstances.’

4.9 The number of feedback items is reported to objections management on a monthly basis. However, these monthly reports do not contain any substantive analysis or commentary on the main themes in the feedback for that month. This increases the risk that the potential value of feedback will not

¹⁴⁰ The majority of these feedback items related to objections being successful because of the provision of new information to the objection officer—a circumstance which does not require the provision of feedback. Objection officers were subsequently advised of this, leading to the observed decline in September 2013.

be fully realised. In meetings with the ANAO, Human Services considered there was a general lack of resourcing to undertake ongoing analysis of feedback.

4.10 In interviews with the ANAO, objection officers generally commented that they received little or no information on how their feedback had been received by original decision-makers. They also did not think their feedback was having any measurable impact on the quality of original decision-making. The fact that the proportion of objections that are successful has risen over the last three years¹⁴¹ is consistent with this view. Similarly, after falling in 2011–12, the proportion of care and Part 6A original decisions that have attracted objections has begun to rise again, indicating that customer dissatisfaction with these types of original decisions may be increasing.

4.11 Team leaders of original decision-makers interviewed by the ANAO held mixed views about the effectiveness of the feedback they received, noting that feedback could often be received quite some time after the original decision was made, and that feedback volumes appeared to fall when objection case loads were heavy. The ANAO also received a submission from a Part 6A original decision-maker stating that while they received information about which of their decisions were the subject of an objection, they received no feedback about objection outcomes or SSAT appeal decisions.

Recommendation No.3

4.12 To improve service delivery and decision-making, the ANAO recommends that the Department of Human Services provide feedback to original decision-makers in accordance with departmental procedures and undertake periodic reporting to senior child support management on key issues identified in reviewer feedback.

Human Services' response:

4.13 *Agree. The Department of Human Services has recently implemented a quality framework which will ensure feedback to original decision makers is provided in appropriate circumstances. A periodic report for senior managers, which summarises feedback relating to common and systemic issues, is being developed.*

141 See figures 3.1 and 3.2 in chapter 3.

Reviews by the Social Security Appeals Tribunal

4.14 Customers dissatisfied with the outcome of an objection review may appeal to the SSAT. The SSAT appeals are also undertaken on a merits basis, that is, the decision is made afresh based on all relevant information available to the SSAT, including information that may not have been available to the objection officer.

4.15 The SSAT has reported that average cost per application across all types of appeals is \$2,215 per application, but the average cost of child support appeals is higher because they ‘consume much more time from both SSAT members and staff than most Centrelink decisions’.¹⁴² Part 6A appeals, which in 2012–13 constituted 49 per cent of child support appeals, are particularly costly, given that appeals are often heard by two SSAT members rather than the single member hearing most Centrelink appeals. By comparison, the average cost to Human Services of completing an objection review in 2012–13 was \$796.¹⁴³

4.16 The number of appeals to the SSAT has steadily declined in recent years, as shown in Table 4.1. The proportion of objection review decisions being appealed has also declined, although the fall has only been fairly modest.

Table 4.1: Proportion of objection reviews appealed to the Social Security Appeals Tribunal

	2009–10	2010–11	2011–12	2012–13
Number of objection review decisions appealed	2664	2526	2060	1971
Proportion of objection review decisions appealed	21.0%	20.7%	19.5%	19.1%

Source: SSAT Annual Reports.

Note: For the purposes of calculating the proportion of decisions appealed, objection applications that are subsequently withdrawn are excluded as there is no right of appeal to the SSAT in such cases.

4.17 Part 6A objections are heavily over-represented in SSAT appeals. In 2012–13, Part 6A objections represented 22 per cent of total objections, but

¹⁴² SSAT, *2012–13 Annual Report*, p.11.

¹⁴³ This is based on direct staffing costs of \$11.173 million and completion of 14 032 reviews, including some 5050 reviews where applications were ruled as invalid or the customer withdrew the application at some point during the review process.

49 per cent of appeals to the SSAT, with previous years showing a similar trend.¹⁴⁴ In contrast, care decisions represented 29 per cent of objections in 2012–13, but 20 per cent of SSAT appeals.

4.18 Both Part 6A and care appeals have a success rate of around 50 per cent as a proportion of respective applications. However, after excluding applications that are withdrawn, dismissed or where the SSAT has no jurisdiction to hear the application, the success rate of Part 6A appeals rises to 80 per cent, which is consistent with previous years.

4.19 As documented by the SSAT, the reason for successful appeals has been relatively consistent in recent years. The specific breakdown for 2012–13 is:

- new information regarding circumstances—50 per cent;
- new financial information—18 per cent;
- error of fact—25 per cent; and
- error of law—7 per cent.

4.20 Sixty-eight per cent of appeals are successful due to new information (evidence) being presented to the SSAT; emphasising the importance of Human Services obtaining an evidence base as comprehensive as possible.¹⁴⁵ ANAO discussions with the SSAT indicate that, in some cases, the passage of time between objection review and SSAT review processes may give rise to new circumstances that potentially affect the SSAT's decision. However, the greater willingness of parties to provide, and the ability of the SSAT to compel the production of all relevant information, also has a large bearing on successful appeals on new information grounds. As discussed in paragraphs 3.15–3.18, Human Services also has powers to compel the provision of information from customers, but has rarely used them.

Human Services analysis of lessons learned from SSAT appeals

4.21 Lessons learned from SSAT decisions can contribute to improved original decision-making and objection processes within Human Services, and an overall reduction in the cost of administration—including by reducing the number of appeals which the department and the SSAT must consider.

144 Around 31.8 per cent of Part 6A objections were appealed to the SSAT in 2012–13, compared to the overall objections figures noted above of 19.1 per cent.

145 See discussion at paragraphs 3.15–3.19 in chapter 3.

4.22 SSAT decisions are currently provided to the objection officer that undertook the review, their team leader and objections management. Up until 2013, analysis of individual decisions was undertaken and provided to objection staff by the Human Services External Review and Liaison Section. The ANAO was advised this was discontinued because of staffing reductions and refocussing on higher-level analysis. However, Human Services was unable to provide any contemporary examples of such higher-level analysis.

4.23 During 2012, child support objections management undertook significant internal analysis of the outcomes of 2011–12 SSAT appeals, both for Part 6A and general objections.¹⁴⁶ The analysis of SSAT outcomes for general objections concluded that 34 per cent of cases that resulted in SSAT appeals being successful involved errors by objection officers—mainly through misapplication of the law, incorrect findings of fact and inadequate investigation. These findings are broadly consistent with the SSAT categorisation discussed in paragraph 4.19 above. The analysis noted that a range of measures had been put in place to promote better evidence gathering through greater customer contact, greater consistency through the use of templates and quality checking by team leaders or senior officers, and encouraging the greater use of technical support.

4.24 The department's internal analysis also proposed a number of additional actions, notably:

- the development of a spreadsheet to record feedback on SSAT decisions to allow more systematic analysis of any trends or issues from such decisions; and
- an evaluation as to whether the new procedural instruction and associated tools has resulted in improvements to objection outcomes as measured by SSAT results.

4.25 While the spreadsheet has been developed and has been in use from January 2014, the department advised the ANAO that an evaluation of the impacts of the new (2012) objection procedural instruction had not been undertaken, but this exercise was expected to start by 'no later than mid-2014'.

¹⁴⁶ Some statistical analysis of the main reasons for successful SSAT appeals was also carried out by the Human Services External Review and Liaison section.

4.26 Human Services internal analysis concluded that the majority of Part 6A cases resulting in successful SSAT appeals involved a different application of discretion, rather than any error or shortcoming in the objection decision. To address this issue, it was recommended that some technical workshops on specific matters be conducted, and that further investigation be undertaken on the way discretion was applied in making Part 6A decisions. Whilst some work was done by Human Services on drafting an internal paper on the subject, this project was still in progress when the ANAO completed its fieldwork in November 2013. The ANAO was advised, some 15 months after the initial internal analysis was completed, that it ‘will most likely not be finalised anytime soon’. Given the over-representation of Part 6A objections in SSAT appeals and costs, measures to decrease appeals on Part 6A objections have the potential to deliver overall cost savings, and merit continued attention.

Customer feedback

4.27 The ANAO has previously observed the importance of agencies using customer and stakeholder experiences to inform a cycle of continuous improvement.¹⁴⁷

4.28 Human Services has a complaints and feedback process that can be accessed in writing through online services for registered customers, by reply paid postal service, the Human Services free call ‘Feedback and Complaints’ phone line and through speaking with a customer service officer.¹⁴⁸

4.29 Partly as a result of a previous ANAO audit report recommendation¹⁴⁹, in late 2012 the department revised the way child support complaints are recorded and categorised. After taking into account the effect of this change on the recorded numbers of complaints, Human Services reporting shows that the number of complaints in relation to general objections has trended modestly

147 ANAO Performance Audit Report No.37 2011–12 *The Child Support Program’s Management of Feedback*, paragraph 7.

148 If a complaint cannot be resolved through this means, customers can contact the Commonwealth Ombudsman (for unfair or unreasonable treatment by an Australian Government department or agency), the Office of the Privacy Commissioner (for privacy rights infringements) or, where legislation allows, the Administrative Appeals Tribunal. See Human Services, *Complaints and feedback — tell us what you think*, [internet], available from <<http://www.humanservices.gov.au/customer/information/feedback-complaints>> [accessed December 2013].

149 Recommendation No.1, ANAO Performance Audit Report No.37 2011–12 *Child Support Program’s Management of Feedback*, p. 24.

down over the last five years. However, the trend for Part 6A objections complaints has been the reverse, with 2012–13 showing a sharp upwards spike—there were 284 Part 6A objection complaints in 2012–13 compared to an average of 101 per year over the previous four years.

4.30 Complaints about ‘quality of service’ make up a little over 50 per cent of complaints, both for general and Part 6A objections. The specific reasons for such ‘quality of service’ complaints vary considerably, but the two most common related to:

- lack of contact by Human Services prior to a decision being made, including no contact or consultation with customers during the decision-making process; and
- the decision itself—this can encompass a wide variety of matters including customers not being advised of the decision, complaints about the decision-making process, Human Services not following the relevant legislation or policy, or Human Services not following due process.

4.31 Another prominent reason for complaints under the ‘quality of service’ category for general objections was ‘inadequate, inaccurate or inconsistent advice’.¹⁵⁰ Processing delays featured prominently in Part 6A complaints, which was not surprising given the problems with timeliness during 2012–13 noted in chapter 3. A change in the categorisation methodology for complaints referred to in 4.29 means that it is not possible to accurately assess whether the numbers of some specific types of complaints have changed in recent years. However, given Human Services’ emphasis on both increased customer contact during child support decision-making processes and improving the skills levels of staff by embedding technical service officers within relevant teams, it would be useful for the department to closely monitor the level of complaints on ‘lack of contact’ and ‘inadequate, inaccurate or inconsistent advice’ as an indicator of whether this emphasis has influenced customers’ perceptions of quality of service by Human Services.

4.32 Across both types of objections, the proportion of complaints upheld in the six month period between March to August 2013 was approximately

¹⁵⁰ As noted in chapter 3, Human Services has now embedded technical service officers within general objections teams. Potentially this should improve technical skill and knowledge levels within the teams, leading to better levels of customer advice.

40 per cent. This is significantly higher than other areas of child support, such as ‘mainstream services’ (23.8 per cent of complaints upheld) and ‘specialised assessment services’ (27.6 per cent of complaints upheld). There would be benefit in looking into the reasons for this substantial difference.

4.33 Human Services carries out periodic customer satisfaction surveys, with two major surveys conducted in 2013. On the key question of overall customer satisfaction, the two surveys produced significantly different results. The larger survey, which measured satisfaction with the most recent transaction the customer had with the department, reported that 84 per cent of child support customers were satisfied with the service they had received.¹⁵¹ A smaller survey, designed to measure customers ‘general perceptions’ of quality of service, reported a customer satisfaction rate for child support of only 44 per cent.¹⁵²

Performance reporting

4.34 The operation of the objection review process, as well as much of the child support scheme, is governed by the *Child Support (Registration and Collection) Act 1988*. Section 14 of this Act requires an annual report on the ‘working’ of the Act to be prepared by the relevant Departmental Secretary and be tabled in Parliament by the relevant Minister. Human Services advised the ANAO that this requirement is met through information contained in its annual report.¹⁵³

151 The average for customer satisfaction across all departmental services was 74 per cent. Department of Human Services, *Annual Report 2012-13*, Supporting Innovative and effective service delivery Chapter 3, p. 4, [internet], <<http://www.humanservices.gov.au/corporate/publications-and-resources/annual-report/resources/1213/chapter-03/supporting-innovative-effective-service-delivery>>, [accessed December 2013].

152 In this survey, the average for customer satisfaction across all departmental services was 68 per cent. Department of Human Services, *Annual Report 2012-13*, p.52, [internet], <<http://www.humanservices.gov.au/corporate/publications-and-resources/annual-report/resources/1213/chapter-03/supporting-innovative-effective-service-delivery>>, [accessed December 2013].

153 It is not uncommon to discharge such requirements through agency annual reports. For example, the Department of the Environment has a dedicated chapter on the operation of the *Environment Protection and Biodiversity Conservation Act 1999* in its annual report. See Department of the Environment *2012-13 Annual Report*, [internet] available from <<http://www.environment.gov.au/system/files/resources/63db8a54-bfcb-429e-93b4-e5efe21a356e/files/dsewpac-annual-report-12-13new.pdf>> [accessed December 2013].

4.35 Human Services' 2012–13 annual report includes information on the number of objections received¹⁵⁴ and the main categories of decisions objected to, such as Part 6A and care decisions. The one performance-related measure reported is percentage of compliance with the statutory timeframes for the completion of reviews.¹⁵⁵ The outcomes of objection reviews (in terms of the proportion that are successful) are not reported, nor are the numbers or outcomes of objection reviews appealed to the SSAT. While the Department of Social Services' 2012–13 annual report contains some high-level information on the operation of the child support scheme, it does not include information related to the objection review process.

4.36 Overall, current public reporting provides limited insights into the effectiveness of the department's decision-making. The use of appropriate 'proxy measures' in public reporting—such as the number of departmental decisions overturned through the objection review process and on appeal to the Social Security Appeals Tribunal—would improve stakeholders' capacity to assess the effectiveness of departmental decision-making under the objection review process and provide a more complete picture of the working of the Act. As responsibility for the administration of all aspects of the *Child Support (Registration and Collection) Act 1988* was transferred to the Department of Social Services under changes to the Administrative Arrangements Order in December 2013, the relevant information should be incorporated into the Department of Social Services' annual report.

154 The figure in the departmental annual report actually over estimates the number of objections received as it includes applications that are for various reasons initially miscategorised by Human Services as objections. For example, the apparent application may actually be a complaint about a child support matter or the customer may be expressing a wish to lodge an appeal to the SSAT in relation to an objection decision. In such cases, the applications are subsequently marked as 'deleted' objection records in CUBA. Based on ANAO analysis of CUBA records, there were 814 deleted objection records included in the 15 307 objections reported by Human Services as being received in 2012–13.

155 See paragraph 3.50 and table 3.2 in chapter 3.

Recommendation No.4

4.37 To improve performance reporting on the effectiveness of departmental decision-making under the objection review process, the ANAO recommends that the Department of Social Services develop appropriate proxy measures, such as the number of departmental decisions overturned by review processes, to include in its annual reporting on the working of the *Child Support (Registration and Collection) Act 1988*.

Social Services' response:

4.38 *DSS agrees with qualification. DSS will work with DHS to develop proxy measures and to have them reported in the DHS annual report.*

Human Services' response:

4.39 *The Department of Human Services notes this recommendation is for the Department of Social Services' response. The Department of Human Services will work with the Department of Social Services to ensure appropriate measures are developed which also align with the funding arrangements for the programmes.*

Conclusion

4.40 While there are feedback and reporting mechanisms in place to enable Human Services to harness the objection review process to improve the quality and overall effectiveness of its decisions, inconsistencies in their implementation means that Human Services are not realising that potential. As such, there would be merit in the department improving the implementation of existing feedback processes, including through periodic reporting to senior child support management on key issues identified in reviewer feedback. Follow-up from analysis of SSAT outcomes also seems to have received insufficient priority to incorporate any major themes from SSAT appeals in child support decision-making policies and practices.

4.41 Current public reporting of objection-related information is mainly focussed on quantitative matters such as the number of objections received and reviews completed. It provides limited insights into the effectiveness of the department's decision-making. As discussed, the use of appropriate 'proxy measures'¹⁵⁶ in public reporting would assist stakeholders' to assess the effectiveness of decision-making by the department under the objection review process.



Ian McPhee
Auditor-General

Canberra ACT
30 April 2014

156 Proxy measures are output-level performance indicators and may be useful to indirectly measure effectiveness in certain situations. See Department of Finance and Deregulation, *Performance Information and Indicators* (October 2010), Finance, Canberra, 2010, p. 3; and ANAO Audit Report No.21 2013–14, *Pilot Project to Audit Key Performance Indicators*, p.74.

Appendices

Appendix 1: Agency Responses



Australian Government
Department of Human Services

Kathryn Campbell CSC
Secretary

9:00
15 APR 2014
9:30

Ref: EC14/95

Dr Tom Ioannou ^{15/4}
Group Executive Director
Performance Audit Services Group
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Dr Ioannou

Thank you for the opportunity to comment formally on the proposed 'section 19' report arising from the Australian National Audit Office's (ANAO) performance audit of *Child Support Objections*, dated 17 March 2014.

The Department of Human Services (the department) agrees with the ANAO's recommendations 1, 2 and 3. I note that recommendation 4 is for response from the Department of Social Services (DSS).

Attachment A to this letter details our response to the proposed audit report recommendations.

Attachment B is an executive summary of the department's formal response to the proposed audit report as requested.

Attachment C outlines some further comments for the attention of the Auditor-General. These are not intended for publication in the final report.

If you would like to discuss the department's response, please do not hesitate to contact Mr Colin Parker, National Manager, Child Support Specialised Assessments and Medicare Public Branch on (03) 8788 2239.

Yours sincerely

Kathryn Campbell

11 April 2014

GED
15 APR 2014
9.30



Australian Government
Department of Social Services

Felicity Hand
Acting Secretary

Dr Tom Ioannou *15/4*
Group Executive Director
Performance Audit Services Group
GPO Box 707
Canberra ACT 2601

Dear Dr Ioannou,

Thank you for your letter of 17 March 2014 regarding the Australian National Audit Office's (ANAO) proposed audit report on the Review of Child Support Objections.

The Department of Social Services (DSS) welcomes the findings outlined in the audit report and appreciates the opportunity to respond. As requested, a response has been prepared in three parts;

1. Formal response to the proposed report (**Attachment A**);
2. The Department's response to Recommendation 4 (**Attachment B**); and
3. A summary of DSS' formal response to the proposed report (**Attachment C**).

If the ANAO would like any further information, please contact Diana Lindenmayer on (02) 6146 3021, or Diana.lindenmayer@dss.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'F. Hand'.

Felicity Hand

11 April 2014

Attachment A**Formal agency comments to be included in full as an appendix to the final report**

The Department of Social Services (DSS) welcomes the findings of the audit report on the Review of Child Support Objections.

In particular, DSS notes the findings that improvements to the objections process can be made in the areas of enhanced customer access through improved service delivery measures; greater use of information gathering powers to improve the quality of decision-making; and better learning from the objections process via improved analysis of objection outcomes and through enhanced external reporting.

In relation to Recommendation Number 4 on the inclusion of appropriate proxy measures in annual reporting, DSS agrees to this Recommendation with qualification in that these measures would be more appropriately reported in the Department of Human Services (DHS) Annual Report.

DSS acknowledges the requirements under section 14 of the *Child Support (Registration and Collection) Act 1988* to include information in its annual reporting regarding the overall working of the Act (the Child Support Scheme). However, section 63 of the *Public Service Act 1999 (Annual Report)* requires the Secretary of a Department to report on the Department's activities in its Annual Report.

As the proposal is to report on the effectiveness of decision-making by DHS under the objection review process, it is more appropriate that this activity be included in the DHS Annual Report. Such a view is consistent with DHS reporting practices on the number of Child Support objections and Social Security Appeals Tribunal (SSAT) reviews received, and the outcome of merit reviews of Centrelink administered payments such as Family Tax Benefit.

To assist in implementing the recommendation, DSS proposes to collaborate with DHS on the development of these measures, for inclusion in the DHS Annual Report.

DSS and DHS have discussed this proposed approach.

Appendix 2: ANAO Methodology to Assess Compliance with Key Aspects of Human Services' Child Support Objection Policies and Processes

1. The ANAO examined a non-statistical sample of 100 decision case files for which an objection application was subsequently lodged during February and March 2013.

2. Included in the sample were 40 Part 6A objections and 60 general objections: this compares to Part 6A objections only constituting around 25 per cent of overall objections. The 'overweighting' of Part 6A objections in the sample was influenced by a number of considerations, including:

- a significant drop during 2012–13 in the proportion of Part 6A objection reviews being completed within the statutory timeframe;
- feedback from ANAO interviews with objection officers that indicated that, in order to complete objection reviews within statutory timeframes, some Part 6A objection officers found it difficult to fully comply with all departmental procedures on customer contact; and
- both Part 6A original decisions and objections attracted an appeal rate considerably above that for general objections.

3. The selection of specific case files was done in a way to both get a broad spread across all eleven Part 6A and general objection teams across Australia and a similar spread of objections completed by individual officers within the teams. Five Part 6A objections completed by external contractors were also included in the sample.

4. The file inspection examined:

- written and oral communication with customers about the original decision;
- written and oral communication with customers once an objection application was received;
- written and oral communication with customers about the objection decision;

- quality assurance of the decision, including delegate approval where required; and
- the provision of feedback to original decision-makers.

Appendix 3: Making care decisions—integration with the Centrelink program

1. Care decisions (the number of nights in a year for which each separated parent has care of the relevant children) can be made by both the Human Services child support and Centrelink programs.¹⁵⁷ Until legislative amendments were made in mid 2010, these programs could potentially make different decisions on care for the purposes of the calculation of child support payments on the one hand, and family tax benefits on the other.¹⁵⁸ The passage of the so-called ‘alignment of care’ legislation¹⁵⁹ meant that if either program made a decision on care, this decision would apply to the other program.

2. The *Child Support (Registration and Collection) Act 1988* also provides that an objection to a care decision can be lodged with either the child support program or the Centrelink program, irrespective of whether child support or Centrelink made the original decision. If objections are lodged with both the child support and Centrelink areas of Human Services, the first objection review completed is used and the other area cannot make an objection decision that changes the outcome of the first objection decision. Child support procedures also indicate that, to avoid duplication of effort, the processing of a care objection review will be put ‘on hold’ if an objection to the same decision has already been lodged and is being processed through Centrelink.¹⁶⁰

3. The department’s staff procedural instructions stipulate that where the original decision was made by Centrelink, the review should preferably be done by Centrelink: where the original decision was made by child support, the review should be done by child support. While a customer can insist that the review be done by another area, objection review statistics for 2012–13 show that less than six per cent of care objection reviews undertaken by the child support program had their source in a care decision made by Centrelink.

157 The statutory decision-maker for care decisions made in the Centrelink program is the ‘Family Assistance Secretary’. It should be noted that these decisions, either by Human Services child support or Centrelink, are not decisions about child custody or access arrangements. Child custody or access arrangements are decided by the parents themselves or through family court orders. Human Services decisions on care for child support or family assistance purposes simply reflect the parental or court arrangements.

158 Commonwealth, *Parliamentary Debates*, House of Representatives, 26 May 2010, J Macklin, Minister for Families, Housing, Community Services and Indigenous Affairs, p. 4109.

159 *Child Support and Family Assistance Legislation Amendment (Budget and Other Measures) Act 2010*.

160 Objections to Care decisions Procedural Instruction, Part 4.1

4. There are some differences between the Centrelink and child support objection review processes. Centrelink does not have an equivalent process to the child support open exchange of information process and the relevant staff guidance material does not require both parties to be contacted by the review officer. However, Human Services advised that:

having regard to the gathering of evidence from both parties ... [review officers] ... will attempt to contact and discuss matters with both but will avoid providing what the other party has said.

5. Human Services was unable to provide information on the number of original care decisions made by Centrelink. As a consequence, the ANAO could not assess whether the proportion of care decisions objected to differ between the child support and Centrelink processes. As noted in paragraph 3.46, the proportion of decisions objected to is one potential indicator of a customer's satisfaction with an organisation's decision-making.

6. The outcomes of objections are also a potential indicator of the quality of decision-making processes. Whilst the outcomes of care objections undertaken by child support over the last three years have not varied significantly, the Centrelink outcomes have. Notably, 50.1 per cent of Centrelink reviews completed in 2012–13 were partially or fully successful, up from 29.7 per cent in 2010–11. This compares to 57.1 per cent of child support care objections being partially or fully successful in 2012–13.

7. As part of the overall move to improve customer service and adopt a more consistent approach, Human Services has started to examine the feasibility of a more integrated review process across its child support, Centrelink, and Medicare programs. Whilst this initiative is still in its early stages and progress has been slow, it may have significant implications for the administration of child support objection reviews. Significant changes would however require legislative change.

Index

A

Audit

- Criteria, 36–37
- Methodology, 37–38, 104–5
- Objective, 36

C

Child Support Scheme

- Administration, 27–28
- Amount transferred, 25
- Background, 25–26
- Child Support Registrar, 26, 28–29
- Purpose, 26

Customer Feedback, 92–94

Customer Review Gateway, 46–47, 56

Customers with Special Needs, 51–55, 56

D

Department of Human Services

- Administrative responsibility, 28

Department of Social Services, 28, 49, 95

O

Objection Reviews

- Application process, 47–49, 56
- Centrelink, 106–7
- Changes to the process, 34–35
- Compliance with statutory timeframes, 73–75, 84
- Cost of objection reviews, 89
- Decision outcomes, 69–73, 84
- Evidence collection, 61–62, 83

Extension of time, 49–51

Feedback processes, 85–88, 96

Making decisions, 65–69, 83

Notifying customers of decisions, 66–67, 69

Number of objections received, 33–34

Outline of process, 28–33

Workloads and productivity, 75–78

Original Decisions

Grounds for lodging objections, 28–29

Notifying customers of decisions, 40–44, 55

P

Performance Reporting, 94–95, 97

Privacy

Complaints, 81–82

Customer records, 78–80

Unauthorised access to records, 80–81

S

Social Security Appeals Tribunal

Analysis of SSAT decisions by Department of Human Services, 90–92, 96

Appeals against objection review decisions, 89–90

Cost of appeals, 89

Staff Training and Support, 60–61, 83

V

Value for Money, 36

Series Titles

ANAO Audit Report No.1 2013–14

Design and Implementation of the Liveable Cities Program

Department of Infrastructure and Transport

ANAO Audit Report No.2 2013–14

Administration of the Agreements for the Management, Operation and Funding of the Mersey Community Hospital

Department of Health and Ageing

Department of Health and Human Services, Tasmania

Tasmanian Health Organisation – North West

ANAO Audit Report No.3 2013–14

AIR 8000 Phase 2 – C-27J Spartan Battlefield Airlift Aircraft

Department of Defence

ANAO Audit Report No.4 2013–14

Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2012 Compliance)

Across Agencies

ANAO Audit Report No.5 2013–14

Administration of the Taxation of Personal Services Income

Australian Taxation Office

ANAO Audit Report No.6 2013–14

Capability Development Reform

Department of Defence

ANAO Audit Report No.7 2013–14

Agency Management of Arrangements to Meet Australia's International Obligations

Across Agencies

ANAO Audit Report No.8 2013–14

The Australian Government Reconstruction Inspectorate's Conduct of Value for Money Reviews of Flood Reconstruction Projects in Queensland

Department of Infrastructure and Regional Development

ANAO Audit Report No.9 2013–14

Determination and Collection of Financial Industry Levies
Australian Prudential Regulation Authority
Department of the Treasury

ANAO Audit Report No.10 2013–14

Torres Strait Regional Authority – Service Delivery
Torres Strait Regional Authority

ANAO Audit Report No.11 2013–14

Delivery of the Filling the Research Gap under the Carbon Farming Futures Program
Department of Agriculture

ANAO Report No.12 2013–14

2012–13 Major Projects Report
Defence Materiel Organisation

ANAO Audit Report No.13 2013–14

Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2013
Across Agencies

ANAO Audit Report No.14 2013–14

Explosive Ordnance and Weapons Security Incident Reporting
Department of Defence

ANAO Audit Report No.15 2013–14

The Indigenous Land Corporation's Administration of the Land Acquisition Program
Indigenous Land Corporation

ANAO Audit Report No.16 2013–14

Administration of the Smart Grid, Smart City Program
Department of the Environment
Department of Industry

ANAO Audit Report No.17 2013–14

Administration of the Strengthening Basin Communities Program
Department of the Environment

ANAO Audit Report No.18 2013–14

Administration of the Improving Water Information Program
Bureau of Meteorology

ANAO Audit Report No.19 2013–14

Management of Complaints and Other Feedback
Australian Taxation Office

ANAO Audit Report No.20 2013–14

Management of the Central Movement Alert List: Follow-on Audit
Department of Immigration and Border Protection

ANAO Report No.21 2013–14

Pilot Project to Audit Key Performance Indicators

ANAO Audit Report No.22 2013–14

Air Warfare Destroyer Program
Department of Defence
Defence Materiel Organisation

ANAO Audit Report No.23 2013–14

Policing at Australian International Airports
Australian Federal Police

ANAO Audit Report No.24 2013–14

Emergency Defence Assistance to the Civil Community
Department of Defence

ANAO Audit Report No.25 2013–14

Management of the Building Better Regional Cities Program
Department of Social Services
Department of the Environment

ANAO Audit Report No.26 2013–14

Medicare Compliance Audits
Department of Human Services

ANAO Audit Report No.27 2013–14

Integrity of Medicare Customer Data
Department of Human Services

ANAO Audit Report No.28 2013–14

Review of Child Support Objections

Department of Human Services

Department of Social Services

Better Practice Guides

The following Better Practice Guides are available on the ANAO website:

Implementing Better Practice Grants Administration	Dec. 2013
Human Resource Management Information Systems: Risks and controls	June 2013
Preparation of Financial Statements by Public Sector Entities	June 2013
Public Sector Internal Audit: An investment in assurance and business improvement	Sept. 2012
Public Sector Environmental Management: Reducing the environmental impacts of public sector operations	Apr. 2012
Developing and Managing Contracts: Getting the right outcome, achieving value for money	Feb. 2012
Public Sector Audit Committees: Independent assurance and advice for chief executives and boards	Aug. 2011
Fraud Control in Australian Government Entities	Mar. 2011
Strategic and Operational Management of Assets by Public Sector Entities: Delivering agreed outcomes through an efficient and optimal asset base	Sept. 2010
Planning and Approving Projects – an Executive Perspective: Setting the foundation for results	June 2010
Innovation in the Public Sector: Enabling better performance, driving new directions	Dec. 2009
SAP ECC 6.0: Security and control	June 2009
Business Continuity Management: Building resilience in public sector entities	June 2009
Developing and Managing Internal Budgets	June 2008
Agency Management of Parliamentary Workflow	May 2008
Fairness and Transparency in Purchasing Decisions: Probity in Australian Government procurement	Aug. 2007
Administering Regulation	Mar. 2007
Implementation of Programme and Policy Initiatives: Making implementation matter	Oct. 2006

