Centrelink

Linking Australian Government services

Becoming a provider and employer of choice

Centrelink submission, to the Finance and Public
Administration References Committee inquiry, into
recruitment and training in the Australian Public Service

May 2002

Version 21/5

Contents

Tables and figures

Tables

Figures

Executive summary

This is a submission for the Senate Finance and Public Administration References Committee inquiry on Australian Public Service (APS) recruitment and training, announced March 2002.

The inquiry is concerned with the career implications of devolving recruitment and training to APS agencies and regional compared with capital city opportunities. The terms of reference canvass recruitment trends including regions and young people, efficiency and effectiveness of recruitment and training, accredited training issues, trends in training and development, and the training and development role of the Public Service Commissioner.

Three large agencies—Centrelink, Tax and Defence—account for the majority of APS employment. Centrelink was established in 1997 under a purchaser-provider framework to deliver Commonwealth payments and services to eligible customers. About one-third of Australians are customers, receiving about one-third of total Commonwealth outlays. The Centrelink response to recruitment and training is an important aspect of a broad-ranging consideration of the devolved APS environment.

The Centrelink strategic and business plans express the key result areas in terms of client partnerships, customers and the community, Centrelink people, cost efficiency and best practice. Over 2002–06, the organisation aspires for people excellence—valued staff giving their best, increasing commitment to high performance, and becoming an employer of choice.

The period 1997–2000 was a period of intense growth for Centrelink, with the Job Network, Youth Allowance, new systems platforms, and the July 2000 launch of 560 new Family Assistance Office sites. In the 2001 budget, Centrelink was tasked as the provider of choice for the participation support system in Australians Working Together (AWT), a $1.7bn social and economic participation program.

Centrelink's National and Area Offices support over 1000 service sites, with more than 300 Customer Service Centres (CSCs) and 28 Call Centres, disbursing over $50bn to six million customers. Reversing a three-year downturn, total staff numbers rose from 22 200 to 24 400 over 2000–01, but have declined slightly since then. At 11%, the Centrelink increase in ongoing staff for 2000–01 was double the APS rate. Compared with APS norms for ongoing staff, Centrelink has a higher proportion of women (66% vs 51%) and part-timers (16% vs 8%), but a substantially lower classification profile. Two-thirds of all staff are 'Centrelink 2s'.

Centrelink's achievement stories in recruitment and training are the growth in regional presence and jobs, vital strategies to raise the quality of network recruitment and skills, and the Centrelink Virtual College vision for career pathways and accredited training.

Only 10% of all staff work in the Canberra National Support Office. Centrelink provides a large number of decentralised jobs with opportunities for training and career progression. Most of the CSCs and Call Centres are located outside capital cities. New Call Centre establishments boost job opportunities in regions with above-average unemployment.

There were 2432 ongoing, and 6275 in total, staff recruitments to Centrelink in 2000–01, but there have only been 2675 recruits in the first nine months of 2001–02. Primarily because of Call Centre recruitment, the proportion of under-25s in the 'ongoing' staff increased from 4% to about 6% over 2000–01, reversing the decline over 1997–2000. While only 6% of ongoing staff were aged under 25, a quarter of the recruits for the year were under 25.

In Centrelink's evolving youth employment strategy, improving youth prospects will ultimately be balanced against open recruitment (under the 1999 PS Act) of experienced workers with desirable life and customer service skills for Centrelink.

Centrelink Call has managed its high staff intakes effectively, through bulk recruitment exercises conducted by external providers. Building on this success, a panel of recruitment providers has been appointed for AWT, signalling a strategic move to panels and bulk recruitment for the majority of Area intakes. The first large intake for AWT will be personal advisers, a more highly skilled customer service group required to interpret and process the participation requirements of AWT.

Centrelink does not maintain a general graduate intake, but the successful IT graduate program for National Support Office has brought in more than 200 recruits since 1999. The preference is that middle management and technical skills will come in on transfer from the network, graduates being readily attracted on transfer from other Canberra APS agencies.

The main accreditation agenda is in the vocational education and training (VET) sector, with the launch of the Virtual College as Centrelink's registered training organisation, and the move to a standard induction and training model for all ongoing recruits. The first wave of certificate III or IV 'personal advisers' for AWT will graduate later this year across all Areas.

The new Centrelink career pathways vision, developing career and qualification pathways in the community services, business and IT work streams, will position the organisation as an employer of choice, enhancing career equity across regions, and offering new and existing employees learning opportunities for marketable skills and qualifications. The Development Agreement for 2002 will reflect the three work streams enunciated in the careers vision.

Responding to recent performance audits, the Getting it Right program for correctness and accuracy is having a significant impact on network training. Following Centrelink-FaCS agreement on the Business Assurance Framework, staff support under Getting it Right 2002 will enhance the roles of work checkers and experts, improve the e-reference tool, and raise the technical skills of Customer Service Officers (CSOs).

The new competency-based induction program should result in a systemic improvement in technical skills. Also, the approach being used in the AWT network training program will flow into the model for the ongoing development and review of technical training.

Through APS benchmarking exercises, organisational expenditure on (network) training, and for learning and development, has been estimated at $1600 a head. The learning priorities for 2002–03 include the new induction program, the AWT training, nationally recognised learning for staff, leadership development programs, improving technical skills for Getting it Right, accreditation for work checkers and workplace trainers, and agent training.

Over 80% of staff continue to have completed and reviewed Team and Individual Learning Plans. Learning needs analysis is being improved through Centrelink Education Network feedback and other online systems. The Learning Management Service now under development will accommodate essential national registration and reporting requirements for the CVC and systematise learning needs analysis.

Job redesign should boost learning efficiency, giving CSOs more reasonable work spans and more manageable learning loads to maintain essential decision-making skills. Following a successful CSC trial, a 'functional' jobs model is to be adopted. Initial customer assessment, and determination of participation requirements, would be handled by 'start up' and 'participation' advisers, with maintenance from 'customer support officers'. The 'senior practitioner' would provide expert back-up to the frontline staff. The 2002 Development Agreement will be compatible with the functional jobs model.

Inquiry background

This chapter summarises the inquiry and the intent of the Centrelink submission.

The inquiry

On 21 March 2002, the chair of the Senate Finance and Public Administration References Committee, Senator Michael Forshaw, announced an inquiry into Australian Public Service (APS) recruitment and training. Submissions were sought by 10 May, to be followed by public hearings and a report to the Senate by 12 December 2002.

A key aspect of the inquiry is the effectiveness of the devolved (to APS agencies) recruitment and training arrangements, in establishing adequate career paths across different APS agencies. Other major issues are employment and career opportunities for young people, and training and career opportunities for regional APS employees compared with capital city colleagues.

The Committee is to examine and report on the following issues:

(a) Recruitment

    i.   The trends in recruitment to the APS over recent years;
    ii.   The trends, in particular, in relation to the recruitment to the APS of young people, both graduates and non graduates;
    iii.   The employment opportunities for young people in the APS;
    iv.   The efficiency and effectiveness of the devolved arrangements for recruitment in the APS;

(b) Training and Development

    i.   The trends in expenditure on training and development in the APS over recent years;
    ii.   The methods used to identify training needs in the APS;
    iii.   The methods used to evaluate training and development provided in the APS;
    iv.   The extent of accredited/articulated training offered in the APS;
    v.   The processes used in the APS to evaluate training providers and training courses;
    vi.   The adequacy of training and career development opportunities available to APS employees in regional areas;
    vii. The efficiency and effectiveness of the devolved arrangements for training in the APS;
    viii. The value for money represented by the training and development dollars spent in the APS;
    ix.   The ways training and development offered to APS employees could be improved in order to enhance the skills of APS employees;

(c) Public Service Commissioner

    i.   The role of the Public Service Commissioner pursuant to s.41 (1)(l) of the *Public Service Act 1999* in coordinating and supporting APS-wide training and career development opportunities in the APS; and

(d) Any other issues relevant to the terms of reference but not referred to above, which arise in the course of the inquiry.

This submission

Three large agencies account for the majority of employment under the Public Service Act. In order of size, they are Centrelink, the Australian Tax Office (ATO) and the Department of Defence. Centrelink accounted for about 20% of total APS employment at the end of 2000-01 (PSMPC 2001a).

Unlike the ATO and Defence, Centrelink operates 'off budget' under a purchaser–provider framework to deliver Commonwealth payments and services to eligible customers. It is the only large Commonwealth agency left for which direct and face-to-face customer contact is the daily norm for the bulk of staff. This business puts a particular stamp on the organisation's main recruitment and skilling requirements.

About one-third of Australians are Centrelink customers and about one-third of these receive multiple benefits. Every year Centrelink pays out about one-third of total Commonwealth outlays, with the largest transaction volumes of any organisation.

The dimensions of the organisation and its tasks speak to the challenges of managing and continually improving human resources. The way in which Centrelink responds to these challenges is an essential aspect of a broad consideration of the effectiveness of devolved APS recruitment and training.

Noting the Committee's particular interests in APS recruitment, employment and career opportunities for young people and in regions, training and development, and efficiency and effectiveness, this submission records and discusses significant national trends, plans and strategies in Centrelink's approaches to the recruitment of staff and the design of their jobs and training opportunities.

Centrelink background

This chapter is for background and context on Centrelink's plans, its policy and budget environment, and the shape of the organisation.

Planning context

In the original *Strategic framework* (Centrelink [C] 1997), and in successive strategic and business plans, Centrelink has expressed its goals and business objectives in consistent terms.

In 1998–99 and 1999–2000, the organisation set its six goals in the key result areas of client partnerships, customers and the community, Centrelink people, cost efficiency, innovation and best practice (C 1999a, 2000a). The same six goals are reset in the *Strategic directions 2001–2006* (C 2001b). Here, the 'people' goal is expressed in terms of 'providing Centrelink people with confidence, knowledge, skills and tools to meet the challenges of current and future business and their own aspirations'.

In the strategic directions, the 2002–04 period is seen as one for people advancement—having valued and capable staff giving their best, and increasing commitment to high performance. The aspiration for 2005–06 is people excellence—establishing Centrelink as an *employer of choice* and increasing its virtual workforce.

The business plan for 2002–05 (C 2002b) anticipates improved services to the Australian community at a lower cost to government. The eight business objectives deliver and complement the government's Australians Working Together (AWT) package of 2001 for social and economic participation.

The eight objectives are better customer and community access, continuing improvement in business operations, correctness and accuracy, customer-appropriate service delivery, efficiency and effectiveness (faster, cheaper and smarter), better links (to government and community agencies), better governance, and supporting Centrelink employees and agents.

Table 1: Centrelink efficiency dividends, actual and projected, 1997-2006 ($m)

Year(s)	97-01	01-02	02-03	03-04	04-05	05-06
Standard eff.dvd	-154	-76	-91	-106	-121	-138
Special inf. dvd	-376	-139	-139	-139	-139	-139
IT dividend	-56	-25	-25	-25	-25	-25
Annual total	-586	-240	-255	-270	-285	-302
Cumul. Total	-586	-826	-1082	-1352	-1637	-1939

Source: Adapted from FaCS (2002, p. 246), with figures rounded to nearest $m.

Managing costs is the key. Over the past five years, Centrelink has reduced the cost of service delivery by $826m, while absorbing unfunded business. Centrelink is subject to the standard 1% efficiency dividend, a special infrastructure dividend for streamlining of services and the reduction of duplication, and a third fixed efficiency dividend for consolidation of information and technology (I & T) infrastructure. Together, these three dividends cut costs by $240m in 2001-02. Table 1 displays Centrelink actual and projected efficiency dividends.

The policy and business context

From Centrelink's inception, the expectations of government have led to more and increasingly complex business coming its way, without reducing the continuing expectations of better services at lower cost.

Centrelink underwent 'an intense period of transition and consolidation' (C 1999a) in its first two years. 'We have listened to the community and to our customers. We have integrated their feedback into developing a new culture, a new way to do business that delivers responsive, high-quality and cost effective solutions.'

In the first two years of operation, Centrelink had to absorb substantial changes in government jobseeker policy at the same time as a necessary major revamp of computing operations. 'The introduction of the Youth Allowance on 1 July 1998 and the implementation of the Job Network in the latter part of 1997–98, together with the bedding down of the Newstart Common Platform, put considerable pressures on Centrelink—particularly its Call Centre and Customer Service Centre (CSC) networks' (C 1999a, p. 7).

In her *Annual report* entry (C2001a, p. 5), the Chief Executive Officer highlighted the July 2000 launch, in partnership with Medicare and the ATO, of 560 new Family Assistance Office sites. Meanwhile, the 2001 budget presented Centrelink with its biggest service delivery challenge to date. No previously assigned new business could match AWT in terms of its size, the number of measures, the impact on staff and customers, and the requirements for cultural change and job redesign.

AWT, announced as a $1.7bn program over four years, is a whole of government package to encourage and support economic and social participation. It is designed to reduce joblessness in families and households, to reduce reliance on income support and to strengthen communities. Key AWT measures (FaCS 2001) are A Fair Go for Mature Age Workers, A Better Deal for People with Disabilities, Getting People the Right Help, Helping Parents Return to Work, More Child Care Places, Helping People to Find Jobs, Help to Participate (Working Credit) and Promoting Self-Reliance for Indigenous People.

Most of the government's AWT investment is to be delivered through the Family and Community Services portfolio, especially in the form of new and improved service delivery. Centrelink is the main gateway, or *provider of choice*, for the new participation support system. Around $480m of the $1.7bn is for Centrelink to implement the AWT initiatives. For these to become fully operational by the third quarter of 2002, Centrelink has to recruit and deploy a large number of personal advisers to assist mature age people, parents returning to work, Indigenous people, and other special-needs jobseekers, to plan for fuller economic and social participation.

As this submission shows, the personal adviser role is by no means the only substantial recent reform in Centrelink recruitment and training. Responding to ongoing business and people imperatives, the agency has introduced substantial reforms of its own in induction, training, career pathways and job redesign.

The current business

Centrelink is a statutory authority in the Family and Community Services portfolio, under the *Commonwealth Services Delivery Agency Act 1997*, governed by an external Board of Management with an internal Guiding Coalition as the corporate board.

Centrelink had over 1000 service points at the end of 2000–01 (C 2001a), more than double the total at 1997–98. There were 15 Area Offices, supporting more than 300 Customer Service Centres (CSCs), plus 25 Call Centres, delivering income support and other services for 20 (up from 15 at 1999–2000) client agencies. There are now 28 Call Centres.

At the end of 2000–01, Centrelink had over 24 000 staff, including about 22 000 ongoing staff (see table 3). The total has fallen slightly in the year to date, due to a continuing reduction in non-ongoing staff. Only about 10% of ongoing staff work in the Canberra-based National Support Office. The great majority of the rest work in the Customer Service or Call Centres.

Total payments in excess of $50bn (up from $40bn) were disbursed via 3.4bn transactions (up from 2.5bn). The total customer base at 2001 was 6.3m recipients, down slightly from 6.4m, but the total number of entitlements or benefits had risen from 9m to 9.3m. Table 2 is a snapshot of business and staffing indicators since the formation of Centrelink in 1997.

Table 2: Centrelink business and staffing snapshot, 1997–2001

End of year:	97-98	98-99	99-00	00-01
Tot. revenues ($bn) (1)	1.61	1.69	1.68	1.78
Total staff	25 300	22 600	22 200	24 400
Total entitlements (m)	8.0	9.2	9.0	9.3
Total customers (m)	6.2	6.1	6.4	6.3

Sources: C 1998, 1999a, 2000a, 2001a.
(1) From 'ordinary activities' or 'independent sources'.

By March 2002, the benefits base had climbed past 9.5m entitlements, compared with 9.2m in March 2001. Although Newstart customer numbers and the intensive workloads are central in the Centrelink funding formulae, figure 1 points to Newstart's declining share of total recipients. Newstart (or equivalent) recipient numbers rose from about 400 000 to 900 000 over 1989–93 (Reynoldson, CI 2000), but have been tracking in the 550 000–650 000 range since 1999.

Figure 1: Principal Centrelink benefits and recipient numbers, March 2002

The total Centrelink benefits load at 8 March 2002 was 9.53m entitlements.

The main categories were Family Tax Benefit A & B (3.02m), Age Pension (1.80m), Rent Allowance (1.03m), Child Care Benefit (0.68m), Newstart, and Newstart Mature Age, Allowance (0.67m), Disability Support Pension (0.65m), Parenting Payment, Partnered & Single (0.65m), and Youth Allowance (0.38m).

Source: Centrelink Reference Suite, customer numbers: standard reports. Data at 8 March 2002.

Table 2, and the distribution of Centrelink receipts in 2000–01 (C 2001a), show that the principal business and service trend is a deepening and broadening of family and community services, rather than a major diversification into other types of service. Of $1.78bn in revenues, $1.6bn or 90% still came from the Department of Family and Community Services, with $110m from the Department of Employment, Workplace Relations and Small Business (DEWRSB, now DEWR), $14.1m from the Department of Education, Training and Youth Affairs (DETYA, now DEST) and $10.8m from Agriculture, Fisheries and Forestry Australia (AFFA). All other client agencies paid less than $5m apiece.

Recruitment in Centrelink

This chapter sets the recruitment context, illustrates the principal staffing and recruitment trends, and considers recruitment effectiveness and strategies.

Generally speaking, this chapter responds to term of reference (a), recruitment. The second section responds mainly to terms of reference (a) i–(a) iii.

Organisational context for recruitment

Formal separation of social security policy advising and service delivery functions was marked by a one-year Strategic Partnership Agreement between the then Department of Social Security (DSS) and Centrelink on 1 July 1997 (DSS 1998). In Centrelink's first year, the government also replaced the Commonwealth Employment Service (CES), which had operated for half a century, with the Job Network. Centrelink acquired the role of customer referral to Job Network, not previously part of the DSS taskload.

Much of the early network staffing for Centrelink was drawn from DSS, but there was also a substantial influx of CES personnel. Similarly, Centrelink's National Office, although built on a DSS nucleus, recruited numbers of senior executives and middle managers from the then Department of Employment, Education, Training and Youth Affairs (DEETYA) and also from the then Department of Health and Family Services.

While staff may have debated the relative merits of the DSS and DEETYA–CES approaches, the reality was that neither merging agency embodied the right cultural balance of rules, hierarchies and rewards for a business organisation now dedicated to outcomes, quality and customer service. The creation of the new customer-focused organisation that is Centrelink presented a new set of staffing, recruitment and training challenges.

After an initial 'spike', staffing numbers fell in the first three full years of operation, assisted by a program of voluntary redundancies. The great majority of staff stayed on to face the service challenge. At mid–1999, Centrelink listed (C 1999a, p. 10) its significant people achievements in terms of a new classification structure, becoming a registered training organisation, a majority vote for a new enterprise agreement, favourable staff opinion survey results, and agency-wide development of Customer Service Improvement Plans.

The *Centrelink development agreement 1999–2002* (C 1999b), presently under renegotiation, confirmed the broad-banded 'Centrelink 1-4' (C1-4) classification and pay structure, and set standards for customer service, staff development and employee involvement.

The current staffing and recruitment context includes variables such as the impending 2002–05 Development Agreement; nationalised recruitment processes employing panels of providers; an immediate AWT task to select several hundred 'personal advisers' and other specialists; business assurance and job redesign impacting on the C1-4 grades; and new approaches to staff induction, accredited training and career development.

Staffing and recruitment trends

Centrelink staffing and recruitment is reported each year in the Centrelink *Annual review* and *Annual report* (C1998, 1999a–2001a) and, with minor variations, in the corresponding PSMPC *Statistical bulletin* (see PSMPC 2001a). The Board and the Guiding Coalition consider periodical *Centrelink workforce* reports (C 2001d). This section is based largely on these

documents and later updates from Centrelink's online human resources management information system.

Staffing and classifications

Reversing a three-year trend, total Centrelink staffing rose from 22 178 to 24 356 over 2000–01 (table 3), reflecting increasing business and more intensive family and community service demands from government. This was still 1000 less than the 25 336 staff who had been on hand at the end of 1997-98 (C 1998).

The 24 356 staff comprised 22 554 ongoing staff (15 654 in Areas–CSCs, 4490 in Call and 2410 in National Support Office [NSO]) and 1802 non-ongoing staff. NSO includes Call Support for the 28 Call Centres, whereas each of the 15 Areas maintains a separate 'Area Support Office' to manage its Customer Support Centres (CSCs) and other sites.

By March 2002, total staff numbers had dropped to 23 988. This was due to a reduction in non-ongoing staff, particularly in Call Centres. The major ongoing recruitment planned to the end of 2002 is 700 AWT staff, although there will be other intakes in 2002–03 to maintain operational staffing levels. The exact staffing trend over 2002–03 will depend on separation rates and the impact of 2002 budget measures.

Presently, NSO staff constitute about 10-11% of the organisational total. About half of these belong to the I & T group, which often seconds in Area staff to help test new I & T systems.

Total APS staff numbers increased by 4.7% in 2000–01 (PSMPC 2001a). Total APS ongoing numbers increased by 5.2%, but Centrelink ongoing numbers went up by 11.3% (C2001d). The percentage of Centrelink ongoing staff who were part-time has increased steadily from 11.7% at 1997–98 to 15.5% at 2000–01, well above the APS average of 8.1% and the all-industry median of 5.0% found in a recent ANAO benchmarking study (ANAO 2001a).

Table 3: Centrelink staffing numbers by ongoing, non-ongoing and total, by work group, end of 1999–00 to 2001–02 year to date (end March)

End of year:	Ongoing			Non-ongoing			Total		
	99-00	00-01	01-02 ytd	99-00	00-01	01-02 ytd	99-00	00-01	01-02 ytd
Area/CSC (1)	14453	15654	15745	1074	1384	958	15527	17038	16703
Call C's (1)	3624	4490	4469	692	299	35	4316	4789	4504
NSO	2195	2410	2656	140	119	125	2335	2529	2781
Total	20272	22554	22870	1906	1 802	1 118	22178	24356	23988
NSO/Total							10.5%	10.4%	11.6%

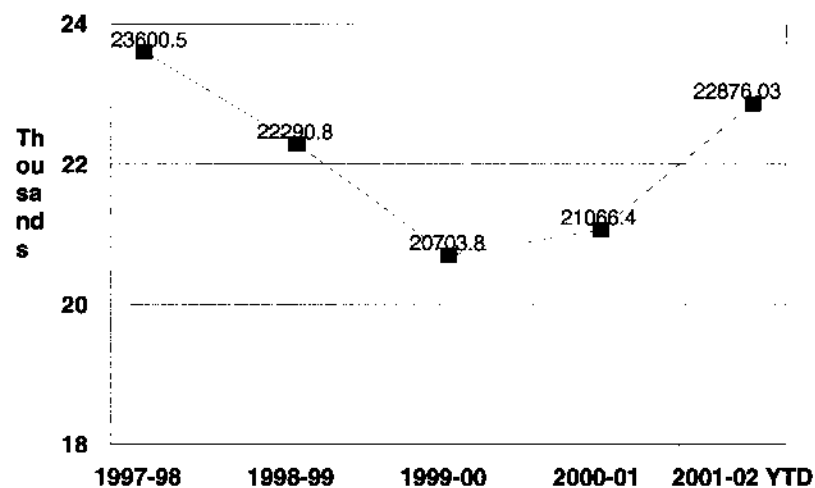Sources: Centrelink 'Staffing Cube" in the Centrelink HRM system, various dates.
(1) Area Support Offices and CSCs are taken together, whereas 'Call Support' is counted under NSO, where it is physically located.

Figure 2 charts average staffing numbers (ASN), for the ongoing workforce only, since 1997–98. The ASN fell in the first three full years of Centrelink operations, before rising again. The running ASN measure for 2001–02 has been fairly stable since October 2001, and was about 22 900 at the end of March 2002.

In keeping with the nature of its customer service duties, the Centrelink classification profile is less oriented towards executive and middle management grades than are the APS or industry generally. This has important implications for the building of attractive (but cost-effective) recruitment and career pathways in the organisation.

At the end of 2000–01, 65% of ongoing staff were Centrelink 2s, the prime customer service delivery grade, and 23% were Centrelink 3s. Scanning table 4, the dispersion among the C1-4 grades and the other classifications has varied little since Centrelink's formation.

Figure 2: Centrelink ongoing workforce, average staffing no's 1997-98 to 2001-02 year to date (end March)

Sources: Centrelink 'Staffing Cube' in the Centrelink HRM system, various dates.

Table 4. Centrelink ongoing workforce by classification, end of 1997–98 to 2001–02 year to date (end March)

End of year:	97-98	98-99	99-00	00-01	01-02 ytd
Centrelink 1	2.5%	1.4%	1.1%	0.9%	0.8%
Centrelink 2	67.3%	67%	66.3%	64.9%	65.2%
Centrelink 3	21.6%	21.7%	22.2%	23%	22.3%
Centrelink 4	3.7%	4.4%	4.8%	4.8%	5.2%
Centrelink IT	1.9%	2.2%	2.3%	2.3%	2.5%
Centrelink professionals	2.7%	2.9%	3%	2.7%	2.8%
Senior executive service	0.2%	0.3%	0.3%	0.3%	0.4%

Sources: Centrelink 'Staffing Cube' in the Centrelink HRM system, various dates.

In the APS as a whole (PSMPC 2001b), about 20% of ongoing staff were Executives Level 1-2, at the end of 2000–01. The equivalent for Centrelink was reckoned to be 7.6%. About 1.5% of the APS were in the Senior Executive Service (SES), compared with 0.3% in Centrelink.

At the end of 2000–01, 66.2% of ongoing Centrelink employees were women (APS average 51.4%). Centrelink also employed higher proportions of Indigenous employees (3.6% vs 2.2%), employees with a disability (4.9% vs 3.7%), and employees from a diverse cultural and linguistic background (11.2% vs 10.7%) than did the APS on average.

There is a good representation of women at all levels of the organisation, including the SES. Representation of Indigenous employees and employees with a disability has declined slightly since 1997–98. This is an issue given the nature of Centrelink's work and its key customer groups. In the relevant corporate action plans, Centrelink expresses a commitment to maintain 5% representation for both groups. There are Indigenous cadetships and scholarships (see below). The two Northern Australian Areas exceed the 5% Indigenous benchmark.

Age, regional and recruitment profiles

Figure 3 depicts the age profile of the ongoing Centrelink workforce, by work group. The percentage of under-25s, after falling from 7.3% to 4% over the three years from 1997–2000, had climbed back to 5.9% by the end of 2000–01. The middle 35-39 age bracket lost share slightly over 1997–2001 (17.9% down to 16.1%), while the older 50-59 age bracket gained slightly (11% up to 14%).

Noting these marginal shifts, Centrelink maintains a slightly younger, and somewhat more even-aged, profile than the APS as a whole. At the end of 2000–01, 5.9% of Centrelink ongoing staff were under 25, compared with 4.6% for the APS as a whole. About 46% were 40 and over, compared with 54% for the APS as a whole.

Figure 3 demonstrates that the Call Centres, a younger work group than Areas–CSCs and National Support Office, explain the recent turn-around in the organisation's youth profile. Over 10% of Call Centre staff were under 25 at the end of 2000–01, compared with less than 5% of the staff located elsewhere. One-third of Call staff were under 30, compared with 20% or less elsewhere.

Figure 3: Centrelink ongoing workforce by work group by age profile 30 June 2001
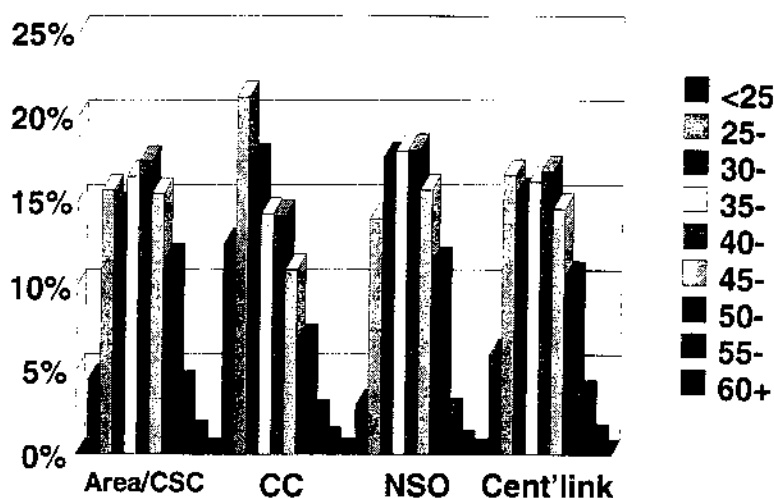
Source: Centrelink 'Staffing Cube' Centrelink HRM system, July 2001.

Table 5 displays the employment dispersion across Areas, Call and National Office at 2000–01. Average ongoing staff per Area was about 1050, with eight Areas above the average and seven below.

While there is evidently a wide regional dispersion, it is not straightforward to divide Area Office employment into capital city–regional. Most Areas are headquartered in capital cities and maintain city-based CSCs, but the coverage of these Areas also stretches out widely into surrounding regions.

What is evident is that Centrelink provides a large number of decentralised jobs with increasing opportunities for accredited training and career progression. Most of the CSCs and Call Centres are located outside capital cities. New Call Centres in locations such as Tweed Heads and Cardiff (NSW), Port Augusta (SA) and Launceston (Tas.) boost job opportunities in regions with above-average unemployment.

The detail in table 5 reveals that, at 2000–01, most Areas were reasonably close to the organisational average of 5.9% of employment for the under-25s. Only Call Centres, Area South West NSW and Area North Australia were above, in fact well above, the average. Four Areas, and National Support Office, were 2% or more below the average, indicating some potential for growth in the youth share.

There were 2432 (up from 1158 in 1999–2000) ongoing and 3843 non-ongoing staff commencements (up from 2583) in Centrelink in 2000–01, a total of 6275. More than half of all the ongoing commencements over 1999–2001 were in the Call Centres. Total recruitment from July 2001 to March 2002 is 2675, with non-ongoing recruitment well down.

Table 5: Centrelink ongoing workforce by age, by work location and total, end 2000–01

|	Total	Under 25		Over 25	
Area Hunter NSW	932	25	2.7%	907	97.3%
Area East Coast NSW	1 210	49	4.0%	1 161	96.0%
Area West NSW	759	38	5.0%	721	95.0%
Area South West NSW	804	81	10.1%	723	89.9%
Area South Metro NSW	692	33	4.8%	659	95.2%
Area Pacific Central (NSW and Queensland border)	1 380	64	4.6%	1 316	95.4%
Area Brisbane	1 398	71	5.1%	1 327	94.9%
Area Central and North Queensland	761	35	4.6%	726	95.4%
Area North Central Victoria	1 308	30	2.3%	1 278	97.7%
Area South East Victoria	1 154	27	2.3%	1 127	97.7%
Area West Victoria	1 159	49	4.2%	1 110	95.8%
Area West Australia	1 520	72	4.7%	1 448	95.3%
Area South Australia	1 420	52	3.7%	1 368	96.3%
Tasmania	807	41	5.1%	766	94.9%
Area North Australia (NT and North West WA)	350	28	8.0%	322	92.0%
Call Centres	4 490	558	12.4%	3 932	87.6%
National Support Office	2 410	69	2.9%	2 341	97.1%
Total	22 554	1 322	5.9%	21 232	94.1%

Source: Centrelink 'Staffing' Cube, Centrelink HRM system, July 2001.

As a percentage of the average staffing numbers, the ongoing commencements for 2000–01 represent an overall recruitment rate of 10.7% (up from 5.6%). Only three Areas, and Call, were above the average. The overall separation rate was 6.9%. The recruitment rate may be compared to the all-industry median (11.6%) and 25th quartile (7.1%) found in the ANAO (2001a) study. The separation rate may be compared to the all-industry 'desired range' of 5.9% or less, in the most recent *Australian HR benchmarking report* (HRM Consulting 2001).

Assuming that the first major Area-based AWT intake will not come on board until 2002–03, indications from the year to date are that the final commencement numbers and recruitment rate for 2001–02 will be lower, perhaps more like the figures that applied to 1999–2000.

The age profile of ongoing recruitment (see figure 4) is much younger than the age profile of ongoing staff (figure 3).

Figure 4. Centrelink ongoing recruitment by work group and total, by age, 2000-01
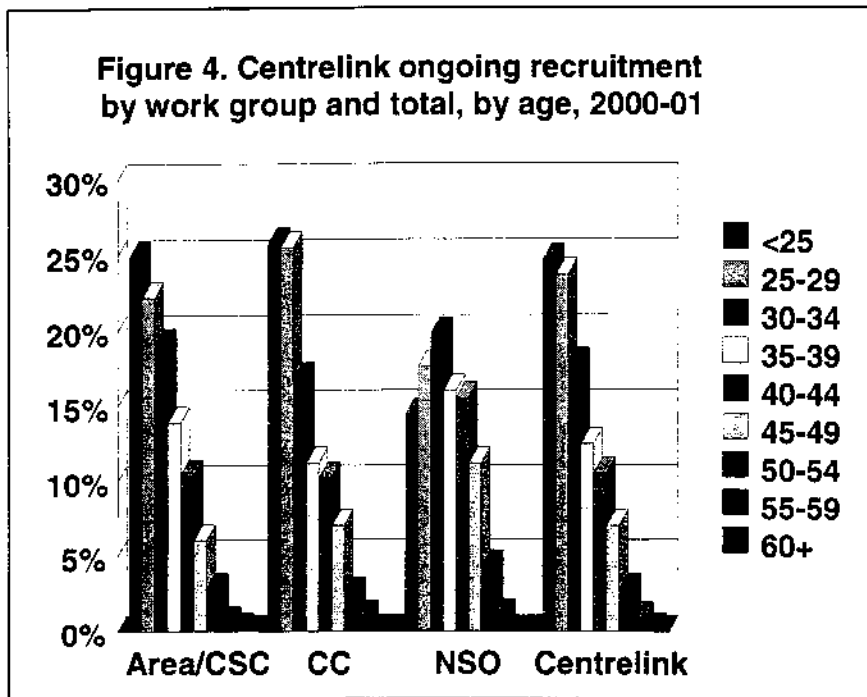
Source: Centrelink 'Separations and Engagements' Cube, Centrelink HRM system, July 2001.

Table 6: Centrelink ongoing recruitment (by total numbers, by % under 25) and ongoing recruitment and separation rates (%), by work location, 2000-01 (1)

	Total no's Recruited	U-25s recruited (%)	Rec. rate (%) (2)	Sep. rate (%) (2)
Area Hunter NSW	12	0	1.2	4.6
Area East Coast NSW	52	21	4.4	7.2
Area West NSW	105	28	13.9	7.2
Area South West NSW	155	39	19.4	9.1
Area South Metro NSW	4	0	0.5	6.3
Area Pacific Central (NSW and Queensland border)	50	32	3.5	4.4
Area Brisbane	92	22	6.3	5.8
Area Central and North Queensland	73	21	9.1	6.2
Area North Central Victoria	91	22	6.9	7.0
Area South East Victoria	49	12	4.1	6.6
Area West Victoria	41	15	3.4	4.2
Area West Australia	27	11	1.7	6.9
Area South Australia	21	19	1.4	3.5
Tasmania	57	23	7.0	4.0
Area North Australia (NT and North West WA)	37	35	10.2	10.9
Call Centres	1,378	26	34.2	10.0
National Support Office	187	14	7.7	7.7
Total and percentages	2,432	25	10.7	6.9

Source: Centrelink 'Separations and Engagements' Cube, Centrelink HRM system, July 2001.
(1) Not too much should be read into the numbers and percentages, which are on a small base and will vary from year to year.
(2) Defined as the number of ongoing staff recruited, or separated, as a percentage of the ASN for the year, that is, 21 066 (figure 2).

About 25% of all commencing staff were under 25 in 2000–01 and 48% were under 30. Only 30% of recruits were under 30 in 1997–98. Compared with Areas–CSCs and Call, National Office maintains a comparatively low recruitment profile in the under-25 bracket, partly reflecting the skill demands of national support work, and a comparatively high recruitment profile in the 35-49 bracket, partly reflecting the availability of mature, skilled staff transferring in from Centrelink Areas-CSCs and also from Canberra-based APS agencies.

Table 6 is a more detailed analysis of total and Area ongoing recruitment, youth recruitment and separation rates for 2000–01.

Call and Area South West NSW were well above the total 10.7% recruitment rate, whereas most Areas were within plus or minus 2.5% of the total 5.9% separation rate.

In 2000–01, the share of recruitment going to the under-25s was 10% or less in some Areas, but 35-40% in others, compared with their agency-wide share of 25%.

Recruiting young people

Combining tables 5 and 6, and noting Area and Call Manager views, there are general indications as to why certain Areas may be offering relatively more or less (youth) employment opportunities.

As an industry, call centres have a distinctly youthful employment profile, and in this respect Centrelink Call Centres follow their parent industry pattern. Both Call Centres and Area South West NSW are high users of new apprenticeships, which tends to bring in a younger age group. Area South West, headquartered in Queanbeyan, is influenced by the healthy ACT labour market nearby. It can draw on the ACT's high numbers of Year 12 completers for its recruits, but tends to lose them back to Canberra APS agencies when they gain skills, as is suggested by the high separation rates.

Area North Australia's high youth staffing and recruitment profile is in part a function of the young catchment population from which it draws its recruits. In contrast, Area Hunter NSW, with 10% unemployment in the Hunter but good opportunities for younger people in nearby Sydney, tends to recruit more experienced older workers and have lower separation rates.

Area Tasmania has been improving young people's employment chances by advertising for customer service trainees and initiating them in the less complex business environment of the Australian Passport Information Service (a Centrelink business in Tasmania), rather than in the CSCs. In Areas with wide dispersions of population and CSCs, young people may have good opportunities for early progression to CSC managerial jobs.

Rather than specific national or Area targets for youth recruitment, or graduate recruitment, Centrelink maintains a youth employment strategy. This strategy (C 2000b) calls on Area Managers to mirror the community age profile, facilitate youth recruitment (including traineeships), try flexible youth employment options, and promote Centrelink as an employer with schools and youth organisations.

As shown above, the youth employment profile has turned around since 2000, mainly because of Call Centre recruitment activity. Young people's employment opportunities (table 5) continue to be spread widely across all work groups and Areas. In the next chapter, it will be shown that new apprenticeship options have increased significantly.

In effect, Centrelink's under-25 recruitment share (25%) is now running well ahead of its under-25 ongoing staffing share (6%). For a community comparison, the under-25s occupy about 1.7m jobs out of an average 9.1m employed persons in Australia over 2000–01, or 19% (ABS 2002).

These statistics, and the fact that present youth staffing and recruitment–training levels vary substantially across work groups and Areas, suggest the Centrelink job share for the under-25s (6%) will tend to move towards the share found in the overall labour force (19%). But any such trend will tend to be retarded by the opening up of APS employment to the community, and the higher experience and skill requirements for the AWT intakes.

The Centrelink environment, more so since the advent of AWT, is one of recruiting and training highly able staff for a complex, decision-support, face-to-face work environment, in competition with all other major employers of talented recruits. Fresh recruits may need 6-12 months training before they are fully competent to do the tasks.

Where Centrelink becomes a preferred employer for some young people, it will be the overall package of training and development opportunities that will be attractive. Centrelink offers a high number of trainee and new apprenticeship opportunities by APS standards, and young people will win their share of these.

In positioning itself as an employer of choice, Centrelink will tend to be in the middle of the range in terms of the salaries on offer, although the attractiveness of the offer (to young people) may vary between capital cities and regional centres. When the Development Agreement was struck in 1999, the top salaries for the C2-3-4 grades were about $40 000-$51 000-$71 000 plus allowances (C 1999b), although there have been increases since then. Over two-thirds of total Centrelink operating expenditures continue to be for payroll.

At a time when the general population and workforce is ageing, the *Public Service Act 1999* obliges Centrelink to have an open (to the community), merit-based selection process. Centrelink's improving employment opportunities for young people may ultimately come up against the skills and experience offered by older workers, which in turn relate to Centrelink's demanding strategic goals and business objectives.

Evolving recruitment strategies

Centrelink's recruitment strategies and processes are re-forming, in response to the changing conditions of APS employment, and also because of the requirements of AWT implementation.

As the largest, most highly visible, and decentralised, APS employer, Centrelink can expect that there will be increasing scrutiny of the efficiency, equity and comparability of its recruitment processes. The trend is to lay a consistent national framework and process over the existing Area-based processes.

The PS Act introduced four new APS values (PSMPC 2000, p. 20), which are promotion of employment equity, reasonable employment opportunities for the community, a career-based service, and a fair system of review.

In formal terms, APS promotions, ongoing engagements, and non-ongoing engagements over 12 months, are not to be made unless the employment opportunity has been notified (gazetted) in the 12 months beforehand. Such opportunities (outside of limited restrictions) are generally open to the community.

Recently, Centrelink's Guiding Coalition has been developing a more strategic approach to recruitment, which in general terms comprehends:

❖   a standard approach to recruitment across Centrelink, recognising that this must work in a devolved environment

- attracting and retaining high quality applicants, and matching skills to current and future business needs

- better decision-making by delegates—by providing advice, information and documentation—and proper evaluation of recruitment exercises

- identifying savings from coordinated recruitment processes

- standardising approaches to induction and training (see next chapter)

The first major recruitment exercises under AWT (700 staff) are propelling the strategy, and are a test of the practicality and effectiveness of the principles. Included is the use of a panel of external recruitment providers, the established and successful practice for Call recruitment and also the subject of a substantial Area WA trial.

Centrelink has identified a panel of providers for AWT. In various combinations across Areas and across specific job categories, the providers will be used to process bulk recruitment exercises. Increasingly, these exercises are expected to become the norm for the larger (Area-based) recruitment needs. Evaluation of the existing, major, external recruitment exercises will provide a useful benchmark for evaluations of the new external panel.

A 'template' has been developed for the recruitment of the first group of personal advisers under AWT, and panel providers have been appointed to process the large number of applications. The advisers are due to take up duty in mid–2002. The panel approach is also to be used for the second AWT intake, of psychologists and social workers.

The use of panel providers and bulk recruitment strategies is also expected to extend to customer service officers (CSOs) and team leader–manager jobs in the C2-4 grades, although no other major intakes are planned in these categories during the calendar year.

The PSMPC had pointed to workforce planning as an area for agency improvement in the last *State of the service report* (PSMPC 2000).

Over 2002–03, Centrelink recruitment planning ought to be boosted by the rollout of the proposed workload and workforce management system, which will offer managers better estimates of peak workloads, capacity utilisation of staff, and potential staff–workload mismatches. This should improve workforce prediction and increase the capacity to manage payroll, including opportunities for Call–vs–Area work redistribution.