

**Senate Select Committee on COVID-19**

**INQUIRY INTO THE AUSTRALIAN GOVERNMENT'S  
RESPONSE TO THE COVID-19 PANDEMIC**

**PUBLIC HEARING 30 April 2020**

**ANSWER TO QUESTION ON NOTICE**

**Services Australia**

**Topic:** Payment Cessations

**Question reference number:** IQ20-000038

**Member:** Rachel Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 8 May 2020

**Number of pages:** 1

**Question:**

Have existing Centrelink customers been cut off payments because they can't get through online or over the phone?

**Answer:**

Services Australia (the Agency) is not aware of any cases where Centrelink customers have had payments cancelled because they were unable to contact the Agency online or over the phone.

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**ANSWER TO QUESTION ON NOTICE**

**Services Australia**

**Topic:** Income Averaging - Refunds

**Question reference number:** IQ20-000040

**Member:** Rachel Siewert

**Type of question:** Written.

**Date set by the committee for the return of answer:** 8 May 2020

**Number of pages:** 1

**Question:**

Has the department done any work on calculating and determining refunds under the income compliance program for debts calculated using income averaging?

**Answer:**

The Minister for Government Services has made a public interest immunity claim with respect to any legal advice obtained in relation to the income compliance programme and to the circumstances surrounding any legal advice obtained in relation to the income compliance programme.

The claim also extends to, but is not limited to, information about the membership of the class in the class action, the number and value of debts to which the class action applies and the Commonwealth's interactions with recipients about those debts.

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### **INQUIRY INTO THE AUSTRALIAN GOVERNMENT'S RESPONSE TO THE COVID-19 PANDEMIC**

#### **ANSWER TO QUESTION ON NOTICE**

##### **Services Australia**

**Topic:** Follow-up QoN to IQ20-000040 Income Averaging - Refunds

**Question reference number:** IQ20-000192

**Member:** Rachel Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 29 September 2020

**Number of pages:** 1

**Question:**

Has the department done any work on calculating and determining refunds under the income compliance program for debts calculated using income averaging?

**Answer:**

After the Government's announcement regarding refinement of the Income Compliance Program (the Program) on 19 November 2019, Services Australia commenced developing processes to identify all debts that were determined wholly or partially on averaging of Australian Taxation Office (ATO) income information under the Program. Identification of the debts occurred incrementally from November 2019. The process was substantially completed by May 2020.

On 29 May 2020, the Minister for the National Disability Insurance Scheme and the Minister for Government Services, the Hon Stuart Robert MP, announced that Services Australia had identified around 470,000 debts (debt notices) raised wholly or partially using income averaging of ATO data.

The total value of refunds is estimated at \$721 million, and refunding of eligible debts commenced on 27 July 2020. As of 18 September 2020, about \$625 million has been refunded.

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**ANSWER TO QUESTION ON NOTICE**

**Services Australia**

**Topic:** Income Averaging - Reviews

**Question reference number:** IQ20-000041

**Member:** Rachel Siewert

**Type of question:** Written.

**Date set by the committee for the return of answer:** 8 May 2020

**Number of pages:** 1

**Question:**

Has the department concluded the review of past debts raised under the income compliance program that used income averaging?

**Answer:**

An initial assessment of income compliance reviews has been completed to identify whether debts were determined using income averaging. Quality assurance of those activities is continuing.

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**PUBLIC HEARING 30 April 2020**

**ANSWER TO QUESTION ON NOTICE**

**Services Australia**

**Topic:** Refunds

**Question reference number:** IQ20-000042

**Member:** Rachel Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 8 May 2020

**Number of pages:** 1

**Question:**

Has the Department provided advice to the Minister that it expects to administer "449,500 refunds determined under the [income compliance] program?"

**Answer:**

The Minister for Government Services has made a public interest immunity claim with respect to any legal advice obtained in relation to the income compliance programme and to the circumstances surrounding any legal advice obtained in relation to the income compliance programme.

The claim also extends to, but is not limited to, information about the membership of the class in the class action, the number and value of debts to which the class action applies and the Commonwealth's interactions with recipients about those debts.

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**ANSWER TO QUESTION ON NOTICE**

Services Australia

**Topic:** Follow-up QoN to IQ20-000042 Refunds

**Question reference number:** IQ20-000193

**Member:** Rachel Siewert

**Type of question:** Written.

**Date set by the committee for the return of answer:** 29 September 2020

**Number of pages:** 1

**Question:**

Has the Department provided advice to the Minister that it expects to administer "449,500 refunds determined under the [income compliance] program?"

**Answer:**

On 29 May 2020, the Minister for the National Disability Insurance Scheme and the Minister for Government Services, the Hon Stuart Robert MP, announced that Services Australia had identified around 470,000 debts (debt notices) raised wholly or partially using income averaging of Australian Taxation Office data.

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**PUBLIC HEARING 30 April 2020**

**ANSWER TO QUESTION ON NOTICE**

**Services Australia**

**Topic:** Income Averaging - Debts

**Question reference number:** IQ20-000043

**Member:** Rachel Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 8 May 2020

**Number of pages:** 1

**Question:**

Has the department provided advice that it has received \$555.6 million in cash payments from welfare recipients under debts considered "in-scope" by the department - that is, debts calculated using income averaging?

**Answer:**

The Minister for Government Services has made a public interest immunity claim with respect to any legal advice obtained in relation to the income compliance programme and to the circumstances surrounding any legal advice obtained in relation to the income compliance programme.

The claim also extends to, but is not limited to, information about the membership of the class in the class action, the number and value of debts to which the class action applies and the Commonwealth's interactions with recipients about those debts.

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#### **ANSWER TO QUESTION ON NOTICE**

##### **Services Australia**

**Topic:** Follow up QoN: IQ20-000043 Income Averaging - Debts

**Question reference number:** IQ20-000189

**Member:** Rachel Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 29 September 2020

**Number of pages:** 1

**Question:**

Has the department provided advice that it has received \$555.6 million in cash payments from welfare recipients under debts considered "in-scope" by the department - that is, debts calculated using income averaging?

**Answer:**

On 29 May 2020, the Minister for the National Disability Insurance Scheme and the Minister for Government Services, the Hon Stuart Robert MP, announced that Services Australia will refund \$721 million to customers based on debts raised wholly or partially using income averaging of Australian Taxation Office data.

As of 18 September 2020, about \$625 million has been refunded.



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**ANSWER TO QUESTION ON NOTICE**

**Services Australia**

**Topic:** Income Compliance Programme - Advice

**Question reference number:** IQ20-000044

**Member:** Rachel Siewert

**Type of question:** Written.

**Date set by the committee for the return of answer:** 8 May 2020

**Number of pages:** 1

**Question:**

Is it correct that Services Australia has provided advice on the cost of scrapping the income compliance program?

**Answer:**

Providing information regarding whether particular advice has or has not been provided to Government would disclose deliberations of Cabinet and would therefore be contrary to the public interest.

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### **INQUIRY INTO THE AUSTRALIAN GOVERNMENT'S RESPONSE TO THE COVID-19 PANDEMIC**

#### **ANSWER TO QUESTION ON NOTICE**

Services Australia

**Topic:** Follow-up QoN to IQ20-000044 - Income Compliance Programme - Advice

**Question reference number:** IQ20-000190

**Member:** Rachel Siewert

**Type of question:** Written.

**Date set by the committee for the return of answer:** 29 September 2020

**Number of pages:** 1

**Question:**

Is it correct that Services Australia has provided advice on the cost of scrapping the income compliance program?

**Answer:**

Services Australia, in conjunction with the Department of Social Services, has provided advice to Government on administration of the Income Compliance Program.

On 19 November 2019, the Government announced changes to the way debts are raised as part of the Income Compliance Program. From that time, debts are no longer raised wholly or partially using averaged Australian Taxation Office income data.

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**ANSWER TO QUESTION ON NOTICE**

**Services Australia**

**Topic:** Income Compliance Programme - Closure

**Question reference number:** IQ20-000045

**Member:** Rachel Siewert

**Type of question:** Written.

**Date set by the committee for the return of answer:** 8 May 2020

**Number of pages:** 1

**Question:**

Is it correct that closing the scheme would reduce underlying cash by about \$700 million over the forward estimates?

**Answer:**

Providing information regarding whether particular advice has or has not been provided to Government would disclose deliberations of Cabinet and would therefore be contrary to the public interest.

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**ANSWER TO QUESTION ON NOTICE**

Services Australia

**Topic:** Follow-up QoN to IQ20-000045 Income Compliance Programme - Closure

**Question reference number:** IQ20-000191

**Member:** Rachel Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 29 September 2020

**Number of pages:** 1

**Question:**

Is it correct that closing the scheme would reduce underlying cash by about \$700 million over the forward estimates?

**Answer:**

Please refer to the response to IQ20-000190.

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#### **ANSWER TO QUESTION ON NOTICE**

**Services Australia**

**Topic:** Child Support

**Question reference number:** IQ20-000048

**Member:** Rachel Siewert

**Type of question:** Written.

**Date set by the committee for the return of answer:** 8 May 2020

**Number of pages:** 1

#### **Question:**

- a) Has there been an increase in the number of requests for reassessments due to parents losing work and not being able to meet their payment obligations?
- b) If so how many?
- c) How many reassessments have been completed and how many unresolved?
- d) Has there been an increase in the number of complaints from parents who haven't received payments due?
- e) If so how many?

#### **Answer:**

- a) There has been an increase in the numbers of parents providing updated income information for their Child Support assessment, however the reason for this increase is not captured.
- b) For the months of March and April 2020, 30,758 income estimate updates were submitted due to parents having a change in income. For the same period in March and April 2019, 18,252 income estimates were actioned.
- c) As at 30 April 2020, 541 income estimate activities are pending and require further action.
- d) No.
- e) N/A.