

## Senate Community Affairs Legislation Committee

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

#### Human Services Portfolio

**Topic:** Debt Recovery

**Question reference number:** HSW 14

**Senator:** Siewert

**Type of question:** Written

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

**Number of pages:** 2

**Question:**

- a. In 2010-11 and from 1 July 2011 to 31 December 2011, how much was recovered from each main income support payment, and in total?
- b. At 1 January 2012 what was the value and total numbers and percentages of overpayments from social security payments that was recovered at the "standard" rate, less than the "standard" rate and above the "standard" rate of debt recovery?
- c. For the financial periods of 1 July 2010 to 30 June 2011 and 1 July 2011 to 31 December 2011 provide the total amount in dollars and numbers of overpayments recovered by i) Dun & Bradstreet and ii) Recoveries Corporation.
- d. Provide data on the level of overpayments (in dollars and numbers of overpayments) currently under management by i) Dunn & Bradstreet and ii) Recoveries Corporation?

**Answer:**

- a. The following table is a summary of the amount recovered from each main income support payment for the 2010-11 financial year and the 2011-12 financial year as at 31 December 2011.

| Customer Payment Group                   | July 10- Jun 11 \$   | Customer Payment Group                   | July 11- Dec 11 \$ |
|--|----------------------|--|--------------------|
| ABSTUDY                                  | 9,546,478            | ABSTUDY                                  | 5,274,742          |
| Age Pension                              | 69,413,246           | Age Pension                              | 34,021,202         |
| Age Related                              | 502,319              | Age Pension Related Payments             | 552,198            |
| Assistance for Isolated Children         | 796,270              | Assistance to Isolated Children          | 363,143            |
| Youth Allowance (Jobseeker)              | 20,797,105           | Youth Allowance (Jobseeker)              | 11,341,511         |
| Newstart Allowance                       | 184,081,126          | Newstart Allowance                       | 96,738,282         |
| Disability Support & Sickness Allowance  | 127,638,979          | Disability Support & Sickness Allowance  | 66,550,409         |
| Family Related Payments                  | 3,022,347            | Family Related Payments                  | 1,532,926          |
| Parenting Payment                        | 133,365,134          | Parenting Payment                        | 67,904,208         |
| Youth Student, Apprentice & Austudy      | 85,939,197           | Youth Student, Apprentice & Austudy      | 45,040,100         |
| Family Tax Benefit (FAO reco. only)      | 410,648,020          | Family Tax Benefit (FAO reco. only)      | 248,148,765        |
| Special Circs. Related                   | 5,585,519            | Special Circumstance                     | 4,093,454          |
| Family Tax Benefit (excluding FAO reco.) | 38,962,951           | Family Tax Benefit (excluding FAO reco.) | 19,427,992         |
| Childcare Assistance                     | 868,845              | Childcare Assistance                     | 100,563,001        |
| Other                                    | 2,724,729            | Other                                    | 948,759            |
| <b>Grand Total</b>                       | <b>1,093,892,264</b> | <b>TOTAL DEBT</b>                        | <b>702,500,693</b> |

- b. The following table shows the number of standard and non-standard withholding arrangements.

| As at 31 December 2011           | Number  | %  |
|----------------------------------|---------|----|
| Standard Withholdings (incl FAO) | 155,649 | 44 |
| Non-standard Withholdings        | 194,343 | 56 |

*Note: The Department is not readily able to obtain the value of debt being recovered by withholdings; or whether the non-standard withholding rate is above or below the standard rate.*

- c. The following table shows the number and value of recoveries by Collection Agents.

| Agent/Period           | Amount Repaid (\$)  |
|------------------------|---------------------|
| July 2010 to June 2011 |                     |
| Dun & Bradstreet       | \$38,610,000        |
| Recoveries Corp Ltd    | \$37,000,000        |
| <b>Total</b>           | <b>\$75,610,000</b> |

|                       |                     |
|-----------------------|---------------------|
| July 2011 to Dec 2011 |                     |
| Dun & Bradstreet      | \$26,400,000        |
| Recoveries Corp Ltd   | \$21,420,000        |
| <b>Total</b>          | <b>\$47,820,000</b> |

|                    |                      |
|--------------------|----------------------|
| <b>Grand Total</b> | <b>\$123,430,000</b> |
|--------------------|----------------------|

*Note: The Department is not readily able to obtain the number of debts recovered by Collection Agents as some repayments may only be part-payment and others are a consolidation of more than one debt from the same customer.*

- d. The following table shows the number and value of debts with Collection Agents.

| Agent/Period          | No. Debts      | \$ Value             |
|-----------------------|----------------|----------------------|
| As at 13 January 2012 |                |                      |
| Dun & Bradstreet      | 83,342         | \$235,897,332        |
| Recoveries Corp Ltd   | 86,881         | \$240,862,422        |
| <b>Total</b>          | <b>170,223</b> | <b>\$476,759,754</b> |