

## **Senate Community Affairs Legislation Committee**

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

#### **Human Services Portfolio**

**Topic:** Centrelink Debt

**Question reference number:** HSW 30

**Senator:** Siewert

**Type of question:** Written

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

**Number of pages:** 3

#### **Question:**

With reference to the total debts referenced in table 15, on page 154 of the Centrelink Annual Report 2010-11

- a) What are the categories of non-compliance that are used to establish this debt? Please provide a breakdown of both the number of debts and amount raised in these categories.
- b) If DHS does not assign categories of non-compliance to this debt, please explain how the data is segmented (if it possible to segment) and please provide the number of clients who have debts raised against them due to overpayment and the dollar amount of these debts. Please further segment the data by payment type.
- c) What were the categories of non-compliance used to establish overpayment? Please provide the total number of clients who were overpaid in the 2009-2010 and 2010-2011 financial years, and a break down those total by the categories of non-compliance. Please further segment the data by payment type.
- d) If DHS does not assign categories of non-compliance to overpayment, please explain how overpayment data is segmented (if it possible to segment) and please provide the number of clients who were overpaid in the 2009-2010 and 2010-2011 financial years and an indication of how many of those overpayments were due to:
  1. overpayments are due to failure to report fortnightly earning
  2. failure to report changes to circumstance
  3. both
  4. neither

**Answer:**

a) to d)

The department does not segment Centrelink debts into categories of non-compliance. The number of debts can be segmented according to the reason for the debt, and according to payment type.

Centrelink debts are currently reported by volume of debts rather than volume of customers. Some customers may have more than one debt.

A breakdown of debts by reason and payment type is presented below.

**Centrelink Debts by Reason**

	2009-2010		2010-2011	
	Number	\$	Number	\$
<b>TOTAL</b>	2,201,192	1,747,030,125	1,965,994	1,691,843,073
<b>ADVANCE/LOAN</b> Overpayments of Advance payments, Pensions Loan Scheme, Crisis Payment	110,274	26,175,642	134,112	32,027,386
<b>ASSURANCE</b> Overpayments relating to Assurance of Support	73	257,102	29	69,523
<b>AUTOMATIC</b> Overpayments automatically calculated through automatic processes such as FTB reconciliation	692,391	735,294,174	639,561	845,406,359
<b>CHILDCARE</b> Overpayments resulting from incorrect childcare usage information	2	20,605	26	144,034
<b>COMPENSATION</b> Overpayments resulting from compensation payments and charges	17,416	120,196,030	16,390	123,219,913
<b>DEPENDANTS</b> Overpayments resulting from changes to children or students for whom customers were receiving payment	8,811	9,364,266	6,288	7,660,804
<b>INCOME</b> Overpayments resulting from the assessment of income (earnings, investments, self-employment, overseas pension etc)	468,692	519,770,159	347,196	409,308,413
<b>MISCELLANEOUS/OTHER</b>	71,663	28,273,971	68,309	28,693,813
<b>NODEBTRS</b> Reason for the overpayment not recorded on the system	604,100	9,610,296	544,306	8,444,326
<b>OBLIGATION</b> Overpayments resulting from customers failing to meet their obligations under the payment they were receiving, for example failing to lodge a form	43,476	45,470,693	52,855	52,229,909
<b>QUALIFICATION</b> Overpayments resulting from multiple reasons relating to the customer's qualification for payment, such as moving overseas, having assets above the allowable threshold	144,843	179,410,329	124,529	130,040,032
<b>STUDIES</b> Overpayments resulting from multiple reasons relating to education or study information	39,451	73,186,857	32,393	54,596,976

Centrelink Debts by Payment Type

	2009-2010		2010-2011	
	Number	\$(m)	Number	\$(m)
TOTAL	2,201,192	\$1,747.0	1,965,994	\$1,691.8
Age Pension	309,742	\$133.0	263,363	\$97.3
Age Pension Related Payments	1497	\$0.9	1002	\$0.5
Disability Support & Sickness Allowance	129,566	\$140.1	105,684	\$129.6
Disability & Sickness Related Payments	50,923	\$30.6	45,537	\$31.5
Newstart Allowance	420,375	\$253.2	389,657	\$234.6
Newstart Related Payments	4793	\$3.9	3504	\$2.2
Youth Jobseeker	66,934	\$26.2	69,901	\$26.3
Youth Student, Apprentice & Austudy	1,238,424	\$118.7	119,274	\$102.9
Abstudy	16,623	\$13.1	15,441	\$10.7
Assistance to Isolated Children	1018	\$0.9	913	\$1.0
Youth & Student Related Payments	9304	\$2.1	9505	\$2.1
Family Tax Benefit	162,354	\$52.3	138,838	\$35.4
Childcare Assistance	212	\$2.3	61	\$0.2
Family Related Payments	1855	\$5.5	5594	\$8.2
FAO Reconciliation	683,241	\$728.8	631,815	\$839.8
Parenting Payment	202,918	\$220.6	154,706	\$157.8
Parenting Related Payments	81	\$1.2	34	\$0.3
Special Circumstance	10,002	\$8.4	8549	\$6.3
Income Management Payments	0	\$0.0	1	\$0.0
Recovered on Behalf of Other Agencies	5889	\$5.3	2603	\$5.2
Other	23	\$0.0	12	\$0.0