

ombudsman sees room for centrelink improvement

In October the Commonwealth Ombudsman released two critical reports concerning Centrelink: *Balancing the Risks* and *To Compensate or Not to Compensate?* Both reports raised serious issues about the way Centrelink administers the Social Security system and how it treats its clients. The problems raised by the Ombudsman are entirely consistent with the experience of Welfare Rights Centre clients throughout Australia.

The Centre is frequently contacted by clients who have been underpaid. Often the underpayment has arisen because the client has received information from Centrelink which has led them not to pursue claims or appeals.

For example, one client of the Centre checked with Centrelink that his pension would continue before going on a holiday outside Australia for 18 months. Centrelink advised him that his payment would continue, but did not tell him that once he was outside Australia for more than 12 months the family home, to which he intended to return, would be counted as an asset. After 12 months the man's pension was substantially reduced causing him unanticipated financial difficulties.

whose responsibility?

The Ombudsman Report identified a major problem in the "self -assessment" approach used by Centrelink to administer Social Security payments. Under this approach, Centrelink requires a person to claim the correct payment, ask all of the right questions, to identify for themselves errors in Centrelink's assessment of their entitlement and to bring this to Centrelink's attention within a specified period of time.

The Ombudsman questioned the fairness of requiring the consumer to bear the "risk" of any error, given that consumers "are less able to understand or indeed to comply with the increasingly complex rules such agencies implement...In addition, within Centrelink's customer population there are significant groups with special needs, or who are particularly vulnerable, and are thus even less able to reasonably bear the risks associated with the complex system they deal with". The Ombudsman concluded "there is a need to achieve a greater balance in the risks and responsibilities taken by the service delivery agency, compared to those taken by its customers, in the system it operates."

The two Ombudsman reports recommended that Centrelink should not only develop strategies for reducing its own risk, but should also expand that thinking to strategies that reduce the consumer's risk. The Ombudsman recommended the development of strategies to improve the quality of information given by Centrelink to its clients, including clearer wording and more relevant timing of correspondence.

compensation for centrelink omissions

The Ombudsman also considered ways of compensating people who receive wrong or incomplete information. The Report recommended that the guidelines for compensation payments be clarified and that claims be handled both with an open mind and in cooperation with the Ombudsman's office. In particular, the Ombudsman recommended that backdating of

income support payments be allowed for up to 12 months in some cases. This would reduce the problems faced by people who would be entitled to arrears, except for the fact that they noticed the error outside the three-month time limit for receiving arrears. Presently people who realise they have been underpaid outside this time limit can only receive arrears back to the date on which they lodged their appeal. ■