



Australian Government

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EXECUTIVE MINUTE

on

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT (JCPAA)
REPORT NUMBER 412
AUDIT REPORTS REVIEWED DURING THE 41ST PARLIAMENT**

Ms Sharon Grierson, MP
Chair
Joint Committee of Public Accounts and Audit
Suite R1.108
Parliament House
Canberra ACT 2600

Dear Chair

I refer to the letter from the Acting First Assistant Secretary, Department of Finance and Deregulation of 14 November 2008, received by Centrelink's Chief Financial Officer on 17 November 2008 requesting Centrelink's response to JCPAA Report 412.

The following is Centrelink's response to Recommendations 19, 29, 30 and 32 of the JCPAA Report 412, tabled in Parliament on 25 August 2008. All responses are administrative and have been provided before the due date of 17 May 2009.

The Department of Finance and Deregulation has identified that Recommendation 1 as specified below, may not solely apply to Centrelink. It has been decided that the Department of Agriculture, Fisheries and Forestry (DAFF) will have the responsibility for providing this response, with input from Centrelink.

Recommendations 19, 29, and 30 are supported by Centrelink. In relation to Recommendation 32, although recognising its potential merit, Centrelink is not able to support this recommendation at this time and the reason for this is detailed in the individual response on page three of this letter.

Response to the recommendations

Recommendation No. 1 (p.17 of JCPAA Report 412)

“The Committee recommends that the Department of Agriculture, Fisheries and Forestry and Centrelink provide the Committee with a progress report detailing responses to the ANAO's Recommendation 2 concerning the promotion of drought assistance measures.”

The Department of Agriculture, Fisheries and Forestry (DAFF) is the lead Department in preparing a single coordinated response to Recommendation 1, with input from Centrelink.

Recommendation No. 19 (p.171 of JCPAA Report 412)

“The Committee recommends Centrelink’s prompt examination of options to address the risk posed by inactive records within Centrelink’s major production systems.”

Recommendation No. 19 is supported by Centrelink and has been implemented as follows:

In June 2008, Centrelink implemented a new online environment (Y) to hold inactive records. In accordance with Centrelink’s business rules, during that time, approximately one million inactive records were moved from the Production environments to Environment Y.

No update transactions can be performed against records in Environment Y and, in particular, no payments or advices can be issued. These records can be viewed by users, but if any action is required they can be restored back to a Production environment. Transfer of inactive records to Environment Y occurs bi-annually.

Recommendation No. 29 (p.330 of JCPAA Report 412)

“The Committee recommends that a copy of the revised RSS questionnaire, implementing the ANAO’s recommendation 7 be provided to the Committee.”

Recommendation No. 29 is supported by Centrelink and has been implemented as follows:

The current (November 2008) Random Sample Survey Questionnaires attached to this minute include ANAO’s Recommendation 7. This recommendation was implemented in July 2006 after a joint review process with each of the policy departments.

Random Sample Survey Questionnaires are reviewed annually in March, with changes being implemented in July. This review process is undertaken jointly between Centrelink, FaHCSIA and DEEWR to ensure ongoing improvements in the design of the questionnaires.

Recommendation No. 30 (p.336 of JCPAA Report 412)

“That Centrelink advise the Committee of progress in implementing the receipting process for calls to call centres in relation to customers reporting their circumstances. In addition, the Committee would like to be kept informed of whether the receipting mechanism makes a difference in the rates for payment correctness.”

Recommendation No. 30 is supported by Centrelink and has been implemented as follows:

Call Centre receipting was implemented on 23 January 2003. Receipts are played back to all callers after they have successfully submitted earnings. Callers hear a warning at the beginning of the call that their earnings update is not successful until they hear their receipt number. The receipt number is automatically generated by Centrelink’s mainframe. A Centrelink Customer Service Advisor (CSA) can also provide the customer with a receipt number if requested.

In terms of whether the receipting mechanism makes a difference in the rates for payment correctness, there has been no observed change in payment correctness that could be attributed to the introduction of the receipting process.

Recommendation No. 32 (p.354 of JCPAA Report 412)

“The Committee recommends that the role of Centrelink’s Financial Services Officers be extended to include advice to groups of customers who may find the provision of information helpful in their calculations about FTB entitlements.”

Although recognising its potential merit, Centrelink is not able to support Recommendation 32 at this time for the following reason:

Centrelink’s Financial Information Service (FIS) is an education and information service with an established network of approximately 150 employees.

The Financial Information Service also holds financial education seminars designed to assist people who are about to retire or have already retired.

FIS officers provide information through seminars and interviews to assist Centrelink customers actively plan for retirement while still in the workforce. Centrelink’s FIS has delivered these seminars on behalf of the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) since 1996.

Centrelink’s FIS helps people to make informed decisions about investment and financial issues for their current and future financial needs and promotes financial independence through saving and planning.

Recommendation No. 32 (p.354 of JCPAA Report 412) - continued

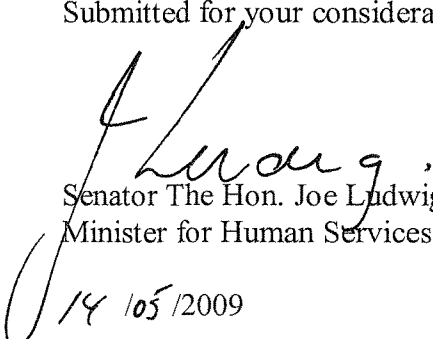
FIS officers provide information to assist people maintain and improve their standard of living by:

- providing them with expert financial information
- increasing their confidence with financial issues
- helping them to understand their own financial affairs and the options available to them, including reducing or avoiding debt

FIS officers do not as a rule, provide detailed program information as is normally provided by Centrelink's Customer Service Advisors (CSAs).

There may also be some scope to explore extending FIS services to this customer group as an extension to current business. However, it will require additional funding. The global financial crisis has meant an increase in demand for the service which is already under pressure, especially from the FIS nominal target group, age pensioners and prospective retirees.

Submitted for your consideration.


Senator The Hon. Joe Ludwig
Minister for Human Services

14/05/2009