

Chapter 3

Human Services Portfolio

Department of Human Services

3.1 This chapter contains key issues discussed during the 2015–2016 budget hearing for the Human Services portfolio.

3.2 Areas of the portfolio and agencies were called in the following order:

- Australian Hearing
- Whole of Department—Corporate Matters

Department of Human Services

3.3 Senator Cameron discussed call waiting times for Centrelink customers and the ANAO audit report *Management of Smart Centres' Centrelink Telephone Services* that examined this matter. When asked to give an overview about the new computer system that is being developed to offset wait times, Ms Campbell said:

The largest number of calls we have is families and parenting, at 6.6 million, compared to the next closest one at three million. Many of those customers are not customers of other services. Many of those customers are family tax benefit customers who may be in employment and may have regular interaction with digital services. So our strategy is to try and get as many of those customers onto digital services as possible so that we can free up this very popular service and this very popular channel. We are constantly looking at channel management. The new ICT system is very important in that, so that we can get best practice, really good digital products to the market, so that customers are able to use those and want to use those and will stick with those channels, rather than going back to telephony.¹

3.4 In relation to Centrelink's telephone wait times, the Chair asked about the number of blocked calls—where customers receive an engaged tone. The department said that in response to customer feedback, they have been trying to reduce the number of blocked calls. Mr Tidswell provided the following update:

You can clearly see there the reduction in blocked calls from 2010-11, from just under 40 million down to 13.7 million last financial year. So we have been quite active in literally weaning ourselves off using blocking as a way in which to control average speed of answer. It is about a 66 per cent reduction in call blocking.²

1 *Proof Estimates Hansard*, 3 June 2015, p. 20

2 *Proof Estimates Hansard*, 3 June 2015, p. 26

3.5 When asked what modules are being built to improve Smart Centres' wait times, Ms Campbell answered:

As the minister has said, if we could have systems which are able to be used by customers from start to go, a system that could tell them where their claim is up to. We get a lot of calls from people who say, 'Where is my claim up to?' They are told that claims will take a certain period, but they might ring quite regularly to find out where their claim is up to. If we have a system that tells them where their claim is up to, that it has gone through, they have got the information and we expect it to be X days, we are hopeful that that will reduce the number of calls coming into our smart centres.³

3.6 The department provided an update on the Welfare Payments Infrastructure Transformation Program (WPIT), which is replacing the old Centrelink ICT system. The Chair asked the department to explain what the initial \$60.5 million in funding was being used for. Mr Shepherd said:

The allocation of funds is specifically for what we call tranche 1 of the program. The major focus, as you can imagine in a program like this, of tranche 1 is procurement activity. So we need to do all the preparatory work around the procurement, we need to engage in the procurement and we need to execute on the procurement. So it is a significant piece of work. Also, as you can imagine in a multi-year program of this size and scale, there is a significant amount of activity to set up the actual program—governance structures, stakeholder engagement structures, risk management structures. All of that work will occur during tranche 1 as well. The figures we touched on before. During tranche 1 there will also be some delivery that occurs. One of the lessons we learned from a range of large transformation programs is that you have to get on and deliver as well as rebuild the systems. So we will deliver a range of digital enhancements during tranche 1 of the program—the Secretary touched on one of those enhancements—and that is, when people submit digital claims or digital transactions, they want real-time feedback about where they are at. Minister Morrison has talked about the Domino's pizza wheel. When you order the pizza, you see that your order has been submitted, you see when someone is cooking it, you see when it is being delivered. Lo and behold—you look out of your lounge window because it is telling you, 'It's here'.⁴

3.7 Further questions on WPIT were asked, including about fraud protection, easing of compliance burdens and the benefits of staff. The Chair asked the department what is being built into the system to protect customer privacy, to which Mr Shepherd responded:

The new system will be built in a way that complies with the government's obligations under privacy legislation as it is today. One of the key, I guess, enhancements around privacy has already started with the development of the Migo program where consumers actually, on a consent basis, drive what

3 *Proof Estimates Hansard*, 3 June 2015, p. 32

4 *Proof Estimates Hansard*, 3 June 2015, pp 37–38

they want to link to. That will be an ongoing feature of the digital journey where, on an ongoing basis, consumers, who are walking with their fingers, want to link the way they do business. But, in terms of privacy, the program will be subject to not only the privacy provisions but also the secrecy provisions and it also will be guided by security policies on how personal information is collected, stored and used. There is nothing unique in that regard.⁵

3.8 Senator Cameron asked questions about the \$1.7 billion in savings over the forward estimates with improvements to compliance measures. The department said that this was largely from undeclared income, which was determined by matching the department's data to that of the Australian Taxation Office.⁶ The committee was told that the cost of this measure was 'in the order of \$173 million over four years'.⁷

3.9 When asked by Senator Cameron why these measures were not done before, Ms Golightly replied:

The tools that we have had to investigate these particular cases have been very manual based, and we have been doing some. But what this measure does is give us better tools to be able to do those investigations quickly and more efficiently.⁸

3.10 Senator Xenophon asked the department questions relating to the Child Support Agency, in relation to fraud in the assessment process. The department took a number of questions on notice, and in responding to a question about the protocols of handling allegations, Mr Volkers said:

There are a number of mechanisms in the Child Support Scheme. One of the most basic, fundamental ones is that there are two parents always involved in this process so the scheme itself has an almost built in checks and balances mechanism. Many of the issues that are raised by one party will be checked with the other. For example, it might be a change in care so one person will notify us of that change in care. We talk to the other party to check that. Then if there is a dispute we gather evidence and make a decision. That is analogous to a lot of the processes that happen in the Child Support Scheme.⁹

5 *Proof Estimates Hansard*, 3 June 2015, p. 41

6 *Proof Estimates Hansard*, 3 June 2015, p. 46

7 *Proof Estimates Hansard*, 3 June 2015, p. 46

8 *Proof Estimates Hansard*, 3 June 2015, p. 45

9 *Proof Estimates Hansard*, 3 June 2015, p. 49

3.11 The committee inquired into the current enterprise agreement negotiations, which formally began on 3 June 2014. The department told the committee that 36 meetings and two offers have taken place since then in relation to the bargaining.¹⁰ Senator Reynolds asked what the key elements of the February offer were, to which Ms Talbot answered:

The February pay offer was for a total general pay increase of 4.15 per cent over three years, which average out at about 1.4 per cent per year. It was headlined by a general pay increase in 2015 of 1.5 per cent, 1.5 per cent in 2016, and 1.15 per cent in 2017, which provides the total of 4.15 per cent. The other element was salary advancement for the three years of 0.5 per cent, which meant a total of 1.5 per cent salary advancement for those staff eligible to receive it.¹¹

3.12 Senator Cameron asked the department to outline what the calculations of the February offer were in terms of money that will flow from the employees back to the department. In a series of responses Ms Talbot answered:

For the increase in working hours the productivity saving was approximately \$95 million.... Reducing the accrual of personal carers leave was \$2.1 million... Reducing incremental salary advancement was \$76 million... The workforce reprofiling target was \$38 million... Changing the eligibility for higher duties was \$6 million... And reducing the preparation of pack-up time was \$18 million... The total productivity figure is approximately \$238 million.¹²

3.13 Senator Reynolds asked the department for an update on the industrial action that has taken place since the last estimates. Ms Talbot said:

Since last estimates, we have had two periods of industrial action. The first period was from 30 March to 10 April. We received a notice of industrial action every day from 30 March up until 10 April. The notice identified five identical actions: coordinated lunchbreaks for the whole department, ban on the use of auxiliary codes, which are codes that indicate an individual is following their planned schedule for a particular day by staffing scheduled environment, bans on wearing the corporate uniform—that is only for those staff who are in face-to-face customer service, providing customers with CPSU verbal authorised statement for staff receiving inbound calls, and providing customers with a CPSU written authorised statement which was only at 26 sites. This period included two double lodgement periods¹³, two public holidays over the Easter break, school holidays, and we had very high leave ceilings, given the time—

10 *Proof Estimates Hansard*, 3 June 2015, p. 61

11 *Proof Estimates Hansard*, 3 June 2015, p. 62

12 *Proof Estimates Hansard*, 3 June 2015, pp 70–71

13 Double lodgement days occur when is to report their earnings on a public holiday and must instead lodge them on the business day before the public holiday. There will be twice the number of lodgements expected on those dates.

3.14 The committee discussed the Government's announcement on 22 May in relation to Centrepay and the new criteria for consumer leases. Senator Cameron asked the Minister why the Government did not ban the lease-buy operations. Senator Payne replied:

We have made the decision in relation to the indefinite consumer leases, the indefinite unregulated consumer leases and the less than four months consumer leases to exclude those. We have increased the options, as I mentioned earlier. In making that decision, and in my discussions with the Assistant Treasurer, I have also had stakeholders put it to me that the sorts of consumer leases that we are talking about still do play a role for a certain cohort of Centrelink customers. I have had this discussion, for example, with the National Welfare Rights Network who made this observation in their submission to the Centrepay review which the previous government instituted. They still hold that view, for example. Some of our colleagues who represent some of the more remote areas of Australia remain concerned that families who do not have access to any other sort of credit, because of their financial situation and their status as a Centrelink customer, still are quite limited in their options in what they can access. So the option of consumer leases in the regulated sense remains important for them.

That is not to say, though, Senator Cameron, that I do not appreciate some of the concerns that you have raised, and obviously people speaking to you have raised, and in fact have been raised directly with me. I intend to continue working with the Assistant Treasurer to try to identify ways that we can ensure that our customers are as well informed as possible. We have already made changes to the presentation on our website, so you can see the ASIC link, the MoneySmart link, to make those assessments. We have been speaking about training our staff in this area about exposing our customers to information about other options, including no- and low-interest loans and so on. I am just hesitant at this point in time to completely cut off that option. I do intend to follow it up further with the Assistant Treasurer.¹⁴

