

## **Social service integration and de-traditionalization processes: challenges for frontline delivery**

Presented at the Canadian Political Science Association's 2006 Congress, York University, June 3.

**Work in progress: not for citation or quotation.**

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## Introduction

In this paper I discuss the impact of de-traditionalization and welfare retrenchment on the frontline delivery of social services in Australia. I suggest that the policy and service delivery systems in that country have reacted in very different ways to these challenges, and that this divergence in response has created serious ambiguities for frontline administrators. At the level of policy, decision makers have reacted to individualization and the rise of dependency by splitting up broad payment categories, imposing new requirements and developing new supports with more finely specified eligibility conditions. These new requirements are partly driven by a desire to target specific sub-categories of income support recipients who are believed to be depending unnecessarily on welfare, but they also reflect the growing complexity of individuals' circumstances and the diminishing significance of traditional social determinants and roles in determining the needs and preferences of recipients. In a sense, policy makers have responded to the individualization of biography (Beck 2002; Ferguson 2001) by developing new categories to cope with the diversification of personal circumstances.

The service delivery system has also responded to these pressures, but in a distinctive way. Reforms to service delivery have attempted to simplify the social service system for the user, to focus on outcomes rather than detailed procedures and rules, to provide personalized support, and to respond to service users' own expressed aspirations and preferences. This responsive approach to service delivery is a defining feature of Centrelink, the Australian one-stop-shop created in 1997 to integrate the delivery of income support and basic employment assistance. Heavily influenced by new public management philosophies, Centrelink developed several important strategies in order to engage its users and enhance 'customer service.' The most ambitious of these was the One to One Service model introduced in 1999, in which every service user was given their own staff member, who was supposed to become familiar with the user's needs, have extensive knowledge about the system, and have sufficient expertise and freedom to put together a seamless package of social supports specifically tailored to the individual recipient. Underlying this approach was the notion that users should not have to understand the complex assortment programs and services available to them – instead, frontline staff would take responsibility for determining eligibility and suitability on an individualized basis. For a time, One to One Service was touted by Centrelink's management as an essential element of the agency's innovative service delivery agenda.

Yet within three years of its introduction, One to One Service was abandoned. This paper seeks to determine why this innovative initiative was eliminated. I draw upon an ethnographic study of street-level administration in Centrelink, including interviews with frontline staff and welfare beneficiaries, as well as observations of interactions between staff and recipients. I suggest that conflicts between the policy and service delivery systems were fundamental to the demise of Centrelink's One to One Service model. The push towards conditionality and targeting in the policy system made frontline administration much more complex and challenging. Although reforms to service delivery attempted to compensate for this, the intensified focus on targeting and conditionality placed too great a burden on frontline officers. At the same time as the underlying payments and programs were becoming vastly more complex, Centrelink's

One to One Service model forced staff to become conversant in a much wider range of functions, in order to meet all of the needs of their service users. As a result, they could not develop specialized knowledge. Secondly, the focus on welfare retrenchment led to a sharp deficiency of staffing resources in Centrelink, producing very large caseloads that meant that frontline officers could not become and remain knowledgeable about individual cases. Finally, the Taylorization of frontline work through the automation and deprofessionalization of decision making, along with the imposition of stricter rules, undermined frontline officers' ability to respond to their customers' aspirations and needs.

I begin the paper with a discussion of the growing complexity and fragmentation of income support policies in Australia. Following this, I explore the trend towards simplification and integration in Australian social service delivery. I then report the findings from the empirical study of frontline interactions in Centrelink. In the discussion, I describe the demise of One to One Service, and explore the implications of this shift for frontline service delivery in Centrelink.

#### The rise of complexity in Australian social policy

Australia has long been regarded as an unusual case amongst developed welfare states due to its almost exclusive reliance on means tested, tax funded social assistance (Castles 1985; Mitchell 1990). In its original, post-war form, the Australian Social Security system was simple, based on two types of means tested payments: pensions for the aged, persons with disabilities, sole parents and widows, and benefits for the sick and unemployed (Mitchell 1990). Because of the consistent use of means tests to determine eligibility, the post-war system did not impose a large number of conditions upon receipt of payments; for example, unemployed persons could qualify for benefits with no prior work experience and remain on the system indefinitely, so long as they were available for work. Furthermore, since the means tested social assistance system has always been the only significant source of government income support in Australia, it faced less of the stigma associated with welfare in other countries. The unusually strong emphasis on the male breadwinner model in Australian social policy also meant that sole parents were assumed to be responsible for caring and unavailable for work; hence the system provided comparatively generous supports for single parents in their traditional role as carers, and there has historically been little public and political desire to encourage or compel sole parents to work (Cass 2001). Australia's post-war welfare state was designed around stable and traditional social categories, with the assumption that those with low incomes who were unemployed or had children had similar aspirations, were on payments for similar reasons, and required similar supports.

This simple model began to break down in the 1970s, as the numbers relying on unemployment benefits and sole parent pensions rose sharply (Fincher and Neiwenhuisen 1998). In the mid 1970s, a prominent federal inquiry into poverty responded to the growing need for assistance by recommending the adoption of a universal guaranteed minimum income, which would further simplify the system by removing the limited number of categorical distinctions in existence at the time (Henderson 1975). However, the proposal for greater simplification and universalism in

income support policy was rejected. Starting in the late 1970s, governments increasingly sought to stigmatize specific sub-groups of welfare recipients, such as the young unemployed (Windschuttle 1979). By the 1980s, a very different approach to dealing with the 'crisis of the welfare state' had emerged, which focused on activation and targeting. Influenced by OECD Active Society discourses, the Social Security Review of 1986 highlighted the increasingly differentiated needs of individuals within the existing payment categories and recommended splitting the Unemployment Benefit up into different payments with new work and training requirements and supports for specific groups (Cass 1988). In 1988, Unemployed Benefit was split into a Job Search Allowance for the short term unemployed and a Newstart Allowance for those unemployed longer than one year. In 1991, requirements to engage in training and work were imposed on the long term unemployed as part of a new 'activity test' on the Newstart Allowance (DSS 1991). During the same period, the Jobs Education and Training (JET) program was introduced providing sole parents access to career advisors who could help them find education and training. The *Working Nation* reforms of 1995 further complicated the system, introducing a Mature Age Allowance for the unemployed over 60 that included reduced activity requirements, and a separate Youth Training Allowance for those aged 16-17, with enhanced job search requirements. Recognizing the decreasing significance of the male breadwinner model among newer generations, the reforms abolished payments for dependent spouses of the unemployed, requiring partners under 40 to apply for unemployment benefits in their own right. Older dependents were given their own means-tested, dependency based Partner Allowance. Recipients of Youth Training and Newstart Allowances were made to participate in new training and intensive case management programs, and to accept subsidized job places. They also faced a new and more elaborate scale of penalties for non-compliance (Keating, 1994).

When the conservative Coalition came to power in 1996, the new government sought to intensify the focus and pressure on specific groups and the new system became even more complicated as a result. In 1997, the government singled out the young unemployed for a new community work scheme called Work for the Dole. The government introduced the Jobseeker Diary, in which young unemployed beneficiaries had to record their job search and training efforts. A new more complicated regime of sanctions was instituted, differentiating between failure to attend appointments and failure to undertake required employment preparation activities (Moses and Sharples, 2000). In 1998, the Mutual Obligation Initiative was introduced, which required unemployed individuals to attend a series of staggered interviews and choose from a range of options and undertake a specified amount of activity over 6 months. This complex initiative was imposed at different payment durations depending on the age of the recipient (Centrelink 2000). Under the *Australians Working Together* reforms of 2003, the Howard government imposed new distinctions between sole parents, requiring recipients to attend annual interviews after their youngest child turned six, during which staff would help them develop a 'plan for the future,' and to engage in part time study or work after their youngest child turned 13 (Department of Family and Community Services 2003a, 2003b). These new requirements were driven by the sense that sole parents, who are overwhelmingly women, increasingly expect, and are expected by society, to

individualize their biographies by developing careers and becoming self-reliant (Department of Family and Community Services 2003a, 2003b).

This brief discussion of the evolution of Australian social assistance illustrates the degree to which payment categories have become vastly more complex, differentiated and fragmented over time. In response to concerns about dependency and a de-traditionalization, successive governments have chosen to develop new categories, distinctions and rules, and to more finely specify the rights and obligations of subgroups within the system. While political campaigns have had success in stigmatizing some categories of welfare recipients, Australia has differed from other liberal welfare regimes in its unwillingness to cut benefit levels, or to cut individuals off welfare rolls as an end in itself. The ongoing legitimacy of the means tested system, and the widespread sense that benefits are barely adequate, has forced governments seeking to retrench welfare to focus on activation strategies and to target specific groups in order not to be seen to be attacking all recipients. The consequence is that social policies and programs have become vastly more complex.

#### The shift to integrated service delivery

While the Australian Social Security system has grown more complex and targeted in recent decades, there have also been fundamental changes to the way social assistance programs are delivered at the frontline. In the post-war arrangement, responsibility for Australian social service delivery was divided between two miniseries. The Department of Social Security (DSS) maintained a network of regional offices that dispensed income support payments, while the Department of Employment maintained a chain of local offices, under the Commonwealth Employment Service (CES) moniker, which provided job matching services for the unemployed. As new activity conditions were introduced in the early 1990s, the CES took responsibility for assessing individual beneficiaries and determining which programs and requirements would apply in individual cases. During this period, the growing complexity of the system and diversity of individual needs and aspirations was recognized in the provision of specialist case managers for the long term unemployed through the CES, in order to help users navigate the labour market support system (Department of Employment, Education and Training 1992). Individualized case management was expanded during the implementation of *Working Nation* (Keating 1994). The emphasis on case management under Labor was partly an attempt to replicate the Scandinavian model of active labour market policy, and thus large sums were invested in the provision of intensive labour market support, while at the same time tougher requirements were imposed to compel individuals to undertake employment-preparation activities. Case management, under the Labor government, had a strongly pastoral flavor, designed to shepherd the vulnerable recipient through a complex and demanding set of procedures and requirements (Dean 1998). However, it was also intended to help the most disadvantaged to pursue individual self-determination. The intensive personalized support was supposed to assist participants in taking greater responsibility for their own situation (for an analysis of this use of pastoral power see Rose 2001).

The Howard government dismantled Labor's case management and training apparatus and dismissed it for being too expensive, ineffective, and not giving service users enough choice and voice (Vanstone 1996). The new government undertook a radical shakeup of the organization of social service delivery in Australia, seeking to improve service delivery while at the same time reducing costs (Mulgan 2003; Vanstone 1996). Inspired by managerialist thinking, the new government separated the function of policy making from service delivery. The Departments of Employment and Social Security remained separate, and each retained responsibility for policy making in their respective areas. The delivery of income support and the administration of basic employment assessments were merged into a new one stop shop called Centrelink. Most of Centrelink's staff came across from the CES and regional offices of the DSS.

In line with new public management thinking, the government asserted that Centrelink's objective was to pursue improved customer service while at the same time saving money (Australia. House of Representatives 1996; on the idea of doing more with less in the new public management, see Pollitt and Bouckaert 2004). The government immediately imposed an 'efficiency dividend,' requiring Centrelink to shed approximately one sixth of its staff (Mulgan 2003). To enhance customer service, Centrelink was to be given considerable autonomy (Australia. House of Representatives 1996). The agency's senior management embraced the new focus and instituted a series of reforms to improve customer service, including symbolic changes such as naming local offices Customer Service Centres and referring to frontline staff as Customer Service Officers, removing bank-style counters and introducing open plan offices, removing numbering systems at reception desks, and asking staff to wear name tags (Vardon 1999). Centrelink also embarked on a systematic campaign to collect customer feedback through focus groups and surveys.

Centrelink's early customer feedback initiatives found that while customers were generally happy with the performance of the new agency, many nevertheless felt the service delivery system was still too complex, confusing and impersonal (Vardon 1999). They resented seeing different staff for different appointments, being treated as 'numbers,' and wanted more personalized help. They also wanted to tell their story to one person and not have to repeat it every time they came into the agency (Vardon 1999). Centrelink developed several responses to these concerns. It implemented the Life Events model, in which the agency set out to redesign its internal structures around the life events that customers were experiencing, rather than existing payment and program categories (Vardon 2000). The goal of this approach was to make the system as simple as possible from the perspective of the customer, who would not have to know about the bewildering array of different categories and conditions and could simply tell a frontline staff member from Centrelink about their own needs and circumstances. The Customer Service Officer would then use their own extensive knowledge of the system to pull together a package of services that was tailored to the needs of the individual user (Vardon 2000).

In order to facilitate the Life Events model, and to respond to customers' concerns about having to tell their stories numerous times, Centrelink piloted a new approach to frontline

delivery called One to One Service in 1998. Under the previous system, different staff specialized in conducting specific appointments, so customers would see one staff member for a Mutual Obligation appointment, another if they needed to participate in Work for the Dole, and so on. Furthermore, when customers had a generic enquiry, they would be referred to whoever was next available. Under the One to One model, however, customers were given a dedicated 'One Main Contact,' who they were supposed to see for all subsequent appointments, and who was responsible for managing their file. The model had important organizational implications, since under the new system, all staff had to learn how to do all of the different kinds of appointments they might be expected to conduct with customers, and respond to the variety of different inquiries and concerns that their customers might have. Hence, they had to be trained across a broader range of programs and administrative processes. The adoption of One to One Service is an example of a shift from grouping administrative work by function to grouping by 'client' (Mintzberg 1983; Cohen 2002). Centrelink's CEO claimed that One to One would allow for more personalized, holistic treatment of customers:

Customers benefit from having one main contact, personalised and professional service, a more holistic assessment of their needs, only having to tell their story once, consistent advice and greater confidence in staff decisions (Vardon, 1999, p. 106).

One to One was said to empower staff, giving them

... increased personal control over their everyday work, a more professional relationship with customers, a greater sense of job satisfaction, their learning and development needs are more easily identified, and there are better opportunities for recognition and reward of individual efforts (Vardon, 1999, p. 106).

The pilot was apparently a success and the model was implemented across the country and was operational in all Customer Service Centers at the end of 1999 (Vardon 2000).

To summarize, when looking at governmental responses to de-traditionalization and welfare dependency in Australian social policy, we can observe two conflicting movements. At the level of policy and program design, there has been a proliferation of new categories, conditions, programs and requirements, designed to target specific sub-populations, with a significant growth in the complexity of the system as a result. The system is increasingly oriented towards specifying in detail what particular users must do in order to receive payments. The original emphasis on financial need as the key criteria and means testing as the sole instrument for establishing eligibility has been overtaken by a targeted system that uses new payments and various work and activity requirements and supports to divide recipients (Howard 1998). At the same time, and in some senses to compensate for this complexity and fragmentation, reforms to service delivery have emphasized bottom-up responsiveness, flexibility, integration and simplification. From the rise of case management to the creation of Centrelink and the introduction of One to One Service, there is a growing emphasis on providing users with integrated access to benefits and services, on simplifying application processes and compliance, and on allocating dedicated frontline officers to serve beneficiaries on an individualized basis. In contrast to the increasing fragmentation and targeting in policy, One to One Service

reflects a new social service universalism, where every customer, irrespective of their needs, receives a One Main Contact who looks after their needs.

In this new approach, the service delivery system is presented as a solution to the fragmentation of the policy system, and the dedicated frontline officer is the key filter, responsible for taking a complex structure and rendering it down into a simple but individually tailored package. This approach is consistent with much of the emphasis in contemporary service transformation literature on using service delivery to simplify the complexity of government. Yet it raises fundamental empirical questions. If programs are becoming more complex, to what extent can these integrated service delivery systems mediate and overcome this complexity on behalf of the service user? In the Australian case, could the dedicated frontline officers act as effective filters? To what extent were they able to respond to the individual preferences and needs of customers, given the increasingly detailed specification of entitlements and conditions?

#### One to One Service in practice

In order to study the implementation of One to One Service, I conducted short ethnographic case studies at Centrelink Customer Service Centres in Canberra, the Hunter Valley of New South Wales and Melbourne.<sup>1</sup> At each location I interviewed frontline Customer Service Officers, as well as customers who were supposed to receive One to One Service. I also observed meetings between staff and customers. In total, I interviewed 26 frontline staff, 31 customers, and observed 47 appointments. Fieldnotes were coded and analyzed using the N'Vivo data management software package. The approach to data collection and analysis was hermeneutic, in the sense that I sought to establish the interpretations which frontline actors attached to processes of welfare reform and social service integration (Michrina and Richards 1996).

The frontline experience of the implementation of One to One Service in Centrelink was characterized by considerable ambivalence, confusion and frustration. Customer Service Officers were not able to use the One to One Service model to filter out the complexity of the system, nor could they reliably respond to the needs and priorities of individual service users. There were three reasons for this. Firstly, Customer Service Officers were responsible for administering an excessively broad range of payments and programs and were unable to develop sufficient knowledge of the system. Secondly, the lack of resources in the system generated excessive caseloads, which made it extremely difficult for staff to get to know customers' needs. Finally, the removal of autonomy and discretion through tighter specification of policy rules meant that staff lacked the ability to adapt and modify rules and requirements to reflect the needs and aspirations of individual users. I will deal with each of these issues in turn.

#### *Complexity and the problem of specialization*

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<sup>1</sup> This research was part of a broader doctoral study in to the implementation of individualized service delivery in Centrelink. For a more detailed discussion of methodology and research design, see Howard (2006).



The traditional administrative response to complexity in human service systems is to split work processes into functional components so that staff can specialize in performing narrow tasks (Cohen 2002). This bureaucratic method of organizing frontline work has been criticized by those who argue that organizing by function ignores the ways in which the needs of vulnerable service users cross over program and organizational boundaries (Cohen 2002). As a consequence, functional divisions can lead to fragmented service delivery which only meets a portion of the individual user's needs. The alternative approach is to organize services around the user, so that they can get all of the things they need from one agency, team or individual (Cohen 2002). We saw exactly this approach in the merger of the CES and DSS into Centrelink, and in the introduction the One to One Service model. In both cases, a functional division of labour was rejected in favor of the integration of functions to ensure that users could go to one place or one person in order to have their needs met.

The merging of the CES and DSS, together with the introduction of One to One Service, meant that individual staff had to absorb a larger amount of program knowledge in order to conduct their work. This has been exacerbated by the growth in the complexity of policies and programs. A Centrelink Customer Service Officer from the Hunter Valley noted how the knowledge required to fulfill his role had expanded dramatically over time:

I look at how my role has changed over the past ten years. Back then we did Unemployment Benefit. Now we register them, what the CES used to do. We do the Mutual Obligation, so we're doing the referrals. There's Newstart Mature Age. Now there's Widow's Allowance. That used to be in Pensions. There's Youth Allowance and Austudy. In the old system it was just Youth Training Allowance up until they were 18, then Jobsearch allowance for the first 12 months then Newstart. That was it. There were no diaries. Now, our centre of knowledge has grown so much, and they've made the different areas, for example Mutual Obligation, very complex.

Centrelink tried to address this challenge by supporting Customer Service Officers to make the transition to One to One in several ways. The agency developed an extensive online database of information about different program categories, called the E-Reference Suite. Centrelink also provided training in the range of different customer appointments that all staff were required to handle as a result of One to One Service. However, in my research, staff accounts regarding the provision of training in Centrelink were uniformly negative. For example, I asked a Hunter Valley officer about the extent to which training had been provided to help Customer Service Officers understand the larger range of functions that came with the introduction of One to One Service. He felt that the quantity and quality of training had actually declined since the creation of Centrelink:

**Interviewer:** And what about the training for CSOs, has it kept up?

**CSO:** Nowhere near it. For example, when I first came to the Department [of Social Security], new staff had to wait twelve months before being put on the counter. Now they're on the counter within three months . . . it's horrendous . . . You'll often see us talking to each other, asking questions about our work, what's your opinion on this or that. It's so intense, so much to do.

Another staff member at the same Customer Service Centre commented on the training that was provided when responsibility for administering the Mutual Obligation Initiative was transferred from a small group of specialist staff to all frontline officers:

**CSO:** When Mutual Obligations first came in . . . they actually had a dedicated person for it. Then . . . it came back to us. Then it was the One Main Contacts that did it.

**Interviewer:** What were the implications of that shift, from specialists to One Main Contacts?

**CSO:** Well we all went on training. It was very minimal. I wasn't impressed by it.

**Interviewer:** And how long was the training?

**CSO:** If I'm not mistaken, the training went for one day . . . It was very sketchy training.

The officer reflected on the other staff members' reaction to the training:

**Interviewer:** And what was the reaction to the training?

**CSO:** Just another thing we had to do. I don't know what you've seen, but we all feel stretched to the limit. This was just another thing on top of a burgeoning pile of things we had to do.

To add to this problem, the transfer of functions from specialists to One Main Contacts sometimes prevented the frontline staff from gaining adequate experience in the administration of the requirements. For example, in the old system, a small number of frontline staff would specialize in administering Mutual Obligation appointments, and thus this group became highly knowledgeable about the relevant policies and procedures. Under the One to One system, all officers needed to grasp the complex knowledge required to administer Mutual Obligation, yet individual frontline officers often had so few of these appointments that they could not practice:

**CSO:** I don't think we get enough training for Mutual Obligation, especially the putting into practice. To tell you the truth, I don't have many Mutual Obligations.

**Interviewer:** Really, not many appointments?

**CSO:** I think I had one last week and this week's one was a no-show.

These accounts are corroborated by the Australian National Audit Office, which published a deeply critical audit of Centrelink's provision of training to frontline staff in 2001. The Auditor General argued that excessive workloads and inconsistent implementation of training packages prevented Customer Service Officers from receiving adequate instruction about administrative rules and procedures (Australian National Audit Office, 2001b, p. 21). The Auditor General concluded that the lack of knowledge of policy and legislative requirements among frontline Centrelink staff constituted a "risk to effective service delivery" (Australian National Audit Office, 2001b, p. 74). This finding was reinforced by other audits that found high levels of administrative inaccuracy in Centrelink (ANAO 2001a). Thus it was not surprising to find frontline officers expressing trepidation about their capacity administer the full range of payments and programs under One to One Service:

I don't have great faith in the One to One approach . . . you can't be an expert in all the fields that we deal with. The payments and the conditions are very complicated. I think the customer would much prefer to have someone who knows what they are doing, rather than a One Main Contact that has to keep going and asking other people and looking things up all the time.

In the move to the customer-centred One to One approach, staff had to undertake a much wider variety of tasks, training resources had to be spread thinly and individual staff had infrequent experience with specific functions, so they did not develop the specialist skills needed to understand and administer the increasingly complicated system of income and employment supports.

### *Resources*

The inadequacy of resources is an endemic problem for social administration (Handler 1986; Lipsky 1980). We have seen that Centrelink faced budget cuts in its early years, which would presumably have made the task of implementing One to One Service more difficult. In my study, one of the major concerns among frontline officers was the lack of staff, which resulted in extremely large caseloads. These ranged from approximately 500 for trainee Customer Service Officers to over 1000 for regular Customer Service Officers. A Customer Service Officer from the Hunter Valley thought that One to One Service would not work with such large caseloads:

**Interviewer:** Can you provide One to One Service?

**CSO:** Not with 900 customers, no, not properly.

This trainee Customer Service Officer from Melbourne, who had the smallest caseload in the study, felt that her customer pool was still too large to permit One to One Service:

Ideally, it means follow-up. It's getting to know the people you're dealing with . . . If you've got 500 people you can't do that.

This Hunter Valley Customer Service Officer suggested that high caseloads made it very difficult for him to achieve familiarity with individual customers' situations and needs:

[K]nowing their current situation . . . gets pretty hard at times, when you've got 900 or 1100 or so customers.

Another Hunter Customer Service Officer pointed out that high caseloads compromised accessibility:

[One to One Service] means you're available to see them . . . [w]hen they need to see you. Now that can't happen in this organisation. I have a thousand people. It's just not going to work.

These high caseloads resulted in long waiting times. For instance, I spoke to a staff member from the Melbourne office who was booked out for three weeks and another officer at the Hunter Valley office who was booked out for five weeks. Staff mentioned that high caseloads meant they would see customers very infrequently - many customers would only be seen once in every six months, unless they broke the rules. When officers did see customers, they had very limited time in which to undertake take all of their administrative duties. One Melbourne staff member spoke of needing to 'stay on the ball' and not deviate from the procedures in order to avoid 'running over' time, which consequently reduced her ability to address other issues that customers raised. A Hunter Valley officer said she often had to send customers away from appointments even when they did not understand what was happening to their payments, because there was not enough time to explain. Thus there was concern among some frontline staff that caseloads in Centrelink were too large to permit One to One Service (see also Howard 2006).

### *Frontline autonomy and the new Taylorism*

The shift toward more customer-centred and integrated service usually implies an enhancement of autonomy for those involved in frontline delivery. In the new public management, service deliverers obtain greater discretion concerning the specific methods by which services are delivered and are held accountable for the extent to which they achieve desired outcomes. Centrelink's early rhetoric was imbued with managerialist themes of enhancing administrative autonomy and flexibility. Indeed, the agency's CEO proclaimed in 1999 that one of Centrelink's main challenges was to transform an inherited bureaucratic mentality into an entrepreneurial culture, in which staff would be rewarded for taking risks and achieving outcomes, and where mistakes would be recognized as an inevitable part of the organization's learning process. This narrative suggests that the creation of Centrelink produced an expansion in frontline autonomy. However, the experience of Customer Service Officers in relation to discretion has been ambiguous at best, for several reasons.

It is important to recognize that Centrelink was created out of two separate agencies that had very different functions and organizational cultures. The DSS Regional Offices were essentially payment processing bureaucracies, staffed by clerks and charged with the procedural task of determining applicants' eligibility for income support. In contrast, the CES was responsible for assessing the needs of unemployed individuals, providing job matching facilities to assist employers and job seekers, and supplying intensive case management services for individuals with significant barriers to employment. As a result, the CES was more focused on personal needs and service outcomes. Frontline officers in the CES were more likely to have professional affiliations and qualifications, had considerably more discretion, and were more highly unionized than their equivalents in the DSS. Centrelink brought these two separate functions and cultures together, and the resulting integration meant that former CES officers had to take on payment processing duties, while former DSS clerks were required to conduct assessments of employment barriers, identify special needs and make referrals to support programs. For those who came from the DSS, there was a sense that they now had to perform a much wider range of functions, and could take into account many more aspects of their customers' lives, as these Hunter Valley officers suggest:

I worked at the DSS before Centrelink started. I have been here for eight years. I can say that we have gone a long way in eight years. There is still some way to go. It's a different strategy of doing business in Centrelink. The DSS was not like that. It was full of red tape. It was black and white. The whole thing was cumbersome. And we only did payments; that's all you looked at. Now in Centrelink it's more holistic, you know with the idea of a one stop shop, and we are doing referrals . . . In the DSS we would get half an hour to an interview, now we get one hour.

We often laugh to ourselves, because we have to be counsellors, social workers, psychologists, case managers, all in one person. We're no longer just welfare administration. And sometimes as well we're even parents.

Some former DSS officers enjoyed the broader focus and the new emphasis on responding to customers, though not all were comfortable with this approach. For instance, a former CES officer was told by her new colleagues that had come across from the DSS:

'Don't think you're going to be doing that warm and fuzzy stuff over here.' That was the direction we were supposed to be moving in, and they didn't like it.

Former CES officers also had some apprehensions about ex-DSS staff members' preoccupation with rules and procedure. One characterized the mentality of her DSS colleague: 'They're the rules, so you must follow them. I don't know what it is with [my colleague from the DSS]. Sometimes I think I'm talking to someone from a different universe.' A Team Leader from the Melbourne office spoke of the cultural differences within Centrelink as a result of the split heritage:

This organisation is only four years old so we're fairly new, and we're still trying to work out what our purpose is. You've got staff from the DSS and staff from the CES, and you can tell from a mile off which departments they came from. I'm from the DSS, and you can tell because I'm concerned about procedure. They both have their strengths. The CES ones are good at dealing with people. The DSS are more processors. That's just what they did, processed claims. It does make it inconsistent.

Hence, some of the staff who moved to Centrelink were relatively familiar and comfortable with a flexible and responsive approach to administration, while for others this was a new philosophy.

In its early years, Centrelink did promote a customer-centered management philosophy similar to that endorsed by the ex-CES officers, at the expense of the procedural preoccupation of the staff who came from the DSS. The agency adopted a 'risk management' approach to administration, in which frontline staff were encouraged to focus on achieving outcomes for individual customers and were told not to be too concerned with payment and program rules (Howard 2006). There is evidence that many Customer Service Officers enthusiastically embraced this new emphasis (Howard 2006). However, over time there has been a retreat from risk management and a reassertion of proceduralism.

We have already seen that the prevailing approach to policy reform in Australian social services has been to impose new, more detailed and differentiated requirements on specific subgroups. This is a product of two policy objectives: firstly, to introduce new activity requirements in order to discourage welfare dependency, and secondly, to align these requirements with the increasing diversity of life circumstances in late modernity, rather than impose a single approach on all beneficiaries.

The Mutual Obligation Initiative is an excellent example of this approach (Centrelink 2000). It was driven by the idea that particular groups of welfare recipients should be expected to make greater efforts to prepare and look for work. This initiative set down an extensive list of alternative activities and programs that a customer could choose to complete, in order to fulfill their Mutual Obligation requirement. These included participation in part time work, voluntary work, environmental regeneration programs, career counseling services, specific initiatives for indigenous Australians and new migrants, intensive employment supports for persons with serious employment barriers, literacy programs and youth employment programs (Centrelink 2000). Each of these activities had to be completed within a six month period and each set down very specific

requirements in terms of how many hours of activity had to be completed. Most of the options also imposed additional eligibility criteria that could not be modified. Furthermore, customers between the ages of 18 and 24 had to attend an appointment to discuss their Mutual Obligation after 26 weeks on payments, and start their activity by 32 weeks. Staff had no discretion in the timing, since the selection of customers and booking of appointments for Mutual Obligation was performed automatically by the computer system, and if customers failed to start their activity by the required date, the system automatically imposed a sanction. Thus Mutual Obligation was an attempt to impose stricter and more detailed requirements on the unemployed in order to dissuade welfare dependency. It was deliberately constructed to force customers to participate, and policy makers included no discretion in the initiative, so that frontline staff could not exempt customers from the requirements or delay their participation in the program. Yet it was also designed to include 'options,' allowing customers some measure of choice in the activities they undertook in order to comply. In this respect, Mutual Obligation also sought to take into account some of the contemporary diversity of individual biographies.

In spite of this attempt to offer options and accommodate differences, many staff felt that the tight specification of conditions and requirements in the policy often prevented them from responding to individuals' needs. For instance, staff could not decide that an individual might benefit from a reduced participation load:

I mean I can't say to someone, "You only have to do 120 hours of Part-time paid work for your Mutual Obligation" when they need to do 128. Same with Voluntary work. There's no discretion. You either do the hours or you don't. At the end of the day, when you're judging whether or not someone has adhered to the requirements, it's a yes or no decision.

Several staff argued that the fixed timing of the Mutual Obligation requirements made them unresponsive to individual circumstances. For example, a Hunter valley Customer Service Officer reflected on an appointment, during which the customer revealed that she would be starting in a new position in one month's time. The system required that she start and activity straight away, and the officer could not alter the requirement for her needs:

Mutual Obligation [is] about one-size-fits-all and one-size-fits-all doesn't work. There's no flexibility. You know, why does she need to start straight away? She's got a job in a month's time. Well put Mutual Obligation off for a month! You're not supposed to.

Another officer criticized the fact that customers could not decide to start their activity sooner than required:

It's the strict structure of Mutual Obligation that gives me worries . . . The timing . . . is set down and you can't change it. So, for example, if a customer goes and does a course for six months when they first come on benefits, well, that should count as their Mutual Obligation. Or if someone had done Job Search Training before six months, that should be their Mutual Obligation. At the moment, it can't be counted.

Finally, a staff member from the Melbourne office highlighted the way in which specific eligibility criteria prevented her from referring customers to programs and services:

I don't think the system is adequate for their needs. They have to meet too many criteria to be in a referral.

The frontline experience with Mutual Obligation highlights the tensions between the two contrasting approaches to addressing de-traditionalization in Australian social administration. Mutual Obligation exemplifies the policy strategy of developing new, more finely specified criteria, targeting and distinguishing between particular groups, and isolating particular sub-categories of need (new migrant, indigenous, youth). Yet the service delivery framework is designed to meet the needs of the 'whole customer,' and to simplify and offer flexibility in compliance processes. In the case of Mutual Obligation, the policy emphasis on categories appears to have trumped the service emphasis on individual responsiveness. The policy approach also undermined frontline autonomy, substituting pre-determined criteria and automated decision making for professional judgment and knowledge.

### Discussion

Although initially there was considerable high-level enthusiasm for One to One Service in Centrelink, the model went out of favour within a short period of time. In 2001, the promotion of One to One Service began to wane in Centrelink's official publications.<sup>2</sup> Furthermore, towards the end of my fieldwork in late 2001, frontline officers in Centrelink discussed a new approach to service delivery that was being proposed by Centrelink management, called the 'Customer Streaming Model.' Under the proposed approach, frontline staff would be organized into different teams on the basis of the different service delivery functions they performed. One team would handle all inquiries at the front counter of the Centrelink office. Another team would handle short 'walk-in' appointments with customers that were not booked in advance. A third team would undertake all booked interviews with clients and conduct in-depth assessments of beneficiaries. Centrelink's 2001-2002 Annual Report incorporates discussion of a "Job Redesign" initiative underway in Centrelink (Centrelink 2002). According to the description in this document, Centrelink has reorganized frontline staff into new teams that undertake core functions, which include 'start up', or starting the customer on

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<sup>2</sup> This point can be demonstrated by viewing the treatment of One to One Service in the agency's annual reports in the period since the introduction of the initiative in 1999. In the year 1998-1999, during which the initiative was piloted and introduced into the Centrelink network, there are 17 mentions of One to One Service throughout the Annual Report, and many of these place the initiative at the centre of the agency's operations. In the following year, in which the initiative was supposed to have been completely implemented, One to One Service is even more prominent with 29 mentions in the Annual report. By 2000-2001 interest had apparently declined, with only 9 references to One to One, although it is still recorded in an appendix to the report as a 'key strategy' and the report suggests that the implementation of One to One is being 'consolidated'. In the report for 2001-2002, the term is mentioned several times, but only once is it mentioned in connection with Centrelink's One to One Service initiative, in a table towards the back of the report, which outlines figures on customer satisfaction with One to One. In the report for the year 2002-2003, there are no references to One to One Service and no mentions of the term 'one to one'.

payments, 'customer service', which involves maintaining customer records, and 'participation support', which includes applying and enforcing activity requirements. According to the 2002-2003 Annual Report, this system was 'rolled out' across the Centrelink network by December of 2002. In effect, the introduction of the new Customer Streaming Model involved a shift from a system of organizing work around clients, to grouping staff based on function (Cohen 2002). This means that One to One Service is formally no longer possible, since customers see different staff members depending on the nature or their enquiry or problem. I have spoken with several Customer Service Officers involved in my study, and they have confirmed that these new arrangements do not permit the kinds of interactions envisaged under the One to One Service model.

Given the difficulties that One to One Service encountered during implementation, it is perhaps not surprising that the model has been abandoned in favour of a more conventional functional division of frontline labour. Yet Centrelink's management of the transition signals an unwillingness on the part of the agency to acknowledge the difficult tradeoffs and challenges which led to the downfall of One to One. Following the introduction of Customer Streaming, Centrelink criticized the One to One model for requiring staff to become competent across too many different functions of customer service. For example, Centrelink claimed in 2002 that 'up until now, staff have had to manage the competing demands of start-up, customer support and participation in the one job' (Centrelink 2002). As a result '... staff had to balance the multiple demands of all of these elements of customer service, often making it difficult to achieve quality outcomes' (Centrelink 2003). There is a clear acknowledgement that Centrelink's One to One Service initiative compromised frontline effectiveness and efficiency by requiring staff to focus on too many tasks. However, the agency has not been willing to acknowledge that, as a result of rejecting One to One, some benefits are surrendered. Instead, Centrelink insists that under the new functional division of labour, all aspects of service are improved, *including* individualized treatment:

The decision to divide work into more logical groups will enable staff to become more proficient at their job and will lead to an enhanced level of personalised service. Testing of the concept has shown there are benefits for staff and customers in job redesign, particularly around regrouping work in more logical ways to match business expectations and focusing staff on particular aspects to enhance their job proficiency (Centrelink 2002).

The following list of the purported benefits of the Customer Streaming Model illustrates the agency's tendency to claim that the new system will simultaneously improve all aspects of service delivery, including efficiency, service personalization and staff satisfaction. Thus Centrelink predicts:

- improved efficiency as sites reduce arrears and the associated re-work;
- improved quality as staff become proficient in a more manageable range of work;
- improved focus on participation outcomes for customers;
- more personalised service resulting in greater customer satisfaction; and
- higher levels of staff satisfaction. (Centrelink 2002)



If we accept the argument that contemporary Australian social service delivery is characterized by tensions and contradictions, then this exclusively positive assessment of the benefits of the new approach to frontline delivery is misleading. The experience of frontline staff suggests that there are significant difficulties in reconciling responsive customer-centered approaches with the current levels of complexity and inflexibility in policies and programs. The policy approach of addressing individual needs by developing more complicated and differentiated rules and procedures is too confusing and constraining to enable staff to consider the needs of individuals in an integrated manner. While the reversion to a functional division of labour in Centrelink may help staff to grasp the rules and procedures more easily, it will not address the problem of inflexibility, and it does not encourage staff to take a more holistic view of their clients. If the quality of contemporary social services is to be improved, it will be necessary to acknowledge and give more consideration to the impact of policy design on frontline service delivery.

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