

Senate Community Affairs Legislation Committee

ADDITIONAL BUDGET ESTIMATES - 16 FEBRUARY 2012 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Calculating Savings from Detection of Overpayments

Question reference number: HSW 12

Senator: Siewert

Type of question: Written

Date set by the committee for the return of answer: 29 March 2012

Number of pages: 1

Question:

- a) How does the Department of Human Services determine savings accrued from detecting overpayments?
- b) What are the assumptions used to justify claims of ongoing savings from detecting overpayments?

Answer:

- a) When the Department of Human Services detects an overpayment, the savings are measured in terms of the amount of debt raised (that is the amount incorrectly paid in the past) and 26 times the variation to fortnightly payments (that is the incorrect amount that would have continued into the future, if the change had not been detected).
- b) The assumption is that without the compliance intervention, the overpayment would have continued for 26 fortnights.