



## THE SENATE SELECT COMMITTEE ON COVID-19

15 September 2020

Ms Rebecca Skinner  
Chief Executive Officer  
Services Australia

*Via email:*

Dear Ms Skinner,

I write to you on behalf of the Select Committee on COVID-19 (committee) in relation to answers provided by Services Australia to questions on notice.

In reviewing answers to questions on notice provided by Services Australia to date, the committee has identified some specific matters it would like to draw to your attention.

In our letter of 15 June 2020, the Deputy Chair and I reminded departments and agencies of the process set out in the Senate's Procedural Order of 13 May 2009 (Order) by which a claim of public interest immunity may be made. As noted in that letter, paragraph (7) of the Order puts beyond doubt that a claim of public interest immunity which does not specify the harm to the public interest that could result from the disclosure of the information would not meet the requirements of the Order. Moreover, the harm to the public interest should directly relate to the disclosure of the particular information or document requested.

The committee notes that the responses provided by Services Australia to the questions on notice listed in Table 1 below do not meet the expectations of the Order.

The answers provided to IQ20-000040, IQ20-000042 and IQ20-000043 make reference to a public interest immunity claim made by the Minister for Government Services. The committee is not aware of a public interest immunity claim made by the Minister within the context of this committee's inquiry. Further, the responses provided do not address the specific harm to the public interest that could result from the disclosure of the requested information and therefore do not meet the requirements of the Order.

With regard to the answers provided to IQ20-000044 and IQ20-000045, the committee considers that the broad proposition that providing the requested information would disclose deliberations of Cabinet, does not meet the requirements of the Order. While disclosure of cabinet deliberations has achieved some measure of acceptance as a ground for claiming public interest immunity, the committee's expectation is that any such claims will be accompanied by sufficient detail to enable the committee to determine the specific merit of each claim.

The committee requests that Services Australia review the answers provided to the questions on notice identified in Table 1 and either provide the information requested or refer the matters to the responsible Minister to consider whether a formal public interest immunity claim should be made. Alternatively, consideration could be given to providing the information as *in camera* evidence.

The committee would be grateful if a response to this request could be provided to the committee by 29 September 2020.

If you have any questions about this correspondence, please contact the committee secretary, Jeanette Radcliffe, by email at [covid.sen@aph.gov.au](mailto:covid.sen@aph.gov.au) or by phone on (02) 62773892.

Yours sincerely

Senator Katy Gallagher  
Chair

**Table 1 – answers to questions on notice that do not meet the requirements of the Senate's Procedural Order of 13 May 2009**

<b>External Reference</b>	<b>Reference</b>	<b>Senator</b>	<b>Answer provided</b>
IQ20-000040	Written: 1 May 2020	Siewert	7 May 2020
IQ20-000042	Written: 1 May 2020	Siewert	7 May 2020
IQ20-000043	Written: 1 May 2020	Siewert	7 May 2020
IQ20-000044	Written: 1 May 2020	Siewert	7 May 2020
IQ20-000045	Written: 1 May 2020	Siewert	7 May 2020



**Australian Government**  
**Services Australia**

Your Ref: Letter dated 15  
September 2020  
Our Ref: EC20-005150

Chief Executive Officer  
Rebecca Skinner

Senator Katy Gallagher  
Chair  
Select Committee on COVID-19  
Parliament House  
CANBERRA ACT 2600

Dear Senator

**Responses to Questions on Notice provided on 7 May 2020**

Thank you for your letter of 15 September 2020 on behalf of the Select Committee on COVID-19 in relation to answers provided by Services Australia on 7 May 2020 to questions on notice.

As you may be aware, 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 a number of Income Compliance Program debts that had been raised wholly or partially using income averaging of Australian Taxation Office data that would be refunded to customers. The refund process commenced in July 2020.

Given this announcement, Services Australia has reviewed the answers provided to the questions on notice identified in Table 1 of your letter related to the Income Compliance Program.

Attachment A provides updated responses to the questions on notice identified in Table 1 of your letter.

I trust this information is of assistance to the committee.

Yours sincerely

Rebecca Skinner  
30 September 2020

## **Senate Select Committee on COVID-19**

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

#### **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.

## **Senate Select Committee on COVID-19**

### **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.

**Senate Select Committee on COVID-19**

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

**ANSWER TO QUESTION ON NOTICE**

Services Australia

**Topic:** Follow-up QoN to IQ20-000045 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.

## **Senate Select Committee on COVID-19**

### **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.

## **Senate Select Committee on COVID-19**

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

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

##### **Services Australia**

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