



Supporting better Centrelink services

A National Welfare Rights Network 2011-12 Federal Budget Proposal

**A submission to the Federal Government seeking support for a
package of initiatives aimed at assisting people with difficulties
dealing with Centrelink and improving the quality of
Government services**

31 January 2011

About the National Welfare Rights Network

Our work

The National Welfare Rights Network (NWRN) is a network of community legal centres throughout Australia which specialise in Social Security law and its administration by Centrelink. Based on the experience of clients of NWRN members, the Network also develops policy and advocates for reform.

NWRN member organisations provide casework assistance to their clients, generally by phone, at least in the first instance. NWRN members also conduct training and education for community workers and produce publications to help Social Security recipients and community organisations understand the system. The NWRN also engages in policy analysis and lobbying to improve the current Social Security system and its administration.

Our aim

NWRN member organisations, individual Welfare Rights centres and services throughout Australia, aim to reduce poverty, hardship and inequality in Australia by:

- providing casework advice and assistance to individuals to ensure they can exercise their rights, fulfil their obligations, meet their responsibilities and maximise their entitlements under the Australian Social Security system; and
- advocating for the maintenance of a Social Security system that has rights and entitlements, obligations and responsibilities, detailed under and protected by law.

Our principles

The NWRN advocates that the Social Security system in Australia should be characterised by an uncompromising recognition of the following rights:

- the right of all people in need to an adequate level of income support which is protected by law;
- the right of people to be treated with respect and dignity by Centrelink and those administering the Social Security system;
- the right to accessible information about Social Security rights and entitlements, obligations and responsibilities;
- the right to receive prompt and appropriate service and Social Security payments without delay;
- the right to a free, independent, informal, efficient and fair appeal system;
- the right to an independent complaints system; and
- the right to independent advice and representation.

1. Summary

The National Welfare Rights Network is a unique community organisation in Australia. It comprises a network of 14 community legal centres who provide both one-off advice and ongoing assistance to Australians who experience problems with Centrelink's services, its administration of benefits or the Social Security rules.

In our 2011-12 Federal Budget we urge the Federal Government to provide increased support for financially disadvantaged Australian's by expanding access to Welfare Rights assistance.

This can be done by:

- as a matter of priority substantially increasing access to Welfare Rights assistance across Australia, especially for people living in regional areas, by providing an extra \$3 million a year;
- providing the National Welfare Rights Network with National Secretariat policy and advice funding of \$325,000 per annum; and
- ensuring the continuity of the an *Online Independent Social Security Handbook National Community Access Project* developed by the Welfare Rights Centre, Sydney for \$75,000 per annum, or \$225,000 over 3 years. This represents only part of the total cost of the project. Subscriptions provide the balance of the cost of the project.

2. Centrelink – at the heart of the problem

Almost 6.8 million Australians or one in three people receive some type of assistance from Centrelink. It provides payments on behalf of more than 20 different Australian Government and state agencies, with \$86 billion paid on behalf of Australian Government Policy Departments in 2009-10.

Centrelink is the most complained about Government department in Australia according to successive Annual Reports of the Commonwealth Ombudsman. In 2009-10 there were over 5,199 complaints. In the same period, over 186,718 individuals formally sought review through Centrelink's internal review mechanisms. In 2009-10, of appeals to an Authorised Review Officer, approximately 33.3 per cent of decisions were changed, up from 30.8 per cent in 2008-09.

Centrelink records also report clients making 49,618 complaints in 2009-10 about customer services issues. Almost one in four complaints was related by Centrelink knowledge and practice (23 per cent); 13 per cent were about "employees attitude", and an additional 12 per cent were about decision making. Only 6 per cent of complaints were about policy matters.

Significant numbers of Centrelink clients also complain to the Social Security Appeals Tribunal (SSAT), an independent body that investigates the Centrelink decision. In 2009-10 there were 12,617 reviews at the SSAT. Roughly three in every 10 decisions are overturned when independently examined by the SSAT.

Unfortunately, too many people experience problems with the Social Security system and when problems arise there are major consequences for society and significant implications for individuals' financial and emotional wellbeing.

The type of practical assistance and advice that is provided by Welfare Rights is invaluable, though the real benefit is difficult to quantify.¹ However, previously unpublished data shows that over the last two years the Welfare Rights Centre (NSW), for example, had in excess of \$2 million worth of client's debts waived under very strict debt waiver provisions that a recent Senate Committee universally condemned as "harsh and unfair".

Welfare Rights provides a range of information and advice products and the contention that we provide significant value for money is supported by a recent Attorney-General's *Access to Justice* report which concludes that "services that can be described as early intervention services, such as advice and minor assistance, legal information and community legal education...deliver substantial benefit to the community".

Additional financial assistance for Welfare Rights is not just good for individuals, but also is also good financial sense. This is because **solving problems at the earliest opportunity with Centrelink** at the Original Decision Maker or Authorised Review Officer level means **less expense** in comparison to taking matters to the Social Security Appeals Tribunal (SSAT) or the Administrative Appeals Tribunal (AAT). For income support recipients, early resolution

¹ See Attachment 1: Information and factsheets published by Welfare Rights. View at: www.welfarerights.org.au

represents much **quicker access to justice**. In addition to being more efficient the experience for individual recipients and their families and carers is less demanding, as many lack the emotional resources and do not have the capacity to pursue their appeals to more formal levels.

The process is also significantly fairer for clients as most are currently unrepresented at SSAT hearings. Of those appeals involving a Centrelink matter only about 3 per cent were represented by a legal representative.

This submission outlines three funding proposals for consideration in the 2011-12 Federal Budget. We believe that the proposals in this submission should be funded by contributions from across a range of Government agencies and departments that benefit from our contribution to service delivery and that obtain an advantage from our law reform activities. These include: the Department of the Attorney General, the Department of Families and Housing, Community Services and Indigenous Affairs, the Department of Education, Employment and Workplace Relations, the Department of Immigration and Citizenship, the Department of Human Services and Centrelink.

Unfortunately, many people are unaware of the services available from Welfare Rights. Because of a lack of resources Welfare Rights Centres are required to apply strict guidelines to determine who is eligible for help, resulting in unmet legal need. Our clear impression is that there is a significant unmet need for the provision of an independent source of practical advice and information about Social Security and Family Assistance Legislation. Extra resourcing would allow many more vulnerable Australians to get the help they need to deal with their Centrelink issue.

1. Expand access to independent advice and help with Centrelink problems

The Government needs to build the capacity of disadvantaged communities and individuals to understand the increasingly complex Social Security obligations and responsibilities and to access their full Social Security entitlements. This will improve the accountability of Centrelink's delivery of around a third of the nation's budget. It would enhance the capacity and responsiveness of Government policy departments and assist in ensuring that both the policy departments and Centrelink have better access to informed, credible, client-focussed, expert feedback on Centrelink practice and performance.

This can be best achieved in a number of ways. One of the most effective ways of achieving this is by expanding the network of specialist Social Security advice and advocacy services throughout Australia and making them more efficient by improving their coordination. Such assistance is particularly relevant to promote the Government's actions to reduce homelessness and advance its social inclusion plans.

It is also particularly timely as the Government continues its reform agenda, including its evaluation of the extension of Compulsory Income management in the Northern Territory to determine the future of this policy and additional changes to the Social Security Appeals Tribunal and the Disability Support Pension. Building on the Government's participation and productivity agenda, the Tax Summit in 2011 is also likely to have additional impact on the policy landscape in Australia.

There continues to be a significant number of appeals and complaints about Centrelink services reported in the Annual Reports of the Commonwealth Ombudsman, Centrelink and the Social Security Appeals Tribunal. This has resulted in increased demand for information and advice by those impacted by Centrelink decisions and its services.

Centrelink practices could be significantly improved by an expansion of independent Social Security advice and advocacy services enabling pensioners, parents, carers, people with disabilities, students and unemployed people to receive independent advice and to challenge Centrelink decisions where necessary.

Due to current resourcing, far too few people can get this assistance which enables Centrelink to be careless and less accountable than it should be. Yet, as Social Security law has become increasingly more complex and as workforce age payments have increasingly required higher levels of activity and participation the availability of independent advice on Social Security and Centrelink matters has diminished.

Currently there are just over 27,000 Centrelink staff making countless decisions each day and only 24 Commonwealth funded specialist Welfare Rights workers throughout Australia to provide independent assistance. All of these Welfare Rights positions receive less funding than other Community Legal Centre positions and consequently many are only part-time.

From a historical perspective in 1993, the Commonwealth Government provided an initial \$1 million for the establishment of a Welfare Rights Funding Program. The money was permanently ceded from the Department of Social Security to be administered by the Attorney Generals Department, as part of the Community Legal Services Program (CLSP). This funding program has received indexation increases since that time but has never been expanded despite an overall increase in the number of Social Security and Family Tax Benefit recipients, massive changes to Social Security and Family Assistance law and a substantial increase in activity testing and the complexity of many aspects of the system.

Over the last two years there has been some additional one off funding provided by the Commonwealth Attorney General's Department to community legal centres across the Community Legal Service Program. The amounts provided varied between NWRN member centres and in 2010/2011 the one off funding was not provided across all NWRN member centres with most member centres not receiving any additional funding for either their generalist or welfare rights programs. Whilst the additional one off funding was welcome amongst NWRN member centres fortunate enough to receive it, the current situation does little to provide the required security of recurrent funding for important programs such as welfare rights assistance.

NWRN considers that the Welfare Rights program should be expanded initially by \$3 million, as was originally intended in 1993 and again by a further \$2.5 million in two years once the initial expansion has been accomplished. The expansion of funding would enable a significant increase in the capacity of Welfare Rights services to both assist greater numbers of clients and to hold Centrelink more accountable for the services it provides and the decisions it makes.

An investment of \$3 million, allocated as recommended, would mean that an additional 6,000 to 8,000 Centrelink customers throughout Australia would be able to gain independent Social Security and Family Assistance advice each year. This would also significantly increase the capacity to capture independent casework data on which to base feedback and advice to Centrelink and the policy departments (the Department of Human Services, the Department of Families, Housing, Community Services and Indigenous Affairs and the Department of Education, Employment and Workplace Relations) regarding emerging and systemic problems.

Social Security and Family Assistance law is very complex. Centrelink's administration is constantly changing. The most effective expansion of Welfare Rights services would ensure that current Centres and advocates have a sufficient critical mass of expertise to keep all staff up-to-date and able to support each other and to provide a state-wide telephone service throughout the week. This requires capital city centres to have at least four to six casework advisers. These centres need to be brought up to at least minimum effective size as the first priority.

Extra resources from Government would allow for additional Welfare Rights positions, generally located in existing Community Legal Centres or other appropriate organisations, in areas of greatest need – outer suburbs and disadvantaged regional towns.

At present there are only five regional areas with a Welfare Rights service but there are many other areas throughout Australia in need of a local Welfare Rights service, for example Logan, Toowoomba, Cairns, Newcastle, Wollongong, Dubbo, Bendigo, La Trobe Valley, Devonport, Mt Gambier, Rockingham, Kununurra, Geraldton, Alice Springs and the western suburbs of Sydney, Melbourne and Adelaide. Two Welfare Rights workers, most efficiently placed in an existing Community Legal Centre, are needed in each of these areas.

NWRN draws to the Government's attention to the attached media release from the current Treasurer that details extra funding for the important work our member centres perform. The statement, released during the 2004 election campaign, highlights difficulties facing individuals and families in dealing with Centrelink debts and Family Tax Benefit overpayments – both problems which Welfare Rights is still engaged in and which persist to this day.

2. National Secretariat Funding for the National Welfare Rights Network

The Commonwealth Government provides funding for a range of peak community organisations to provide advice, feedback and to represent the interests of their constituents. Those funded include: the Australian Council of Social Service; Council on the Ageing (Australia); Carers Australia and the Australian Federation of Disability Organisations. Many of these "peaks" are supported by the National Secretariat Support Program, run by the Department of Housing, Families, Community Services and Indigenous Affairs.

Other worthy organisations that only recently received some renewed secretariat funding, include National Shelter and that Australian Youth Action Coalition.

In this Budget submission we propose that the Federal Government provide National Secretariat funding of \$325,000 per annum to NWRN.

The NWRN provides policy advice and assistance across an extremely wide range of Government policy departments, sits on a number of working parties and advisory groups, provides advice and feedback to a broad range of Government inquiries. We have regular, ongoing contact with Centrelink and, as their annual reports make clear, NWRN is a key conduit for providing information to and from Centrelink about its services and policies and how they can be improved.

We also work closely with other community organisations, employment service providers and engage regularly with the main departments with responsibility for social policy in Australia. These include: Department of Human Services, Department of Families, Housing, Community Services and Indigenous Affairs and the Department of Education, Employment and Workplace Relations (DEEWR).

NWRN members currently sit on more than 20 local, state or national Centrelink advisory bodies or working parties.

NWRN's activities and achievements are too numerous to detail and often go unnoticed, but the efforts of our work are considerable. Just one example worth mentioning is that NWRN facilitated coordinated meetings across Government departments and agencies to address unfairness in the current debt waiver rules. A recent Senate Legal and Constitutional Affairs inquiry supported reforming the rules along the lines proposed by NWRN.

We work within our limited means to draw attention to Government services and policies which need improving and that do not meet the needs and expectations of the Australian people. We are sometimes able to alert Government when policies are misunderstood, or have unintended consequences. Our voice and views are formed from the experiences of many of the disadvantaged Australians who seek our advice and assistance.

It is also a priority for the NWRN to have secretariat funding to enable it to pursue relevant policy and law reform activities. Currently the ability to respond quickly to requests by Government can be hampered as those involved within the NWRN are principally caseworkers within Member Centres who have an ongoing heavy caseload. As such there is a continual tension between the ability to have input into law reform and legal policy work and the daily demands of casework.

Currently the NWRN relies primarily on assistance provided through a position of funded from non-Government at the Welfare Rights Centre (NSW) located in Sydney. NWRN raises a small amount to allow for limited policy development capacity and other travel requirements through a levy on its member centres which can be ill afforded. The National Welfare Rights Network currently levies its members to provide a small but highly valued coordination role for a day per week. The NWRN runs a website with over 30 current Factsheets which are used by all Welfare Rights Centres and many community organisations and members of the public.

This could be improved enormously through the employment of two staff to undertake this role. This would enable Welfare Rights services to maximise feedback to Government and Centrelink and to therefore gain improved efficiency for Centrelink. NWRN policy and law reform activities are undertaken by Member Centres in addition to their full casework loads.

3. Funding for an Online Independent Social Security Handbook National Community Access Project

The Welfare Rights Centre (NSW) researches, updates and publishes as a national resource, the highly acclaimed *Online Independent Social Security Handbook*. The 900 page *Online Independent Social Security Handbook* is updated quarterly with significant changes to the Social Security Act, its administration and changes to family assistance legislation.

NWRN members promote the Online Social Security Handbook to community agencies, legal aid and financial counsellors often help their clients using the information from the Online Independent Social Security Handbook.

The *Online Independent Social Security Handbook* has been endorsed as being a valuable, even essential resource, by many of the key organisations and stakeholder groups in the Australian community, welfare and legal sector. Endorsements from organisations including the Australian Council of Social Service, Jobs Australia, the Federation of Ethnic Communities Councils of Australia, the Commonwealth Ombudsman, Financial Counsellors Association, Legal Aid NSW and the Brotherhood of St Laurence can be found at Attachment 2.

The Handbook is tailored towards community workers or advisors across Australia who have little or no previous knowledge in the area, and for those who have some experience, but who are not experts. The Handbook fills the gap that exists between the publicly available highly technical information in the legislation and policy, and the plain English information which is provided by Centrelink which is not independently produced.

A typical community worker who might use the Handbook is a local family support worker, a homelessness support worker or is a financial counsellor. Often they use the information provided in the Handbook to assist their clients to obtain payment, have the payment increased, avoid getting debts or to have a Centrelink debt reduced. There are significant financial benefits for individuals when a Social Security problem is positively resolved. Depending on an individual's circumstances and family situation, the financial costs to both State and Federal Governments of being denied access to income support to both State and Federal Governments is considerable.

The Commonwealth Government would purchase a bulk *Online Handbook* subscription which would partially cover the cost of a Handbook Researcher, located at the Welfare Rights Centre, Sydney. The Government would effectively partner with the Welfare Rights Centre in the publication of the *Online Independent Social Security Handbook*. It is estimated that this would cost \$75,000 per annum or \$225,000 over three years.

This would help facilitate access to the Online Handbook for all Australians, all community organisations, Federal and State Government Departments and agencies, public libraries, State Legal Aid Commissions and Job Services Australia providers. It would also enable free access to be provided to individuals and community organisations on a needs basis.

Attachment 1.

Information about Social Security published by the Welfare Rights Centre, NSW

Access to information about income support entitlements and rights and obligations is essential. The Welfare Rights Centre places a high priority on producing and distributing clear information for use across Australia.

The Centre provides the following publications for the NWRN which are available to individuals, community agencies and Government departments.

The key Welfare Rights publications are:

- *rights review*, a quarterly newsletter which includes policy analysis, summaries of impending policy reforms, case studies and a practitioners guides;
- The Social Security Reporter with case summaries of Administrative Appeals tribunal decisions. More information is available at: www.ssr.org.au;
- 30 factsheets covering all aspects of Social Security and Family Assistance law. The fact sheet on appeals is translated into Arabic, Chinese, Serbian, Spanish and Vietnamese;
- The Online Independent Social Security Handbook;
- Relationships and Centrelink;
- Get Paid Not Penalised! (Booklet on compliance – funded by DEEWR);
- A self-help guide to the Social Security Appeals Tribunal (written with Legal Aid NSW); and
- Welfare Rights Website, which can be accessed at: www.welfarerights.org.au

A range of “self-help” booklets and forms are also produced by the Centre to assist individual clients and their advocate or community support worker to deal any problems with Centrelink. There are separate booklets to assist at the Social Security Appeals Tribunal and the Administrative Appeals Tribunal. In addition there are more detailed self-help forms which provide information to assist people with the following:

- Freedom of Information requests;
- Appealing to an Authorised Review Officer;
- Act of Grace claims;
- Complaining about a Centrelink decision or service;
- Dealing with Centrelink about a debt recovery issue; and
- Completing a claim for compensation from Centrelink.

Attachment 2.

What key organisations and stakeholder groups in the Australian community, welfare and legal sector say about the Online Independent Social Security Handbook

“To be able to apply for your rights, you first have to know the rules of the game. This Handbook is an invaluable tool.”

Commonwealth Ombudsman

“In an era of increasing social security complexities, this Handbook guides community and welfare workers through the maze to provide improved advice to clients. It’s clear, logical and easy to read.”

President, Australian Council of Social Services

“This Handbook captures the wealth of practical casework experience of the Welfare Rights Centre to produce a fully updated, comprehensive guide for community and welfare workers. It untangles the complex web of Social Security and Centrelink rules. A must for community welfare agencies.”

Tony Nicholson, CEO, Brotherhood of St Laurence

“This handbook provides invaluable insight into rights, entitlements and obligation in a clear and concise manner. It provides a clear pathway into the Social Security and Centrelink systems and is an essential resource for Legal Aid and community workers in this field.”

Legal Aid Commission of NSW

“Clients of diverse cultural and linguistic backgrounds often face barriers in accessing social security. This handbook is an essential resource for community workers assisting people from non-English speaking backgrounds in obtaining their entitlements.”

Chairperson, Federation of Ethnic Communities Councils of Australia

“As well as subscribing to the ONLINE version, every employment service provider should have at least one copy of this invaluable handbook.”

David Thompson, CEO, Jobs Australia.

“This comprehensive Handbook is an invaluable tool for financial counsellors in their daily work. In client advocacy with Centrelink and others, the Handbook is of great assistance, providing clear guidelines and self-help forma and other such things as appealing, income and assets tests, debts and compensation.”

Chairperson, AFCRA, (Australian Financial Counselling and Credit Reform Association)

Attachment 3.

Media Release by the Hon. Wayne Swan on Centrelink service delivery, 2004.

Wayne Swan MP

Shadow Minister for Family and Community Services

Labor's new Charter for fairer Centrelink service delivery

A Latham Government will work with Centrelink to improve its services to the 6.4 million Australians who receive pensions, family payments and income support.

Each year around 56% of all family payments made to parents are wrong.

Recently the Auditor-General found a total of \$1 billion of outstanding Centrelink overpayments and debt owed by pensioners and people on income support payments.

Labor believes Centrelink's highest priority should be to pay people the correct amount fortnightly when they need it most.

A consumer reference group

A Latham Government will appoint a Consumer Reference Group to develop a new Centrelink Service Charter.

Labor's Consumer Reference Group will include pensioners, families and individuals who use Centrelink services regularly as well as representatives from the National Welfare Rights Network.

A focus on debt prevention

A Latham Government will boost Centrelink compliance activities that focus on debt and fraud prevention.

Labor's better family payment policy outlines a series of reforms to prevent family payment debts.

Labor will also develop new strategies to inform clients about their entitlements and to prevent overpayments and debts which cause chaos to household budgets.

The current Government is happy to pay the wrong amounts to clients and then recover the money up to five years down the track.

Labor will reduce taxpayers funds wrongfully paid out each year. Labor will:

- ensure all Centrelink correspondence more clearly warns clients of their legal responsibilities.

- immediately abolish the current practice of allowing people to repay debts using credit cards which leaves them with additional interest charges.
- guarantee that no age pensioner is forced to sell or refinance their family home to pay debts except in cases where fraud has been proven.
- toughen criminal penalties for those who wilfully defraud the system.

Greater accountability

Pensioners, families and income support recipients will be given greater assistance to appeal Centrelink decisions they believe are wrong

Centrelink clients currently have access to internal and external review if they believe a decision is wrong. Within Centrelink these review processes are also duplicated with a customer complaints phone line.

Labor will retain internal review processes in Centrelink but abolish its customer complaints phone line and give the \$2 million a year saved to the National Welfare Rights Network.

These additional funds will strengthen resources within the National Welfare Rights Network to provide independent advice and legal assistance to families and pensioners who are considering appealing a decision.

Centrelink clients will still be able to make complaints concerning service through the general customer phone line and direct to Centrelink Office Managers.

Closer to the community

Labor will ensure Centrelink customer service centres work more closely with local communities.

Local church and charities are forced to pick up the pieces when Centrelink cannot help.

Labor will:

- ensure Centrelink clients requiring emergency relief payments are not referred to organisations with no funds.
- ask local Centrelink staff to provide advice on funding decisions for local community projects.
- encourage the outposting and outreach of Centrelink staff into community centres, maternal and child health centres and homeless services.

These simple measures will go a long way to improving Centrelink service, reducing overpayments and improving accountability.