

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Statistics

Question reference number: IQ20-000142

Member: Rachel Siewert

Type of question: Written.

Date set by the committee for the return of answer: 3 September 2020

Number of pages: 2

Question:

Since the start of the income compliance program in 2015, what was the total number of:

- initiation letters sent, the number of individuals who received these letters, and the number of individuals who did not receive (i.e. through a bounce-back or return to sender), or were not known to receive (i.e. not sent by registered post), their letter;
- assessments finalised, and the number of individuals for whom these were finalised;
- assessments finalised with no contact from the individual; and
- assessments not finalised, and why were these not finalised?

Please provide the above figures as:

- an aggregate for the entire period of the income compliance program's operation;
- totals related to each iteration of the program (i.e. 2015 pilot year, OCI, EIC and CUPI iterations); and
- totals for each financial year of the program's operation to date.

Answer:

- There were 1,276,316 review initiations based on PAYG data matching from 1 July 2015 to 19 November 2020. Prior to February 2017 initiation letters sent by post were sent by ordinary mail. From 2017 all initiation letters sent by post were sent by registered mail. Letters were also sent by myGov, which includes tracking and read-receipt. The number of review initiations by iterations of the online portal used as part of the review process are as follows:

Portal	Number of review initiations
Manual/Pilot	104,986
OCI	221,042
EIC	702,087
CUPI	248,201

In total 826,809 initiation letters were sent by registered mail and 71,379 income compliance review initiation letters were returned to sender.

The number of review initiations broken up by financial year are as follows:

Financial year	Initiations
2015-16	104,986
2016-17	316,340
2017-18	510,650
2018-19	288,847
2019-20	55,493
2020-21	Nil

- b) Completions from 1 July 2016 broken down by reviews initiated (but not necessarily finalised) by online portal iterations used in the program, and by financial year are detailed in the below table. Completions are not available for reviews initiated as part of a manual process.

Portal	Completions
Manual/Pilot *	See note
OCI	179,451
EIC	467,621
CUPI	165,043

*Services Australia is unable to extract this data within the time requested by the Senate Committee.

Financial year	Completions
2015-16*	See note
2016-17	180,626
2017-18	217,654
2018-19	308,891
2019-20	104,790
2020-21	154

* Services Australia is unable to extract this data within the time requested by the Senate Committee.

The number of reviews completed by an individual is not available and to provide this data would amount to an unreasonable diversion of resources.

- c) Data is not available to confirm whether reviews have been completed with or without customer contact. A customer may have made contact regarding their income compliance review via a number of channels including, face to face, online and telephony. Every individual record would need to be reviewed and this would be an unreasonable diversion of resources.
- d) As at 14 August 2020, the number of reviews not finalised is 199,136. Of those, 121,676 relate to the EIC portal and 77,460 relate to the CUPI portal. On 3 April 2020, a nationwide debt pause was put in place in response to the COVID-19 pandemic. The pause relates to these activities.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Statistics

Question reference number: IQ20-000143

Member: Rachel Siewert

Type of question: Written.

Date set by the committee for the return of answer: 3 September 2020

Number of pages: 3

Question:

From the start of the income compliance program what was the total number, including number of affected customers, and value of:

- a) all debts raised, including debts later waived, reduced or reduced to zero;
- b) debts raised with no contact from the individual (including debts later waived, reduced or reduced to zero);
- c) debts raised based wholly on income averaging (including debts later waived, reduced or reduced to zero);
- d) debts raised based partly on income averaging (including debts later waived, reduced or reduced to zero);
- e) debts waived, reduced or reduced to zero, not related to the decision to zero and repay debts based on income averaging;
- f) debts reduced to zero related to the decision to zero and repay debts based on income averaging; and
- g) debts to be repaid to individuals.

Please provide the above figures as:

- an aggregate for the entire period of the income compliance program's operation;
- totals related to each iteration of the program (i.e. 2015 pilot year, OCI, EIC and CUPI iterations); and
- totals for each financial year of the program's operation to date.

Answer:

- a) Since 1 July 2015, 771,576 earned income debts under the Income Compliance Program have been raised broken down by financial year:

Year	Number of Debts*
2015-16	102,808
2016-17	148,201
2017-18	167,137
2018-19	262,555
2019-20	90,875

*This excludes debts where no amount was recovered prior to being waived or reduced to zero

The total number of customers is 623,820. Debt amounts have changed over time and therefore providing a value of each of these debts would require manual assessment and an unreasonable diversion of resources.

- b) Data is not available to confirm whether reviews have been completed with or without customer contact. A customer may have made contact regarding their income compliance review via a number of channels including, face to face, online and telephony. Every individual record would need to be reviewed and this would require an unreasonable diversion of resources.

- c) and d)

To answer these questions it would be necessary to identify all debts that were waived or were reduced to zero at any point prior November 2019 that were raised by averaging ATO income information. To provide this data at this point would require an unreasonable diversion of resources.

- e) From 1 July 2015 to 30 June 2020, 82,812 debts raised under the Income Compliance Program were waived, written off or reduced to zero not related to the decision to zero and repay debts based on income averaging. The breakdown by financial year is as follows:

Year	Number of Debts
2015-16	5,395
2016-17	19,548
2017-18	21,018
2018-19	21,118
2019-20	15,733

- f) The number of debts to be zeroed without a refund is 61,156 for 51,863 individuals, with a value of \$398.3 million.

Year	Number of Debts
2015-16	5,415
2016-17	9,873
2017-18	9,458
2018-19	23,260
2019-20	13,150

g) The amount to be repaid to 378,373 individuals is \$721.1 million.

Year	Value of Refunds
2015-16	\$234,034,947
2016-17	\$202,056,840
2017-18	\$173,963,258
2018-19	\$103,099,123
2019-20	\$7,977,276

To respond to the remainder of the questions would amount to an unreasonable diversion of resources. It is not possible to allocate individual customers by financial year, as customers may have made repayments or had debts over multiple financial years. Debts identified as part of the refund process were not assessed against online portal iterations and this would require an unreasonable diversion of resources.