

Senate Community Affairs References Committee

DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 8 MARCH 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Evaluation of the Pilot

Question reference number: QoN 2

Member: Watt

Type of question: Hansard page 36

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 1

Question:

Senator WATT: An evaluation of that pilot was no doubt prepared?

Ms Golightly: The results were identified as things that we needed to improve and those improvements have been made. I can get a list of those for you.

Senator WATT: If you could, and if there was a formal evaluation undertaken of that pilot, whether it was internal and external, could we ask for a copy of that?

Ms Golightly: I will take that on notice.

Answer:

The online compliance system has been evaluated using a continuous improvement process. The iterative process used to evaluate the system is based on continuous monitoring and reporting, resulting in technical fixes and improvements on an ongoing basis.

The initial design was tested between May and June 2016. This was an internal exercise to identify if the online compliance system was working as planned. The pilot was conducted between July 2016 and September 2016 with approximately 1,000 people selected for intervention. These cases were monitored and manually validated to check for any process or system generated issues.

A number of improvements have been made to letters and the online tool both during and after the pilot. Examples of refinements to the online system following the pilot include: making it easier for people to select and enter information for multiple employers; automatically reflecting amounts that might be owed to an individual when displaying potential debts; and using tabs to provide more information about how potential debts were calculated, about welfare income received during the period under review, and about employer income declared during that period.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Meetings with Stakeholders

Question reference number: QoN 3

Member: Watt

Type of question: Hansard page 40

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 1

Question:

Senator WATT: Regardless of what approaches have been made previously, clearly there are a number of stakeholders—ACOSS, unions, other groups that represent Centrelink recipients—who desperately want to meet with government to try to work through these problems. I have seen a press release put out this morning by ACOSS seeking an urgent meeting as well as a halt to this. Are you willing to sit down and meet with these stakeholders to talk this through?

Ms Campbell: I will take that on notice and talk to the minister about that.

Answer:

Stakeholder consultation is part of the Department's usual business.

The Department piloted the online system with about 1,000 people over two months in July and August 2016 and used feedback from the pilot to make a number of improvements.

During January and February 2017, the Department also undertook improvements to the system. The Department consulted with a range of people including: volunteer members of the public and departmental employees not involved in the project or programme areas. These people participated in various system useability and design testing. Their reactions to the language in letters, online screens and the general workflow were captured and influenced the final improvements that have been implemented.

The Department will consult further with a range of stakeholders and groups as part of the Department's continuous improvement processes, including expanding the usability and design testing with people who will be using the system.

In addition, the Department is planning to better engage with those directly affected by compliance and debt matters. This includes preparing more explanatory content for distribution through external communication channels such as our website and having online guides and videos.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Breakdown of Debts waived

Question reference number: QoN 6

Member: Kakoschke-Moore

Type of question: Hansard page 43

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 1

Question:

Senator KAKOSCHKE-MOORE: And then with debts waived and/or written off, there were 5,563, and I see that in the footnotes you provide some examples of where a debt may be waived, which can include administrative errors, special or unusual circumstances or the debt not being cost-effective to pursue. On notice, would you be able to provide a breakdown of when debts were waived in each of those circumstances?

Ms Campbell: We will take that on notice.

Answer:

	Waiver Reason	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
Debts Waived	Clerical Error				2	6	14	16	22
	Extreme and Unusual Circumstances				1	5	9	12	15
	Less than Fifty Dollars		3	31	1,809	1,840	1810	538	143
Total Debts Waived			3	31	1,812	1,851	1833	566	180
Debts Permanently Written Off	Bankruptcy discharged				4	8	13	14	12
	Deceased: insufficient estate					3	5	4	5
Total Debts Permanently Written Off					4	11	18	18	17

The total debts waived and/or written off in the table is more than 5,563 as the table includes January and February data. The 5,563 figure relates to the period July to December 2016 only.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Waiting Times

Question reference number: QoN 8

Member: Dodson

Type of question: Hansard page 44

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 1

Question:

Senator DODSON: What is the waiting time that could be incurred from a client using a mobile phone?

Ms Campbell: We will need to take that on notice. We also know that many recipients in remote communities often access the agent or a Centrelink office in those remote communities, and the agent usually has a landline phone. That comes through to our system and we seek to avoid recipients using mobile phones on those occasions, so those phones are very popular.

Senator DODSON: A comparison of both systems would be useful.

Ms Campbell: Yes.

Answer:

The Department is unable to provide the wait times for customers using a mobile phone. The Department cannot identify which customers are calling from a mobile phone in remote communities as the Department does not collect telephony data specifically related to remote customers. As a result, the Department is also unable to compare calls from mobile phones and those received from an agent or access point, or a Centrelink office in a remote community.

The Department's current average speed of answer is around 15 minutes for Centrelink.

There are 1,226 landline phones available across 590 Agent and Access points in rural and remote communities. Of these, 195 are located in remote and very remote communities.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Consultations with Stakeholders

Question reference number: QoN 9

Member: Dodson

Type of question: Hansard page 44

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 2

Question:

Senator DODSON: You mentioned earlier that refinements were made to the system as you became aware of glitches or difficulties in the system. Who is engaged to deal with the refinements to the system?

Ms Campbell: Who is engaged to deal with the requirements of the system?—that is done internally within the Department of Human Services.

Senator DODSON: Do you contract that out?

Ms Campbell: Sometimes we have contractors providing support. I understand this system was developed within the department. When we made the refinements, we worked within the department and we did extensive review of what we call the sticking points with user experience. We used people from outside the department to come in and trial and test the changes, and we analysed where they found challenges with it. I call them sticking points, but I think there is a more technical term for what those challenges were.

Senator DODSON: In that process, were there opportunities to consult with ACOSS and other stakeholders?

Ms Campbell: There are always opportunities to consult with stakeholders. As part of our user experience testing, it will be important for us to think about how we do this. I note the questions from the committee, and we will take that on notice about how we might better do that in the future.

Answer:

Stakeholder consultation is part of the Department's usual business.

The Department piloted the online system with about 1,000 people over two months in July and August 2016 and used feedback from the pilot to make a number of improvements.

During January and February 2017, the Department also undertook improvements to the system. The Department consulted with a range of people including volunteer members of the public and departmental employees not involved in the project or programme areas. These people participated in various system useability and design testing. Their reactions to the language in letters, online screens and the general workflow were captured and influenced the final improvements that have been implemented.

The Department will consult further with a range of stakeholders and groups as part of the Department's continuous improvement processes, including expanding the usability and design testing with people who will be using the system.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Personal Information provided to the Minister's Office in the last week

Question reference number: QoN 23

Member: Siewert

Type of question: Hansard page 54

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 1

Question:

CHAIR: Go back to my question. Have you provided any further personal information on income support recipients, past or present, since last week, whether it is service recovery or to correct the record to the minister?

Ms Campbell: I will have to take that on notice because I do not have the regular with me—but I would expect that we probably have. That is something that we do on a regular basis because of service recovery.

Answer:

Between 2 and 8 March 2017, the Department provided personal information on 34 recipients to the Minister. The details were provided in relation to ministerial correspondence and media coverage.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Design

Question reference number: QoN 36

Member:

Type of question: Written

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 2

Question:

As part of the design and implementation process, what risks were identified and how were they categorised?

- Have any of these been reviewed, and if so, when?
- What changes, if any, were made after the trial implementation of 1000 reported compliance letters?

Answer:

The risks were identified and categorised in accordance with the Department's Enterprise Risk Management Policy. The risks and opportunities identified at the commencement of the project included those related to the timely delivery of ICT services, achieving the expected budget savings, appropriate resource allocation, delivering tools that support staff, governance, use of behavioural insights, and better targeting of compliance.

These risks were subject to regular monitoring and were formally reviewed and updated in January 2017.

The pilot was conducted between July and September 2016 with approximately 1,000 people selected for interventions. A number of improvements have been made to the letter and the online tool both during and after the pilot. Examples of refinements to the online system following the pilot include: making it easier for people to select and enter information for multiple employers; automatically reflecting amounts that might be owed to an individual when displaying potential debts; and using tabs to provide more information about how potential debts were calculated, about welfare income received during the period under review, and about employer income declared during that period.

The Department acknowledged that there was an underestimation of how many people would not clarify or engage with the Department (Senate Community Affairs Committee from 8 March 2017, Hansard page 57). As a result the Department sends the initial letters and the initial reminder letters by registered mail to confirm receipt. See page 5 of the Department's submission of 22 March 2017, to the Senate Community Affairs References Committee.

The Department has made further improvements to the system. These are also outlined in the submission of 22 March 2017, to the Senate Community Affairs References Committee as follows:

- compliance letters to recipients include the dedicated 1800 086 400 compliance number (page 5);
- a simpler way to log-in to the system has been created (page 7);
- it is easier to upload information that might be several years old (page 7);
- people are given more chances to review their information (page 7);
- the portal screen design has been improved (page 7);
- the dedicated compliance phone number 1800 086 400 is displayed on the screen (page 8);
- more cases are referred to the staff-assisted process (page 8);
- a debt is not raised unless the Department has made more attempts to locate an individual (page 12); and
- debt recovery action can be paused when a case is under review (page 12).

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Process

Question reference number: QoN 56

Member:

Type of question: Written

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 1

Question:

What was the error rate before the OCI programme started i.e. under the manual system?

- What is the error rate under the OCI?
- Is there a threshold percentage for “too many errors” that the responsible department (DHS, DSS or both) has been monitoring to determine that the system is working correctly?
- If so, how was that decision reached, was it approved by DHS Minister Alan Tudge, DSS minister Christian Porter, or both?
- Has the responsible Department’s error threshold percentage for “too many errors” been altered since the initial trial? Please table a record of the dates and percentage changes approved.

Answer:

There is a misconception that there is a significant error rate in the system. As the Ombudsman found in his recent report, the OCI system calculates debts accurately based on the information available.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Processes to minimise debts arising

Question reference number: QoN 62

Member:

Type of question: Written

Date set by the committee for the return of answer: 31 March 2017

Number of pages: 1

Question:

What processes have been put in place since mid-2013 to minimise the risks of Centrelink debts arising.

Answer:

The Department has an extensive compliance and debt program, aimed at preventing, detecting and correcting payment inaccuracy. The Department constantly reviews its processes to make it easier for recipients to ensure their payments are correct.

The Department uses a number of interventions to address payment risk and increasingly uses strategies to educate and assist people to receive their correct entitlements and meet their obligations and responsibilities. The Department works with people to resolve issues when they have not complied with claiming requirements because of genuine mistakes.

The Department's targeted early intervention strategies include sending letters and SMS messages to remind recipients of their obligations and to prompt self-correction.

In 2013-14, more than 187,000 recipients were contacted using these approaches with the average debt amount, per review, reducing from \$352 to \$75. In 2014-15, more than 250,000 recipients were contacted which prevented \$61.4 million in overpayments, and in 2015-16 more than 260,000 recipients were contacted, which prevented \$63.7 million in overpayments.