

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Debts Review Timeline

Question reference number: QoN 1

Member: Siewert

Type of question: Hansard page 12

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Dr Baxter: We're reviewing all debts raised under the online income compliance system, all reviews undertaken where a debt has resulted—yes, that's correct.

CHAIR: All reviews where there was a debt.

Dr Baxter: All reviews in the online income compliance system where a debt has been raised.

CHAIR: Okay. When did this process start?

Dr Baxter: We began the process of developing a process for identifying these cases and beginning the identification of cases as soon as the decision was announced by the government, and we're undertaking that process now.

CHAIR: I note that your words very carefully just then were: we started the process of starting the process.

Dr Baxter: I guess what I wanted to emphasise there was that we didn't just go off immediately and start looking through reviews. We wanted to develop a very robust business process. We have a lot of people engaged in this, and we wanted to make sure that they had a process they could follow that would make sure we identified absolutely every review that might have had some averaging.

CHAIR: It wasn't a criticism of you working on a process. I noted that that started. When did the actual implementation of the process start?

Dr Baxter: It started shortly after that. It may have been a period of a week or two. I'd have to take that on notice

Answer:

Following the Government's announcement on 19 November 2019, Services Australia designed a process to manually identify the affected customers.

On 25 November 2019, staff began to manually identify the affected customers.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Debts Review Staffing

Question reference number: QoN 2

Member: Siewert

Type of question: Hansard page 13

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

CHAIR: How many people are involved in this process?

Dr Baxter: How many?

CHAIR: You said a lot of people are involved. Have you employed new staff, what is the number of staff involved and for how long do you anticipate this process being undertaken?

Dr Baxter: No, we have not retained new staff for this process. I couldn't tell you the exact number, but a large proportion of our compliance workforce has been immediately deployed to this process of identifying these customers who might be in this group.

Senator O'NEILL: How large is your compliance workforce, Dr Baxter?

Dr Baxter: It's approximately 1,500 people working on the online income compliance reviews.

Senator O'NEILL: And what's a large proportion?

Dr Baxter: It would be at least half.

Senator O'NEILL: So 750 people?

Dr Baxter: I would have to take on notice the exact amount, but it's within that realm.

Answer:

For the week ending 20 December 2019, 649 compliance officers were assigned to identification activities.

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INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Debts Reviewed

Question reference number: QoN 3

Member: Siewert

Type of question: Hansard page 13

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

CHAIR: How many cases have you reviewed to date?

Dr Baxter: I would have to take that on notice. It's a changing number day to day, as you appreciate, with that many people.

Answer:

Services Australia has not yet completed its review of the debts raised over the life of the income compliance program. While an initial review has been undertaken on some of the debts, those reviews are subject to quality checks that are yet to be undertaken. Work is continuing but is yet to be completed.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Debt Review - Total

Question reference number: QoN 4

Member: O'Neill

Type of question: Hansard pages 13-14

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Dr Baxter: We've already discussed that we're beginning with the number of online income compliance reviews that result in a debt.

Senator O'NEILL: How many is that?

Dr Baxter: Those numbers are a matter of public record and in our submission to this inquiry. Our submission that was provided to you says that, as at 31 August, 734,000 online income compliance reviews have been completed with a debt.

...

CHAIR: Let's go back. If you take that smaller group out of the 734,000—what Senator O'Neill was referring to was the bigger group that are being assessed. You have said all online compliance debts raised are being reviewed?

Dr Baxter: That fall into this category; that's right.

CHAIR: What Senator O'Neill was referring to, I think, when she said 700,000, was taking off a proportion that were not the online compliance.

Dr Baxter: I'm sorry, I'd have to take on notice what that amount is. The number of reviews completed with debt that relate to the whole program is 734,000. Some of those relate to other pieces, like bank interest reviews and business income reviews. I don't have that number with me, I'm sorry. But, yes, the majority of those are pay-as-you-go income reviews

Answer:

For Online Income Compliance Reviews as at 31 December 2019:

Number of Reviews completed with a debt that wasn't subsequently reduced to zero	594,636
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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Debts Reviewed – Debt Recovery

Question reference number: QoN 5

Member: O'Neill

Type of question: Hansard page 17

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Dr Baxter: What I certainly can tell you is that for those people, as we're identifying them, as I mentioned in my opening statement, we are freezing recovery of their debt. We are taking that step, so there will no longer be debt recovery. As you are identified through the process, your debt recovery is being frozen. While we are doing that identification work, we are also working through what a new process could look like for that group of people.

Senator O'NEILL: How many people have had that debt frozen so far?

Dr Baxter: Because it relates to the answer I provided previously in relation to how many people have been identified, because it's as you're being identified that your case is frozen, I'm afraid I can't give you that number.

Senator O'NEILL: Somebody must know that, Dr Baxter.

Dr Baxter: It is a changing number from day to day—

CHAIR: Tell as of today.

Senator O'NEILL: That's okay: close of business yesterday—I don't care—but just give me a real number in real time.

Dr Baxter: I'll have to take that question on notice.

Answer:

Refer to Question on Notice 3.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Tax Garnishee Referrals

Question reference number: QoN 6

Member: O'Neill

Type of question: Hansard page 21

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Dr Baxter: Our process of identification will work through how many of those have had income averaging used as the sole basis of a debt in some part of their review. I can't tell you at this stage how many of those have been income averaged, but they, as I understood the evidence of the ATO previously, are garnishings that are complete. They have been done. What I'm saying to you today is that once we made this decision we were no longer referring cases to the ATO for garnishing.

Senator O'NEILL: What date did you stop doing that, Dr Baxter?

Dr Baxter: I'd have to take the date on notice, but it was very shortly after the decision was made.

Answer:

20 November 2019.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

Services Australia

Topic: Tax Garnishee Breakdown

Question reference number: QoN 7

Member: O'Neill

Type of question: Hansard page 23

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

a) Senator ASKEW: How many garnishee referrals would come back from the tax office every month, or on a weekly basis? How does it come through to you?

Mr Seebach: I'd have to take that on notice, but what I can say is that, ordinarily, most of the garnishee action, or at least two-thirds of the garnishee action, in relation to tax funds occurs in the first three months of the financial year. So, in the context of this financial year, the vast majority of garnishee action has already occurred.

b) CHAIR: Are you able to tell us how many have been referred for this financial year so we can work it out? I appreciate what you've said about two-thirds of it, which makes sense, but how many have been flagged?

Mr Seebach: I'll have to take that one on notice. Sorry. I only have the number of debts already garnisheed and the value of that.

Answer:

a) Completed tax refund garnishees actions that have occurred as part of debt recovery actions, are set out in the table below. A portion of these debts arose from the Income Compliance Program.

Table 1: Number of social welfare debts, value recovered and average value per debt recovered where garnishee of a tax refund occurred as part of recovery action:

Financial Year	Number of debts	Value recovered (\$)	Average value per debt recovered
2019-2020 as at 31 December	74,790	\$76,961,560	\$1,029

b) Please refer to the response provided to QoN 10 regarding the referral of flags to the ATO.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Tax Garnishee –Payment Types

Question reference number: QoN 8

Member: O'Neill

Type of question: Hansard page 24

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 2

Question:

CHAIR: Just to clarify something you said earlier when you were talking about answers to questions on notice, you can't break that down further then, can you? That's all Centrelink garnishees, isn't it?

Mr Seebach: It is. Correct.

CHAIR: For all debts?

Dr Baxter: All social welfare related debts.

CHAIR: Yes, that's what I meant. Sorry.

Senator O'NEILL: Can you break that down into robodebt, disability support pension, youth allowance, Newstart, child support and any other categories?

...

Senator O'NEILL: So you could give us garnishee details, but not according to that? There is a structure whereby you can provide more fine-tuned data about garnishee action from the ATO?

Mr Seebach: Yes.

Senator O'NEILL: What would be the categories of that?

Mr Seebach: But it would be by reference to payment type—so where the debt arose in the context of the payment.

Mr Storen: The payment type is Newstart—

Senator O'NEILL: Fantastic. So could we get that?

Mr Seebach: I'll take that on notice.

Answer:

Please see the below table including number and value of debts recovered by tax garnishee by payment type for the period of 1 July 2015 to 31 December 2019.

Tax Garnishee Debts For the period 1 July 2015 to 31 December 2019

Table 1: All Tax Garnishees by benefit type

Benefit Type	2015-16			2016-17			2017-18			2018-19			2019-20 (to 31 Dec 2019)		
	Debts	Value of Debt	Debts	Value of Debt	Debts	Value of Debt	Debts	Value of Debt	Debts	Value of Debt	Debts	Value of Debt	Debts	Value of Debt	
ABSTUDY	561	\$479,284	605	\$527,341	473	\$431,280	779	\$691,130	613	\$614,053					
Age Pension	56	\$84,864	67	\$103,117	88	\$141,008	80	\$83,570	45	\$44,246					
Age Related	106	\$141,422	65	\$70,100	56	\$45,390	29	\$21,091	38	\$34,849					
Assistance for Isolated Children	12	\$13,247	12	\$15,944	17	\$15,872	25	\$10,796	13	\$15,720					
Austudy	1,502	\$1,567,428	1,673	\$1,903,021	1,429	\$1,643,863	2,320	\$2,597,235	2,341	\$3,118,057					
Carer Allowance	195	\$111,753	210	\$136,635	220	\$150,731	338	\$226,278	277	\$216,793					
Carer Payment	515	\$462,927	619	\$577,293	505	\$465,813	904	\$819,744	927	\$1,000,509					
Carer Related	<5	\$1,850													
Disability Support Pension	628	\$759,258	693	\$782,104	602	\$665,964	861	\$905,884	708	\$969,739					
Disability Support Related	<5	\$2,456	13	\$27,009	<5	\$666	7	\$8,102	5	\$9,148					
DOE - Child Care (excluding FAO reco.)	<5	\$940			<5	\$74	<5	\$3,547	12	\$5,155					
DOE - Child Care (FAO reco. only)	259	\$94,829	258	\$115,498	291	\$157,824	481	\$238,879	326	\$167,075					
Family Related Payments	447	\$233,626	327	\$159,182	256	\$142,328	296	\$202,872	174	\$149,379					
Family Tax Benefit (excluding FAO reco.)	1,327	\$656,028	1,431	\$674,592	1,858	\$865,553	1,987	\$921,409	1,643	\$855,081					
Family Tax Benefit (FAO reco. only)	4,268	\$3,862,168	4,217	\$3,922,031	4,647	\$4,823,401	6,308	\$6,255,733	5,937	\$5,969,819					
Farm Household Allowance (excluding reco.)	5	\$537	7	\$3,067	46	\$28,920	13	\$7,005	6	\$4,368					
Farm Household Allowance (reco. only)					16	\$30,887	29	\$57,024	5	\$7,330					
Income Management			<5	\$100	<5	\$120	<5	\$240							
Newstart Allowance	21,559	\$12,880,266	23,026	\$15,494,555	19,079	\$11,729,114	39,994	\$30,370,103	37,948	\$37,568,816					
Other	46	\$41,100	49	\$34,245	56	\$55,590	102	\$81,423	53	\$37,863					
Other - DOE Child Care Rebate (FAO reco. only)	65	\$28,572	74	\$25,187	87	\$32,438	118	\$61,039	102	\$73,415					
Other - DSS Student					100	\$72,947	446	\$310,753	722	\$519,820					
Partner	<5	\$2,023	5	\$2,844	<5	\$344	7	\$5,546	<5	\$3,720					
Pension Education Supplement	28	\$9,041	28	\$9,525	24	\$14,711	46	\$19,795	23	\$7,818					
Parenting Payment Partnered (PPP)	836	\$691,437	881	\$859,345	740	\$679,868	1,086	\$1,038,792	841	\$921,095					
Parenting Payment Single (PPS)	1,966	\$2,250,745	2,110	\$2,424,866	1,695	\$2,119,442	2,886	\$3,292,497	2,651	\$3,529,247					
Sickness Allowance	154	\$122,129	290	\$289,736	234	\$183,477	755	\$837,917	904	\$1,236,871					
Special Benefit	39	\$46,538	47	\$49,461	60	\$77,365	74	\$107,421	76	\$109,018					
Special Circs. Related	<5	\$1,574							<5	\$315					
Widow Allowance	15	\$27,209	10	\$28,732	9	\$19,766	16	\$29,872	9	\$7,590					
Youth Allowance	45	\$41,506	29	\$24,993	19	\$18,548	22	\$19,087	14	\$13,096					
Youth Allowance (Jobseeker)	4,530	\$1,943,317	4,573	\$2,295,584	3,197	\$1,459,740	7,533	\$4,316,852	8,083	\$6,723,996					
Youth Allowance (Student)	6,455	\$6,195,988	7,309	\$7,103,426	5,481	\$5,396,905	9,557	\$9,793,837	10,290	\$13,027,559					
Total	45,628	\$32,754,065	n.p	\$37,659,532	41,289	\$31,469,951	77,101	\$63,335,472	74,790	\$76,961,560					

Please note:

- Cells containing values less than 5 (<5) have been suppressed.
- Totals that would allow a suppressed value to be derived have been marked as not provided (n.p)

Senate Community Affairs References Committee

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Tax Garnishees – External Collection Agencies

Question reference number: QoN 9

Member: Siewert

Type of question: Hansard page 26

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

CHAIR: Of the garnishees that are out there with the tax department, can you tell many are out there with external collection agencies?

Dr Baxter: I will take that on notice.

Answer:

Online Income Compliance debts for possible tax refund garnishee with an External Collection Agency, as at 31 December 2019:

Customers	Debts	Value of debts
279	299	\$944,563

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Tax Garnishee Process

Question reference number: QoN 10

Members: Askew and Siewert

Type of question: Hansard page 26

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

- a) Senator ASKEW: I only have one question regarding the referral of flags to the ATO. I want to understand how many and how often roughly they are being done. Is it once a year that you do it? Is it every month? How often do you send a list off?
Mr Seebach: I will take it on notice. I have it in the back of my mind but I want to be certain.
- b) Senator ASKEW: When you do that could you say how often it is done and the numbers that are flagged on that basis and also what percentage is then recovered?
CHAIR: What's the process? When you do the clean-up process at the end?
Dr Baxter: Reconciliation?
CHAIR: No, tune-up.
Senator ASKEW: That was actually from the DHS, I think is what he said.
CHAIR: It is true-up—I can't read my own writing.
Mr Storen: True-up from their evidence.
Senator ASKEW: But that's not a process we control.
Senator O'NEILL: A true-up is not a tune-up?
Mr Storen: No. I think the time period they were talking about was the commencement of the new financial year. They may have been talking about the family tax benefit process with the annual reconciliation, but I couldn't be certain of their term for that.
CHAIR: We can clarify that.

Answer:

- a) Services Australia (the Agency) has previously provided information about the tax refund garnishee process in response to QoN 6 – 3 October 2019, provided on 22 October 2019.
Further details on the process including the timing of garnishee action is at page 29 of the Agency's written submission to the Inquiry into the Income Compliance Program.
- b) The information requested is not readily available. Preparation of this information would require an unreasonable diversion of agency resources.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: ATO Communications

Question reference number: QoN 11

Member: O'Neill

Type of question: Hansard pages 26-27

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

- a) Senator O'NEILL: I also have two questions about communications and requests for copies of communications in any form between DHS and the ATO with regard to changes of practice arising.

Dr Baxter: I've indicated to you that we communicated the change in practice to the ATO. That was a communication from me to the relevant deputy secretary of the ATO.

Senator O'NEILL: Do we have a copy of that?

Dr Baxter: I don't have it with me.

Senator O'NEILL: Could you provide that on notice?

Dr Baxter: Sure.

- b) Senator O'NEILL: Are there any other communications—any other formal meetings, briefings or directions?

Dr Baxter: There certainly have been telephone calls in relation to that and then the communication about our expectation of the practice—that we would no longer be referring those cases.

Senator O'NEILL: If you could provide on notice all communications and summaries of conversations et cetera, that would be helpful.

Answer:

Services Australia (the Agency) maintains regular contact with the Australian Taxation Office (ATO) on compliance and integrity matters.

Following the Government's announcement on the refinements to the Income Compliance Programme, the Agency confirmed with the ATO via telephone and email advice that it was pausing debt recovery through the garnishee of tax refund for those who had outstanding debts raised through the programme. The Agency provided assurance to the ATO that this meant that it would make no further requests for garnishing for any debts determined solely by income averaging.

These communications were part of a series of ongoing discussions the Agency has with the ATO about these and related issues.

Senate Standing Committee on Community Affairs

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PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Information Commissioner Communication

Question reference number: QoN 12

Member: O'Neill

Type of question: Hansard page 27

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Senator O'NEILL: The other thing is about the Information Commissioner. Mr Seebach, you gave a partial answer. My question is: have you had any formal communication generated or initiated by either you or the Information Commissioner, with regard to concern about privacy and the sharing of information with debt collectors?

Dr Baxter: We're not aware of anything. I'll take on notice to check whether anything has come in since my awareness, but we're not aware of anything from the Information Commissioner to date.

Answer:

Services Australia is aware of one enquiry initiated by the Office of the Australian Information Commissioner (OAIC) in relation to the sharing of information with an External Collection Agent for a debt raised under the Income Compliance Programme. The OAIC confirmed there had not been a privacy breach in that matter.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Information Commissioner Communication

Question reference number: QoN 13

Member: O'Neill

Type of question: Hansard page 27

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Senator O'NEILL: Dr Baxter, I appreciate the fullness of your answer, but, given the failings of DHS, I don't know that the Australian people have confidence in your processes any more. Can I encourage you to write to the Information Commissioner on behalf of the people who have these concerns and find out the detail of what's going on?

Dr Baxter: We'll take that on notice.

Answer:

Refer to QoN 12.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

Services Australia

Topic: Legal Advice

Question reference number: QoN 14

Member: Siewert

Type of question: Hansard pages 27-29

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 2

Question:

a) CHAIR: I want to go to the legal side of this and the legal advice that various departments have sought. How many times has either the DHS or the Department of Social Services sought legal advice on the legality of the online compliance process?

Dr Baxter: Senator, you would be aware that this is a large and complex program which has had several iterations. We have had from time to time advice that relates to various aspects of the program. I can assure you and the committee that the department has always acted in good faith and on its best understanding of the law at the time. But I certainly don't have an answer as to how many times legal advice has been sought.

CHAIR: Can you take on notice how many times legal advice has been sought and the last time you sought advice? Dr Baxter: I'm sure you understand we do have Federal Court litigation on foot at the moment in relation to these matters. We also have a very well publicised class action that we're undertaking, which goes in part to issues of good faith and absence or presence of negligence. In that context, it's not appropriate for me to take questions about the nature of the legal advice we received—

CHAIR: I didn't ask you about the nature.

Dr Baxter: the timing of it or what we did with it.

CHAIR: I don't see why you can't answer how many times you sought legal advice or when the last time you sought legal advice was.

Dr Baxter: I think what I've indicated to you is that the Federal Court matter that's on foot and, in particular, the class action absolutely go to matters of how the department acted, its understanding of the law at the time, the timing of any legal advice, whether or not negligence was present and if we acted in good faith. For that reason, I think any questions that go to the timing of legal advice, the amount of legal advice, issues we may have sought legal advice on are probably appropriately matters for the subject of a public interest immunity claim. So I would have to take any of those questions on notice to discussion with the minister.

Senator O'NEILL: Are you claiming public interest immunity?

Dr Baxter: What I'm saying to you is that I think they are matters which are appropriately the subject of a public interest immunity claim and I would need to take them on notice and discuss with the minister whether he would be prepared to make a public interest immunity claim in that regard.

b) Dr Baxter: I think the only detail I'm able to provide you there is that we have had legal advice from time to time and that any specific questions you may want to ask us—did we get advice at a particular instance in response to a particular part of the program? What did that advice go to? What was the timing of that advice?—reflect the answer I gave a moment ago, where I said that, given the class action we have on foot, these are matters

Senator O'NEILL: Was there legal advice provided at the commencement of the OCI phase?

Dr Baxter: The first phase?

Senator O'NEILL: Yes.

that properly go to the subject of a public interest immunity claim. I would need to take that on notice and discuss that with the minister.

Answer:

The Minister 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.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

Services Australia

Topic: EIC – Vulnerability Indicators

Question reference number: QoN 15

Member: O'Neill

Type of question: Spoken

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Mr Storen: Correct. The other change we did, Senator, during the EIC period where I've unpacked what's gone on: in the early EIC period, we excluded people who had a current vulnerability indicator. From some of the other evidence you've heard, vulnerability indicators go on, they go off, and the customer may then present again. We made a change during the course of EIC to actually go back to the beginning of 2017 and our rule was: for any indicator at any time back to the beginning of 2017, we would exclude them. So it's an improvement, and we are seeing that in the reduction.

Senator O'NEILL: What date did you make that change?

Mr Storen: I call that the late EIC period, Senator. I'll take that on notice

Answer:

The revised approach was implemented from July 2018 onwards.

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 16 DECEMBER 2019

Services Australia

Topic: Debt Collectors

Question reference number: QoN 16

Member: Siewert

Type of question: Hansard page 32

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

a) CHAIR: In the answer to question on notice No. 2 of 22 November, where I was asking about this issue, the number of people that have been referred to debt collectors was 1,812. Are you able to break that down? Was that OCI or EIC?

Mr Storen: I'd have to take that on notice, Senator, but I will.

b) CHAIR: And are they still—?

Mr Storen: We could identify them and have a look. You're interested in their current status.

CHAIR: Yes, please.

Answer:

As at January 2020, the breakdown by iteration of the program is as follows, including debts for customers identified as vulnerable since 22 November 2018.

a)

OCI	769
EIC	1,064
CUPI	2

b) Of these, the number of debts with external collection agents is 58.

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INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Partial Capacity to Work

Question reference number: QoN 17

Member: Siewert

Type of question: Hansard page 33

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Chair: Yes, I am. I'm just wondering: how does partial capacity to work show up in the DHS system?

Mr Storen: We'll have to take that on notice—initially, to have a look at what's feasible or possible with the different datasets and reference points and then we can see what we can do

Answer:

Partial Capacity to Work and Temporary Reduced Work Capacity are possible outcomes of an Employment Services Assessment.

Services Australia's (the Agency) system displays Partial Capacity to Work and Temporary Reduced Work Capacity outcomes in a number of ways when it is relevant to the task Agency staff are completing. This includes various screens and workflows that support staff with setting and managing a job seeker's mutual obligation requirements.

Examples of screens and workflows that display a job seeker's work capacity include the:

- Employment Services Assessment report
- Work Capacity Details screen
- Participation Summary screen.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Sources of Proof

Question reference number: QoN 18

Member: O'Neill

Type of question: Hansard page 33

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Senator O'NEILL: So those are two sources that I'm aware of, which are bank statements and former wage verification documents. Is there anything else?

Dr Baxter: It may be that there's a range of other information that the customer has or we have on our record. I don't think that they're the only two. They're certainly two really important pieces that we look to.

Senator O'NEILL: If you could take on notice to provide me with the other sources of proof that you use, I would appreciate that.

Dr Baxter: Sure.

Answer:

Please refer to the response provided to the written QoN 5.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Coercive Powers

Question reference number: QoN 19

Member: O'Neill

Type of question: Hansard page 33

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Dr Baxter: Certainly, for those cases that are on foot at the moment, we are using those powers where it's appropriate for us to do so, where the customer indicates they're not able to provide information and it seems reasonable that we would use those powers to help the customer obtain some of that extra information.

Senator O'NEILL: How many of those cases are there, where you are now using your powers where you previously did not?

Dr Baxter: I wouldn't characterise it by saying that we previously did not use those powers. I think my recollection of the number of times when we've spoken to financial institutions, for example, to obtain extra information is something in the order of 20,000, but I'd have to include that in my answer on notice. I think it's incorrect to characterise it by saying that we haven't done that in the past. In terms of what we are doing now, I can tell you that, yes, we are working with customers as appropriate, using those extra powers where that's something that we need to do in order to work with them on their review.

Answer:

Please refer to previous responses to:

- Question reference number: QoN 4 – from the 3 October 2019 public hearing.
- Question reference number: QoN 138 (SQ19-000257) – from the 24 October 2019 Supplementary Budget Estimates hearing.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Telephony

Question reference number: QoN 20

Member: O'Neill

Type of question: Hansard page 36

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

- a) Senator O'NEILL: The minister has urged individuals with robodebt to wait for the department to call them rather than contacting Centrelink. How many phone calls have been made to the department regarding robodebt since the announcement on 19 November?
Dr Baxter: I'd have to take the exact number on notice, but I can tell you that there has not been an increase in the number of calls to our compliance line or generally to our customer service line.
- b) Senator O'NEILL: How much does each phone call typically cost the department in terms of taking up staff resources?
Dr Baxter: I would have to take that on notice.

Answer:

There is no available data or systems capture to report on the content and cost of individual phone calls to the dedicated Check and Update Past Income phone line.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Authorised Review Officer Advice

Question reference number: QoN 21

Member: O'Neill

Type of question: Hansard pages 37-38

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 2

Question:

Senator O'NEILL: Do you advise people that, if a debt goes through to an authorised review officer, those debts are reduced on average by 75 per cent?

Mr Seebach: I'd have to take that on notice. I don't believe that to be the case.

Senator O'NEILL: I think that's from the QON.

Mr Seebach: In the context of all debts?

Senator O'NEILL: Yes.

CHAIR: Do you mean after the review?

Senator O'NEILL: Yes, so that when people ask for a review their debt's actually reduced by 75 per cent.

Dr Baxter: I think there are a couple of—

Mr Seebach: Are we talking about the reassessment process?

Dr Baxter: No, we're not. I think we're talking about the review process. I think there are a couple of things here. One is: we know that less than one per cent of these types of debts that we've been talking about this morning, those that are formally reviewed, end up with a change to the review outcome. I assume you're talking about, where there is a change, how much that change is by. I don't think we would have that number to hand.

Mr Storen: You may be deriving that number from a process that occurs before the formal review, which we call a reassessment process, which is where a customer will present on the phone and say, 'I'm unhappy with my debt.' The compliance officer will explain their formal review rights, but then we'll also explore with the customer: 'Would you like to look at the calculation of the debt again? Do you have any more information that you could give us to have a look at it?' Often the case is that a customer will then be able to present us with a pay slip, a bank statement, a calendar entry or verbal evidence. Then we will reassess it, and sometimes that debt will be reduced.

Senator ASKEW: Are you talking about the discrepancy notice in the first place? Is that where you started from? I think that's what it sounded like, rather than a debt that's been determined.

Senator O'NEILL: 'Debts that go through to ARO are reduced by 75 per cent.' That's what I was basing it on.

CHAIR: So that's after—

Dr Baxter: We will have to take that on notice. We do know that only a very small proportion of debts go through to formal review processes at all and, of those that do, less than one per cent of them are changed on appeal. As to the quantum of that change, once they are changed, we'd need to take that one on notice. I'm not sure where that figure has come from, sorry.

Answer:

Services Australia is unable to validate the source of the figure referenced by Senator O'Neill. Since the commencement of the Income Compliance Programme less than one per cent of the cases formally appealed have had the original decision set aside or varied.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Income Compliance Debts

Question reference number: QoN 22

Member: O'Neill

Type of question: Hansard pages 38-39

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

- a) Senator O'NEILL: Could you take on notice the total amounts recouped?
Dr Baxter: Do you mean recouped under the program to date?
Senator O'NEILL: Since 19 November.
Dr Baxter: I would need to take that on notice.
- b) Senator O'NEILL: Moneys increased or reduced by reassessment.
Dr Baxter: To be very clear, at the moment we are still identifying those cases that are in scope for this change, so any changes that may result from next steps haven't happened yet. All that's happening at the moment are inflight reviews, so reviews that were already—
Senator O'NEILL: But there's freezing.
Dr Baxter: There is freezing.
Senator O'NEILL: What's the amount of that?
Dr Baxter: You want to know on notice as at today's date—
Senator O'NEILL: How much has been frozen.
Dr Baxter: the quantum of what's been frozen.

Answer:

- a) Refer to Question on Notice 3.
b) Refer to Question on Notice 5.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Infosys Ministerial Briefing

Question reference number: QoN 23

Member: O'Neill

Type of question: Hansard page 39

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Senator O'NEILL: Can details be provided of any ministerial briefing held in relation to the implications of robodebt with regard to the Infosys contract?

Dr Baxter: Sorry, could you clarify?

Senator O'NEILL: The Infosys contract was announced in recent days.

Dr Baxter: Are you talking about the entitlement calculation engine contract?

Senator O'NEILL: Yes, which is relevant for you.

Dr Baxter: We would have to take that on notice.

Answer:

Refer to answer for Question on Notice 24.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Income Compliance Programme Changes

Question reference number: QoN 24

Member: O'Neill

Type of question: Hansard page 40

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Senator O'NEILL: Could [you] take on notice any implications of the robodebt matter for the Infosys contract, any legislative change for Single Touch Payroll or other changes of future operation of income.

Answer:

There are no implications of the changes announced by the Government on 19 November 2019 to the Income Compliance Programme in relation to either the contract with Infosys Technologies or legislative changes for Single Touch Payroll.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Kathryn Campbell

Question reference number: QoN 25

Member: O'Neill and Siewert

Type of question: Hansard page 40

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

Senator O'NEILL: Just to be clear, Ms Campbell was secretary of the department when the first iteration of the robodebt was designed; is that correct?

Dr Baxter: I don't have the exact dates with me, sorry.

CHAIR: Can you take that on notice?

Dr Baxter: Certainly

Answer:

Kathryn Campbell AO CSC was the Secretary of the Department of Human Services for the period 7 March 2011 to 17 September 2017 (inclusive).

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Vulnerability Indicators

Question reference number: QoN 26

Member: Siewert

Type of question: Hansard page 31

Date set by the committee for the return of answer: 7 February 2020

Number of pages: 1

Question:

CHAIR: Yes, because I've got another question here to Services Australia from 22 November, question two, about people with vulnerabilities. When I asked, 'How many people with a vulnerability indicator have received an initial letter?' I asked against the three different iterations. It said 9,149 and the total of the debt was \$15.4 million. How many vulnerabilities had waived and what was the value of that? The point being which process are we using—

Dr Baxter: To identify vulnerability?

Mr Storen: In answering that question, we use the vulnerability indicator for the purposes of the jobseeker participation, which has been the one that we've used in the program from inception to identify this particular group—although the group of vulnerable Australians is broader than the vulnerability indicator and we do—

CHAIR: I know.

Mr Storen: exclude a wider range of customers from reviews. I can go through that list in a minute if you wish. In relation to that answer—

CHAIR: Can you take that on notice because we're going to run out of time?

Answer:

The number of debts waived for customers with a vulnerability indication was 288, at a value of \$85,487.10. For detail of customers excluded from income compliance reviews in a range of circumstances, refer to answer to Question on Notice 7 tabled on 8 November 2019.