

Management of Smart Centres' Centrelink Telephone Services

Audit Report No.37 2014-15

Opening Statement by Auditor-General

JCPAA Hearing 20 August 2015

1. Good morning Chairman and committee members.
2. The ANAO's recent performance audit of the Department of Human Services' Centrelink phone services concluded that the department is making progress in its transition to revised service delivery arrangements for Centrelink services, which include self-service options. However, the department continued to face challenges in managing a significant volume of telephone calls from Centrelink customers. In 2013-14, the department handled 43.1 million telephone calls for Centrelink services, or some 800 000 calls per week, at a cost of some \$338 million. The volume of calls is unique in Australia (for example, the Australian Taxation Office (ATO) handled 8.2 million calls in the same year).
3. Since 2012-13, the department's key performance indicator (target KPI) for all telephone services to customers (Centrelink, Medicare and Child Support) has been an average speed of answer of less than or equal to 16 minutes. While Human Services' data indicates that the department has met its overall target for all customer telephone services in the last two years, the more detailed results for Centrelink telephone services show an increase in average speed of answer from well under 16 minutes in 2012-13 to over 16 minutes in 2013-14. From a customer perspective, the target KPI for Centrelink telephone services is much higher than targets recently set for other telephony services provided by the department as well as those set by other large Australian call centres. Further, the current target does not provide a clear indication of the wait times Centrelink telephone customers

can generally expect. Centrelink customers also continue to experience high levels of call blocking and call abandonment.

4. Of the 56.8 million calls made to Centrelink 1800 or 13 telephone numbers in 2013–14, 43.1 million calls were able to enter the network while 13.7 million calls were unable to enter the network, that is, the calls were blocked and the callers heard the 'busy' signal. Of the 43 million calls in 2013–14 that were able to enter the network, around 45 per cent were answered by a Service Officer and around a quarter were resolved in the Interactive Voice Response system. The ANAO estimates that the remaining calls, around 30 per cent, were abandoned; that is the customer hung-up without resolving the reason for their call.
5. From the customer perspective, the department's target KPI does not clearly indicate what service standard customers can expect, due to the distribution of actual wait times around the 'average'. In 2013–14, for example, for the top 10 Centrelink telephone lines, 36 per cent of customers waited less than 10 minutes while some 30 per cent waited for more than 30 minutes. Other large customer service organisations, such as the ATO, express their call metric in a way that provides customers with more helpful information in this regard. In addition, the target KPI for Centrelink telephone services is very much at the upper end of the range of organisations and benchmarks examined by the ANAO.
6. From 2014–15, the department will report separately on the performance of the Centrelink, Medicare and Child Support programs. While this is a positive development, there is no documented rationale as to why the revised targets set for average speed of answer for Medicare and Child Support services (less than or equal to 7 minutes and 3 minutes respectively) are significantly lower than the Centrelink target.

7. Human Services has established a soundly-based quality assurance framework for Centrelink telephone services. However, there is no clear reason why the quality assurance mechanism—Quality Call Listening—is not applied to all staff handling calls, including those with less experience who may be at greater risk of making errors.
8. The department is pursuing a transformation program for service delivery, with a focus on realising efficiencies by transitioning customers to self-service where possible, and reserving telephone services for more complex cases and those customers most in need. In the interim the telephone remains a key access channel for Centrelink services and a way of providing assistance to those experiencing difficulties using digital channels. In this context, there is a need to appropriately manage the telephony channel so as to provide a reasonable customer experience while also developing a viable pathway to the planned state.
9. The ANAO made three recommendations focusing on: the implementation of a channel strategy to help deliver improved services across all customer service channels and a more coordinated approach to the management of call wait times; the application of quality assurance mechanisms to all relevant staff in Smart Centres; and the review of target KPIs to better reflect the customer experience and to clarify the service standards that customers can expect.
10. We are happy to take any questions you may have.