





# PAYING THE PRICE OF WELFARE REFORM

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The experiences of Anglicare staff and clients in interacting with Centrelink

**REPORT BRIEF**

MAY 2018



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## About this brief

This brief, prepared by Anglicare Australia, summarises the key findings of research undertaken by members of the Anglicare Australia network. We examined the impact of the ongoing automation of Centrelink services on vulnerable clients, on staff, and on outcomes for our community service programs.

Research was undertaken across three different jurisdictions by Anglicare Southern Queensland, Anglicare Tasmania, and Anglicare Western Australia. It involved surveys and face to face interviews with a total of 218 staff, and the collection of 18 client case studies across several community services areas including accommodation support and homelessness services, financial counselling, mental health services, domestic violence, alcohol and other drug services, gambling and family support.

The investigation was sparked by a perception across our services that increased Centrelink automation is not meeting the needs of some Australians, particularly those experiencing complex life circumstances or high levels of vulnerability. It is also resulting in unintended consequences for community sector staff in terms of increased time and other resources required to assist clients with Centrelink-related matters.

Our research identified a range of challenges in a typical client journey interacting with Centrelink. These are summarised below, together with recommended ways to reduce their impact on clients.

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## Centrelink systems are changing

Centrelink provides essential services to millions of Australians. This includes some of the most vulnerable people in our community including seniors, people caring for loved ones with disabilities and parents raising young children.

Centrelink is significantly changing the way Australians can access its services and receive ongoing assistance. Successive governments have committed to an ambitious agenda of shifting most Centrelink services to digital platforms. The current Centrelink reform process is framed by four government priorities (DHS 2017) which aim to achieve:

- simpler services and communication;
- improved user experience of digital service delivery;
- support for greater self-sufficiency and the prevention of fraud and non-compliance; and
- a reduction in the growth of government expenditure.

The stated goal is a seamless end-to-end experience for Centrelink customers by securely connecting them to the services they need through a delivery system comparable to online banking or shopping. For the majority of customers interactions will take place without any need for human interventions.

Alongside the push for automation, there has been a reduction in the number of staff in the Department of Human Services (DHS). Further outsourcing was announced as part of the 2018-19 budget, with another 1000 private call centre staff set to answer calls to Centrelink. This outsourcing causes extra pressure on remaining staff, because of the loss of corporate knowledge.

## A Centrelink customer journey

Jane is a single mother. She has four children, and has not been able to work since her daughter was diagnosed with a severe intellectual disability. She is on the Carer's Payment.

After negotiating some visitation changes with her ex-husband, Jane contacted Centrelink to let them know about the new custodial arrangements for her children. She also submitted the court documents and gave Centrelink details of when her children would be with their father.

Several months later, Centrelink wrote to Jane and told her that she would be cut off from the Carer's Payment because she'd had too many 'respite' days while her children were with their father. She was also told that she now had a debt of over \$10,000 because Centrelink had overpaid her.

This made Jane very anxious. She didn't know how she would survive without the Carer's Payment, and had no way of repaying the debt.

She called Centrelink straight away. After spending over an hour on hold, she asked why she was being forced to repay a debt from overpayments that were Centrelink's fault. She also asked why nobody told her about how the new custody arrangement would affect her payment. She has never had an answer to that question. She was told to apply for Newstart - a much lower payment.

Jane went to the nearest Centrelink Service Centre, hoping to speak to someone who could answer some of her questions and help her apply for Newstart. When she arrived, she was told by staff that they couldn't help her. Instead, they told her she should use the phones provided and computers for self-service.

Eventually, Jane was able to begin her application for Newstart.

Several days later, Jane had a message from Centrelink. She called them, spending another half hour on hold. When she got through to a staff member, she was told that Centrelink had made a mistake. She was told she would be able to stay on the Carer's Payment until the following month, when her 'respite' days ran out. She was also told that she would need to cancel her application and reapply the following month.



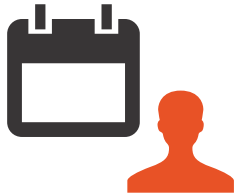
Centrelink does not track how many overpayments come about from their own administrative errors



The average wait time for Centrelink employment hotlines is 30 minutes – although many clients report waiting an hour or more



Since 2011, around 1 in 4 Centrelink clients have been moved onto Newstart from other payments, such as the Disability Support Pension



Jane's Carer's Payment has now expired, and she has had to take out a no-interest loan to survive while she waits for her latest Newstart application to be processed.

Centrelink hasn't disclosed the average application processing time but it aims to make contact within 21 days of an application being submitted

She has found the re-application and claim processing very frustrating. The online system often goes down or is unavailable, and she spends hours waiting on hold using the phone system. Sometimes, her call is cut off and she has to call back, starting from the back of the call queue. She finds the Centrelink Service Centres unhelpful because the staff are there to encourage self-service, and are not able to help her.



Jane is worried that if her claim is successful, she will not have time to meet the Newstart mutual obligation and navigate the Centrelink systems on a regular basis while caring for her family.

*\*This story is based on an interview with an Anglicare client. Names and some details have been changed.*

Centrelink's online system often goes down, and clients have also reported problems with the online income reporting form



Last year, 33 million calls to Centrelink went unanswered and 55 million got an engaged signal



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## Common challenges facing clients

The research found consistent challenges for clients dealing with Centrelink across user groups, and for community service staff who support them. These challenges, listed below, are related to issues of inaccessibility, facelessness, unresponsiveness and inflexibility in the new Centrelink system.

### Long waiting times - “here goes half a day”

Clients routinely encounter wait times of at least half an hour and up to two hours to contact Centrelink by phone. Similarly the waiting times at local service centres were often frustratingly long, and clients sometimes found the Centrelink office a difficult physical or hostile environment.

Amber’s experience highlights the varied computer experiences clients may have:

People like me who grew up with computers just know how to run them like the back of my hand. It’s probably not as simple for other people. I know computers, but older people on pensions, they didn’t have computers when they were younger. (Amber)

Workers described numerous examples where clients had to wait a long time for payments to be established, either for new claims or transferring from one payment to another. In some cases this means surviving on little or no income for weeks.

If you have to wait 14 days for your payment, the landlord isn’t going to wait, you need to eat. You can get the phone call to say your payment is going to be cut tomorrow. And you have kids to feed. That is gut-wrenching. ... It takes longer and longer for Centrelink to communicate a response but what’s happening in the real world doesn’t wait. (Support worker)

### Lack of face-to-face interaction - “I just wanted to give someone a form”

While online systems are adequate for people who are both computer savvy and have easy access to a computer, the push to exclusively use online systems causes significant distress for those who are less connected, or who prefer to speak to a ‘real person’. Furthermore, in crisis situations such as bereavement or unexpected job loss, people often require connection and social support that cannot be provided by a computer interface.

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For many clients one of the biggest problems with the push to automation is the consequent lack of face-to-face contact with competent Centrelink staff. A visit to a Centrelink service centre now often results in staff asking people to use the computers or the phones in the centre, rather than speaking to a member of staff. For those who have low or no computer literacy, speak English as a second language or face other barriers to access, using a computer is often very difficult. It seems to be creating unnecessary barriers and a process of alienation:

They said to me I legally had to do it on a computer and the last time I went down there they wouldn't let me get out of it. I had to. The woman was there yelling at me. She said go and sit down then. I sat down and then she came up and said well have you started yet. I said I don't know how. She said well click on the mouse. I said I don't know what that means. She was so rude. I was crying in the end and she didn't get any nicer. I shouldn't have to do that, I shouldn't have to feel belittled. It was so unpleasant. I just wanted to give someone a form. (Rose, 57, claiming DSP, mental health issues and caring for her elderly mother)

These experiences point to the fundamental need for Centrelink service access to be tailored to meet the needs of its diverse clientele, rather than assuming "one size fits all". There need to be readily accessible alternatives to online systems, so that clients can engage with Centrelink in a meaningful way that is respectful of and takes account of their individual circumstances.

## Inconsistent information – "It's basically who you get on the day"

Research participants identified a number of difficulties in getting clear, consistent information from Centrelink. The information they received could vary greatly depending on a staff member's expertise, experience and knowledge of the system.

Every time you get someone, they don't know what you're on about. You are saying A but the person I spoke with yesterday said B and someone else has said C. And then they say I don't know what they told you that for, they shouldn't have told you that and you get something different. So there's no predictability. It's basically who you get on the day. (Amber, 28, single parent with three sons, separated due to family violence)

Both clients and support workers were aware of the difficulties facing Centrelink staff and the pressure on them to perform numerous roles and retain a vast amount of information. But they also commented on staff cuts and the loss of knowledge that this entailed.

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This means that clients, afraid of putting the Centrelink worker they were dealing with off side, had to 'bite their tongue'. At the same time support workers found themselves advising Centrelink staff about processes and procedures to help them through.

Centrelink is also committed to ensuring that customers get the right payments at the right levels. Although some clients described helpful staff who had informed them about additional payments for which they might be eligible, others described not being given any information about their eligibility for other payments. This could mean managing on significantly less income than they were actually entitled to and the consequent experience of hardship.

## Lack of feedback mechanisms - "you only find out on pay day"

Clients are concerned about negative consequences from making a mistake online. A real frustration for many trying to establish a payment was that there was no way of knowing whether they were getting it wrong. People described only finding out that they hadn't filled out a form correctly when nothing turned up in their bank account on pay day.

Without feedback mechanisms people are unable to take appropriate actions to rectify potential problems or find alternative arrangements to support themselves. This causes much stress and anxiety for people using Centrelink, like Jackie:

I want to speak to people in person because I don't understand a lot of things. I know the system but there are a lot of words I don't understand. The thought that if something goes wrong it's going to be my fault because I am the one that read it and agreed to it. If I speak to someone if I don't understand something I can ask them. (Jackie, 31, caring for her daughter with a disability)

## Inability to understand complex needs and de-escalate challenging situations - "It's really embarrassing"

Stressful life events, such as bereavement, divorce, redundancy, ill health or domestic violence, are often the reasons people are accessing Centrelink. People in difficult life circumstances need special attention and not a 'one size fits all' approach. Furthermore, some people who use Centrelink, such as those experiencing forms of mental illness, need assistance to explain their needs and absorb critical information about their rights and responsibilities.

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Although Centrelink has the ability to flag particularly vulnerable customers and provide a tailored pathway for them through the system, this flagging is not consistent for clients who need it

I have claustrophobia and I'm really bad....and I get particularly bad at Centrelink. I don't like having panic attacks in front of people. It's really embarrassing.... At one stage a lady rang me from Centrelink and said I don't have to go anymore, you can do it all over the phone but then that of course disappeared....They say well no one is going to bite you if you come in. They are just not getting it. So you explain it to one person but the next doesn't have any information. (Rose, 57, claiming DSP and carers allowance for her mother)

Centrelink's Social Work and Community Engagement Officer (CEO) Service is designed to support vulnerable clients with short-term case management, but it can be difficult to access. Many clients have found that they need support workers advocating on their behalf to get this service.

Furthermore, a common recurring theme for clients and support workers was the difficulties Centrelink staff faced in de-escalating and defusing situations. As workers commented, many of the situations in a service centre could have been minimised or prevented had the staff had training in how to recognise and work with clients in distress who may present with challenging behaviours:

There are various techniques which work very effectively to de-escalate situations and calling the security guard is not amongst them. The front desk people need more training around that so badly. They don't realise we are support workers so we see how they talk to our clients and it's not nice. (Support worker)

## Impacts on people relying on Centrelink and the services that support them

Rather than simplifying the way services are delivered, our research shows that the push to automation without proper support mechanisms is reinforcing the traditional features of bureaucracy such as inaccessibility, facelessness and inflexibility in managing cases. This has unintended consequences for both people relying on Centrelink services, and the community services that support them.

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## Accelerated mental stress and anxiety

The fear and powerlessness involved in dealing with a large bureaucracy can take an emotional toll. It can affect people's ability to function in their daily lives and their capacity to change their circumstances. Interviewees expressed fear that their dealings with Centrelink could lead to a loss of whatever income they might be receiving because, as one person said, 'I've done something wrong, somewhere'.

## People giving up and missing out

The expectation that people experiencing acute problems like mental health issues, relationship breakdown, homelessness or domestic violence are able to find the resources and emotional energy to negotiate complex pathways to access or restore payments is unrealistic. A number of clients described how the experience of being forced to use a computer or phone - even when seeking out face-to-face interaction at a service centre - had meant they had just given up. This meant they missed out on essential financial support, potentially spiralling them further down the debt cycle, or not being able to provide essentials for their children and those they cared for.

## People having to rely on community services

Our research found that Anglicare community workers are providing a range of different kinds of assistance in supporting clients with Centrelink issues - the most common being providing reassurance and emotional support (88 percent), and reading/interpreting Centrelink correspondence and helping with filling in forms (73 percent). In particular, we found that young people and people with a disability need special assistance to deal with the system. When clients are claiming the Disability Support Pension (DSP), for instance, support workers have a significant brokering role.

## Increased workloads for community services agencies

Many of the difficulties vulnerable customers have in accessing Centrelink are passed on to community service agencies. Two thirds of workers (66%) said it increased the amount of support clients needed because they were stressed and anxious. There is a clear sense from staff that the amount of support clients need in relation to Centrelink has recently significantly increased.

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The time spent varies widely between different programs, the characteristics of the people staff are working with and the kind of contact they have with them. However, support with Centrelink processes was particularly prevalent among those working with people with mental health issues and with housing/homelessness issues.

Our research calculated that over a period of a fortnight community support staff with direct client contact who were surveyed were spending the equivalent of 6.6 full time equivalent (FTE) positions just on dealing with Centrelink issues. This puts enormous pressure on staff to achieve with fewer resources the client outcomes they are contracted to provide.

## Increased spending on emergency relief services

When a client's payments are reduced, suspended or they are waiting for them to be established, community service providers also have to step in to support clients with food assistance, cover rent arrears or bills to avoid eviction and meet other essential items like paying for documentation to process claims, transport and medication.

Staff estimated how much they had spent over a week due to their clients' Centrelink issues, such as supplying money for food or rent while a Centrelink payment was delayed. In one week this totalled \$7,849 across the network of service providers surveyed. This translates into an annual subsidy to clients dependent on Centrelink payments of at least \$408,148.

The survey did not cover all staff dealing with Centrelink issues. The impact on Anglicare services and resources is therefore likely to be a considerable underestimate. There is also no reason to believe that this would not also be the case for other community service organisations. This highlights the unintentional cost shifting to state and federally funded welfare agencies caused by the current approach to digital service delivery, which in turn detracts from the delivery of funded program outcomes.

## Undermining the work of community services

Although the Centrelink reforms and client self-service aim to reduce government spending these measures are having a harmful impact both on customers and support services by exacerbating the conditions they seek to address.

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A third of workers (33%) said Centrelink affected the ability of clients to engage with Anglicare services. It is difficult to support people if they are worrying about how they are going to feed their children. Similar to Maslow's hierarchy of needs whereby physiological, security and safety needs have to be satisfied before an individual can engage with other needs, clients had difficulty in engaging with the goals of different services while their lives were dominated by Centrelink issues and securing a stable income.

Furthermore, the time spent with one client and the workload involved could ripple out to others. Nearly a third of workers (30%) said that dealing with Centrelink affected the service they were able to provide to other clients. Financial counsellors described previously being able to resolve Centrelink issues during an appointment because they could talk to Centrelink on the telephone while the client was there. With difficulties in accessing Centrelink escalating and long wait times on the telephone this was no longer possible and meant increased waiting times for other clients or increasing the number of appointments an individual needed to deal with their financial situation.

## Recommendations

The aim of this research was to positively influence the ongoing process of automating Centrelink's services. We recognise that building systems that work for a diverse population is complex, and feedback on the human experience of such changes is essential to achieving the best outcomes, both for Centrelink's clients, and its staff. To design a system that works effectively for those whose lives depend on income support, Government and policy makers need to listen to the most vulnerable people in our community, and consider the needs of people who may normally have the capacity to navigate government systems, but find themselves in a period of crisis.

Centrelink needs to be properly resourced and the culture transformed so that staff are supported and can in turn support the people they assist. Critically, the ongoing automation and design of Centrelink IT systems needs to be based on the principle of "doing no harm" and designed to support and build appropriately and sensitively on the skills and capacity of Centrelink clients so that people are increasingly able to self-manage their own affairs.

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It is a real concern that the push for automation and the way it is currently undertaken is creating a new digital divide in access to welfare benefits. Few research participants rejected the need to automate the service. What they did reject was the way in which this is currently being implemented and what it means in terms of outcomes for vulnerable people, including those whose vulnerability is a function of a crisis or unexpected complexity in their life circumstances.

Our detailed recommendations can be found in the main report. Below is a summary of what we recommend to the Australian Government.

## RECOMMENDATIONS

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- 1 Ensure Centrelink is properly resourced to improve its processes, eradicate error and ensure efficiency in delivering services within reasonable time frames for all its clients.
- 2 Ensure that Centrelink's new systems include specific and effective assistance pathways for vulnerable Australians who have additional barriers such as low literacy, physical and psycho-social disabilities, have complex needs, or are in crisis. This should include investigating the provision of specialist advocacy services to assist Centrelink clients who are struggling to navigate the system.
- 3 Strengthen and extend current Centrelink mechanisms to better identify, track and support vulnerable clients.
- 4 Commit to collecting and using detailed feedback from vulnerable clients and those with complex needs during the period of Centrelink system reform, to improve policy, service design and implementation.