

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Administrative costs

Question reference number: IQ20-000144

Member: Rachel Siewert

Type of question: Written.

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

Number of pages: 1

Question:

What have been the administrative and staffing costs in identifying debts raised 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 based on averaging of ATO income information under the Program.

Identification of the debts and subsequent pausing of the debts occurred incrementally from November 2019. This process was substantially completed by May 2020. All expenditure in identifying debts was undertaken within existing budgets and resources.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Revisiting income compliance debts

Question reference number: IQ20-000145

Member: Rachel Siewert

Type of question: Written.

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

Number of pages: 1

Question:

- a) Does Services Australia intend to revisit those cases with debts raised through income averaging, and potentially issue new debts if updated income information can be found?
- b) Can customers who receive a refund or have their debt reduced to zero be certain that they will not be pursued for the same income discrepancy in a future compliance program?

Answer:

On 19 November 2019, the Minister for Government Services announced changes to the Income Compliance Program so debts would no longer be raised using averaged ATO income data, and that other proof points would be required.

On 3 April 2020 a nationwide debt pause was put in place in response to the COVID-19 pandemic. The pause applies to these activities.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Contacting affecting individuals

Question reference number: IQ20-000146

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:

Has Services Australia implemented any strategies for contacting individuals affected by the refund process:

- a) who are not currently receiving Centrelink payments (other than sending letters and putting a notice in MyGov accounts)?
- b) who have vulnerability flags on their accounts which indicate they may need assistance in understanding the correspondence they receive?
- c) who are not currently receiving Centrelink payments but had been subject to a vulnerability flag when they were?

Answer:

People who are no longer getting a payment from Services Australia (the Agency) had their letter sent to their myGov inbox from Monday 27 July. If people don't have a myGov account linked to Centrelink, a letter has been sent to them at their last known address.

If people don't have Centrelink services linked to their myGov account, there are online guides on the Services Australia website to help them.

People need their Customer Reference Number which can be found on any previous correspondence from Services Australia (formerly the Department of Human Services).

There are guides on the Agency's website that step people through the process:

<https://www.servicesaustralia.gov.au/individuals/online-help/link-service-mygov-without-online-account>

The Agency also has extensive web content about the refund process

(www.servicesaustralia.gov.au/refunds) including specific information on how to access the online portal. The web content includes a video which highlights the online portal and a link to translated factsheets in the eleven most commonly used languages other than English.

The Agency's official spokesperson has recently spoken on radio about the approach for former customers to access a refund.

The Agency's social media accounts (Facebook and Twitter) are being used to promote the refund portal.

The Agency has engaged with representatives from a range of third party organisations including Australian Council of Social Service, Anglicare, Economic Justice Australia, Youth Action, Australian Federation of Disability Organisations and Federation of Ethnic Communities' Councils of Australia. Representatives from organisations were provided copies of letters, a factsheet, and links to information about the refunds.

There is a dedicated 1800 compliance refunds line that customers can use to discuss their refund or find out more information.

All of the refund letters include a phone number that people can call for support. The letters also include information on the Agency's Interpreter Services which is free and available to current and former customers. Any customer needing staff assistance can be supported via phone, in person or through specialised staff services.

The Agency identified people (both current and former customers) who may need additional support as part of the refund process. The Agency is working to make outbound contact with these people prior to refunds being processed. During conversations, referrals to specialised services such as Social Workers, Financial Information Support Officers or Indigenous Support Officers will also be offered if required.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Future of the Program

Question reference number: IQ20-000147

Member: Rachel Siewert

Type of question: Written.

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

Number of pages: 1

Question:

- a) Does Services Australia anticipate resuming the income compliance program in a form that involves sending initiation letters based on data matching and requiring individuals to update their income information after receipt of a letter?
- b) If the income compliance program continues, are the changes to debt-raising under the program likely to result in a further iteration of the compliance program software?

Answer:

On 19 November 2019, the Minister for Government Services announced changes to the Income Compliance Program so debts would no longer be raised using averaged ATO income data, and that other proof points would be required.

On 3 April 2020 a nationwide debt pause was put in place. The pause applies to these activities.

Payment integrity activities will continue with a strong focus on prevention of debt through the Simplifying Income Reporting measure and use of Single Touch Payroll data to improve income reporting.

Data matching with the ATO will continue and Services Australia (the Agency) will continue to engage with people to ensure they receive the correct payments.

The Agency will continue its approach to designing services and systems through direct engagement with recipients of services as well as consulting with a range of stakeholders and groups.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Outstanding reviews

Question reference number: IQ20-000148

Member: Rachel Siewert

Type of question: Written.

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

Number of pages: 1

Question:

- a) How many incomplete assessments are currently 'underway' – albeit paused during the pandemic – under the CUPi system?
- b) Does Services Australia intend to finalise those assessments?

Answer:

- a) There are 199,168 Pay As You Go reviews in progress (but currently paused) under the Income Compliance Program. These reviews are in either the Check and Update Past Income (CUPi) or Employment Income Confirmation (EIC) systems.
- b) On 19 November 2019, the Minister for Government Services announced changes to the Income Compliance Program so debts would no longer be raised using averaged ATO income data, and that other proof points would be required.

On 3 April 2020 a nationwide debt pause was put in place in response to the COVID-19 pandemic. The pause applies to these activities.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Net to gross calculations

Question reference number: IQ20-000149

Member: Rachel Siewert

Type of question: Written.

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

Number of pages: 1

Question:

In a response to a question on notice, Services Australia stated it will 'continue to work with customers and third parties to obtain additional information to determine whether a debt is raised. Additional information includes bank statements, payslips and customer income declarations'.

To what extent does Services Australia expect debts will be continued to be raised using its net-to-gross income calculations using bank statements?

Answer:

Information from bank statements is just one of the additional proof points that can be used by a decision-maker to determine a debt.

Services Australia can also refer to other relevant supporting information and documents such as payslips, letters from a person's employer, amended payment summary information from the Australian Taxation Office, other information from the customer and other third party information.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Contracts for debt collection

Question reference number: IQ20-000151

Member: Deborah O'Neill

Type of question: Written.

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

Number of pages: 1

Question:

- a) What was the total dollar value of contracts given to private debt collection agencies for the enforcement of the income compliance scheme?
- b) What was the total amount of money that was recovered through these debt collection agencies?

Answer:

- a) The contract value of Services Australia's contracts with its External Collection Agencies (ECAs) is publically available through Austender at www.tenders.gov.au
- b) For the financial years 2015-16 to 2019-20, ECAs recovered approximately \$114 million in relation to Income Compliance Program debts.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Counselling for staff

Question reference number: IQ20-000152

Member: Deborah O'Neill

Type of question: Written.

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

Number of pages: 1

Question:

- a) Was counselling offered to staff members of Centrelink and Services Australia who were dealing with distressed robodebt victims?
- b) If so, when was that counselling offered? Was there an evaluation or a change in practice following the instigation of that counselling?

Answer:

- a) Services Australia engages an Employee Assistance Program provider on an ongoing basis to support staff with work and personal issues, including strategies to manage challenging situations. Support is also available for managers to assist them to manage workplace issues or challenges.
- b) The Employee Assistance Program is accessed directly by staff and managers on a confidential basis. Accordingly specific details on the circumstances in which services were offered is not available.