

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 8 MARCH 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Recovery Fee

**Question reference number:** QoN 38

**Member:**

**Type of question:** Written

**Date set by the committee for the return of answer:** 31 March 2017

**Number of pages:** 1

#### **Question:**

How many people who have an alleged debt raised against them by the Centrelink Online Compliance Intervention program have had the 10% recovery fee applied?

How many people have had this fee waived?

#### **Answer:**

As at 15 May 2017, a total of approximately 83,480 individuals have had the recovery fee applied.

The removal of the recovery fee can occur where an individual engages with the Department and is able to provide the information required to enable the Department to remove the fee.

People can at any time seek a review of their debt and, if it can be established that there was a reasonable excuse, then recovery can be removed.

The Department has written to people who had an online compliance debt to remind them of their review rights, including the application of the recovery fee.

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 8 MARCH 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Authorised Review Officer's reviewing alleged debts

**Question reference number:** QoN 44

**Member:**

**Type of question:** Written

**Date set by the committee for the return of answer:** 31 March 2017

**Number of pages:** 1

#### **Question:**

How many people have had an authorised review officer review an alleged debt detected by the Online Compliance Intervention program with Centrelink?

Of these,

- How many reviews have been finalised?
- How many reviews resulted in the original decision being changed?
- Of decisions changed, how many resulted in a lower debt or no debt raised?
- How many have been taken to the Administrative Appeals Tribunal?

#### **Answer:**

As at 28 February 2017, 139,413 debts were raised as a result of the Online Compliance Intervention (OCI) measure.

- Of the 139,413 debts raised, 1,391 of these were reviewed by an Authorised Review Officer.
- Of the 1,391 OCI reviews, 702 resulted in no change, 52 resulted in an increased debt, 426 resulted in a debt of lesser amount and 211 resulted in no debt.

As at 28 February 2017, 106 people had lodged an application at the Administrative Appeals Tribunal for a review of an OCI decision. This is approximately 0.1 per cent of people with an OCI-related debt.

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 10 APRIL 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Letters

**Question reference number:** QoN 103

**Member:**

**Type of question:** Written

**Date set by the committee for the return of answer:** 5 May 2017

**Number of pages:** 42

**Question:**

Please provide all original and revision versions of debt recovery letters - initial letters and reminder letters - by date of those versions being put into use by the Department

**Answer:**

Attached are the requested letters with the following information:

- Attachment 1 – Historical Letter - (Sept 2011 to July 2015)
- Attachment 2 – Interim Manual Process Letter – (July 2015 to June 2016)
- Attachment 3 – Customer Contact Letter – (June 2016 to Oct 2016)
- Attachment 4 – Reminder Letters - (June 2016 to Oct 2016)
- Attachment 5 – OCI Customer Contact Letter – (Oct 2016 to 20 Jan 2017)
- Attachment 6 – OCI Reminder Letter – (Oct 2016 to 20 Jan 2017)
- Attachment 7 – OCI Customer Contact Letter – (20 Jan 2017 to 10 Feb 2017)
- Attachment 8 – OCI Reminder Letter – (20 Jan 2017 to 10 Feb 2017)
- Attachment 9 – Current EIC Contact Letter (11 Feb 2017 – Current)
- Attachment 10 – Current EIC Reminder Letter 1 (11 Feb 2017 – Current)
- Attachment 11 – Current EIC Reminder Letter 2 (15 Feb 2017 – Current)

CRN: **123 456 789Z**

OLD CENTRELINK LOGO (not currently available)

LB3 Regents Park DC NSW 2143

21 Station Road Woodridge QLD 4114

Please quote: 123 456 789Z / Q299/

Telephone: 13 6150 or 1800835880

Fax: (03) 99639097

Office Hours: 8:00 AM – 5:00 PM

29 September 2011

**John Citizen**  
**123 Canberra Street**  
**CANBERRA ACT 2900**

Dear **Mr. Citizen**

### **Your Payment – Request for information**

We are writing to make sure that you are receiving the correct rate of Payment.

To make sure that you are receiving the correct rate of payment, Centrelink uses information from a number of sources. One of the ways that we make sure that our records are up to date is to match Centrelink data with the Australian Taxation Office.

This information shows that you have received income from the following source:

EMPLOYER NAME between 1 July 2009 and 30 June 2010

#### **What you need to do**

Please call C. Officer on 1800835880 by 20 October 2011 to discuss this letter. If you are outside the local area, or outside of Australia, you can call and reverse the charges.

You may also need to provide documentation to confirm your income details. We will explain what documentation you may need to provide when you call. Requested documentation can be returned to any Centrelink Customer Service Centre or faxed to the number shown at the top of this letter. Please make sure that you include your Centrelink Customer Reference Number or attach a copy of this letter.

If you are unable to provide enough details we may also need to contact your employer to confirm them.

This is a request for information made under social security law.

If you don't contact us

If you don't contact C. Officer by 20 October 2011, your payment will be stopped.

What happens next

If your payment changes because of the information you provide, or if you have been overpaid, we will write again to let you know.

Your right to privacy

Your personal information is protected by law and can only be released to someone else in special circumstances, where Commonwealth legislation authorises or requires, or where you give your permission. If you have concerns about your personal information, call us or come in and see us. We will advise you of your rights to see and amend your information under the Freedom of Information Act 1982. If you are still not satisfied, you can contact the Privacy Commissioner on 1300 363 992. If you have a hearing or speech difficulty, you can contact the Privacy Commissioner using a Teletypewriter (TTY) phone on 1800 620 241.

If you wish to comment on our service

If you wish to comment on the quality of service you received from us, you can talk to our Customer Relations staff on 1800 050 004. If you have a hearing or speech difficulty, you can contact the Customer Relations unit using a Teletypewriter (TTY) phone on 1800 000 567. If you have contacted our Customer Relations staff with a concern and they have not been able to resolve it to your satisfaction, you can take the matter further by contacting the Commonwealth Ombudsman on 1300 362 072.

Information you should know

If you have any questions or would like more information, please call C. Officer on 1800 835 880.

Yours sincerely

C. Officer  
Customer Service Adviser  
Centrelink

Historical letter - September 2011 - July 2015

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610

Reference: **123456789Z**

John Citizen  
123 Canberra Street  
CANBERRA ACT 2900

27 August 2016

Dear **Mr. Citizen**

### You need to confirm your employment income

We are writing to you about your employment income. We have received information from the Australian Taxation Office (ATO) that shows your employment income recorded with the ATO is not the same as the amount of employment income declared for Centrelink purposes.

#### What you need to do

You need to:

- review the income information we have received from the ATO. This has been provided on the second page of this letter.
- **call us on 1800 086 400 before 3 November 2016** to confirm your income details. When you call us we will check your details are correct and update them if necessary.

#### If you do not call

If you do not call us by **3 November 2016** we will update your details based on the information we have received from the ATO. This may result in a debt that you will need to repay. If this occurs, we will send you a letter to let you know.

Yours sincerely

Director, Earned Income  
Customer Compliance



**Australian Government**  
Department of Human Services

**centrelink**

Interim Manual Process Letter - July 2015 - June 2016

The table below shows the information we have received from the Australian Taxation Office.

**Australian Taxation Office  
Record**

Employer
Period of employment
Earnings
Employer
Period of employment
Earnings
Employer
Period of employment
Earnings

June 2016

Interim Manual Process Letter- July

Your customer reference number is 123456789Z

This is a request for information notice made under social security law.

#### Privacy and your personal information

Your personal information is protected by law, including the *Privacy Act 1988*, and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services. This information is required to process your application or claim.

Your information may be used by the department or given to other parties for the purposes of research, investigation or where you have agreed or it is required or authorised by law.

You can get more information about the way in which the Department of Human Services will manage your personal information, including our privacy policy at [humanservices.gov.au/privacy](http://humanservices.gov.au/privacy) or by requesting a copy from the department.

#### Data matching initiatives

Centrelink undertakes regular data-matching activities in line with the *Data-matching Program (Assistance and Tax) Act 1990* and the Office of the Australian Information Commissioner's *Guidelines on Data Matching in Australian Government Administration* and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

**Penalties can apply for failing to provide information or for deliberate giving of false or misleading information.**

**If you are not sure about the information you need to provide, please contact us as soon as possible.**

#### To make a complaint or give us feedback

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**, or
- go to [humanservices.gov.au/feedback](http://humanservices.gov.au/feedback) for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](http://ombudsman.gov.au) or calling them on **1300 362 072**.

### Contact information

For online services:

 [my.gov.au](http://my.gov.au)

 ExpressPlus mobile apps

For more information

 [humanservices.gov.au](http://humanservices.gov.au)

For complex enquiries

 {PHONE}

<Indigenous Services

Freecall™ 1800 136 380! Multilingual Services 131

202!null>

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610  
{RETURNADDRESSBARCODE}

Your reference: {REFERENCE.NUMBER}



**Australian Government**

Department of Human Services

**centrelink**

<{NOMINEE.TITLE.FULLNAME}  
{NOMINEE.POSTAL.ADDRESS}  
{NOMINEE.POSTAL.ADDRESS}  
!  
{CLIENT.TITLE.FULLNAME}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}>

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
{CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
{CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

### Important information about your employment income

We have received information from the Australian Taxation Office about your employment income. This shows that the amount reported to them is different to the amount you told us. To make sure you have been paid correctly, we need you to confirm your employment income information.

#### What you need to do

1. Please check the enclosed employment income information.
2. Confirm your employment income online **before** <DD Month YYYY>.




You can do this by going to **my.gov.au** and signing in to access your Centrelink online account. If you do not have a myGov account, you can create one and link it to your Centrelink online account.

#### What you need to know

If you do not confirm your employment income online by <DD Month YYYY>, we will update your details using the enclosed employment income information.

If the employment income you told us is not correct, this may result in a debt that you will need to repay. A 10% recovery fee may be added to the debt amount. You will be advised of the outcome in writing.

For more information

 <b>my.gov.au</b>	 <b>ExpressPlus mobile apps</b>	 <b>humanservices.gov.au</b>
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**More information**

For more information about employment income, please go to [humanservices.gov.au](http://humanservices.gov.au) and search for 'employment income'.

Yours sincerely

Director, Earned Income  
Customer Compliance

Customer Contact Letter - June 2016 - Oct 2016

## Employment income information

This information has been received from the Australian Taxation Office

Employer

Period of employment

Earnings

Employer

Period of employment

Earnings

Employer

Period of employment

Earnings

Customer Contact Letter - Jun - Oct 2016

Your customer reference number is **{REFERENCE.NUMBER}**

#### **Privacy and your personal information**

Your personal information is protected by law, including the *Privacy Act 1988*, and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services. This information is required to process your application or claim.

Your information may be used by the department or given to other parties for the purposes of research, investigation or where you have agreed or it is required or authorised by law.

You can get more information about the way in which the Department of Human Services will manage your personal information, including our privacy policy, at [humanservices.gov.au/privacy](http://humanservices.gov.au/privacy) or by requesting a copy from the department.

#### **Data matching initiatives**

The Department of Human Services undertakes regular data-matching activities in line with the *Data-matching Program (Assistance and Tax) Act 1990* and the Office of the Australian Information Commissioner's *Guidelines on Data Matching in Australian Government Administration* and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

#### **To make a complaint or give us feedback**

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on 1800 132 468, or
- go to [humanservices.gov.au/feedback](http://humanservices.gov.au/feedback) for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](http://ombudsman.gov.au) or calling them on 1300 362 072.

|

*Customer Contact Letter - June 2016 - Oct 2016*

If not delivered: {RETURNTOSENDRADDRESS}  
 {RETURNADDRESSBARCODE}  
 {FORMID}

Reference: {REFERENCE.NUMBER}



Australian Government  
 Department of Human Services

**centrelink**

<NOMCLI:  
 {RECIP.BARCODE}  
 {NOMINEE.NAME}  
 {NOMINEE.ADDRESS}  
 !  
 {RECIP.BARCODE}  
 {CLIENT.TITLE.FULLNAME}  
 {CLIENT.POST.ADD}  
 >

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
 {CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
 {CLIENT.FULLNAME} for whom you are the nominee. | >

Dear <SALUTATION>

### REMINDER: Please confirm your employment income

Our records show that you haven't yet confirmed your employment income as requested.

#### What you need to do

1. Check the enclosed employment income information.
2. Confirm your employment income online **before** <DD Month YYYY>.




You can do this by going to **my.gov.au** and signing in to access your Centrelink online account. If you do not have a myGov account, you can create one and link it to your Centrelink online account.

#### What you need to know

If you do not confirm your employment income online by <DD Month YYYY>, we will update your details using the enclosed employment income information.

If the employment income you previously told us is different, this may result in a debt that you will need to repay. A 10% recovery fee may also be added to the debt amount. You will be advised of the outcome in writing.

For more information

 <b>my.gov.au</b>	 <b>ExpressPlus mobile apps</b>	 <b>humanservices.gov.au</b>
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**More information**

For more information about employment income, please go to [humanservices.gov.au](http://humanservices.gov.au) and search for 'employment income'.

Yours sincerely

Director, Earned Income  
Customer Compliance

Reminder letter - June 2016 - Oct 2016

### Employment income information

This information has been received from the Australian Taxation Office

Employer

Period of employment

Earnings

Employer

Period of employment

Earnings

Employer

Period of employment

Earnings

Reminder letter - June 2016 - 0

If not delivered: {RETURNTOSENDRADDRESS}  
{RETURNADDRESSBARCODE}  
{FORMID}

Reference: {REFERENCE.NUMBER}



Australian Government  
Department of Human Services

**centrelink**

<NOMCLI:  
{RECIP.BARCODE}  
{NOMINEE.NAME}  
{NOMINEE.ADDRESS}  
!  
{RECIP.BARCODE}  
{CLIENT.TITLE.FULLNAME}  
{CLIENT.POST.ADD}  
>

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
{CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
{CLIENT.FULLNAME} for whom you are the nominee. | >

Dear <SALUTATION>

### REMINDER: You need to provide your documents

Our records show that you haven't yet provided documents to confirm your employment income as requested.

#### What you need to do

You need to upload the documents we requested **before** <DD MONTH YYYY>.

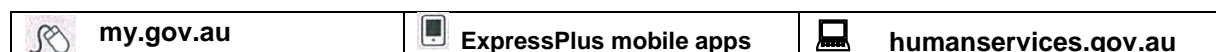
You can do this by going to **my.gov.au** and signing in to access your Centrelink online account. If you do not have a myGov account, you can create one and link it to your Centrelink online account.

#### What you need to know

If you do not upload the documents online by <DD MONTH YYYY>, we will update your details using the employment income information received from the Australian Taxation Office.

If the employment income you previously told us is different, this may result in a debt that you will need to repay. A 10% recovery fee may also be added to the debt amount. You will be advised of the outcome in writing.

For more information



**More information**

For more information about employment income, please go to [humanservices.gov.au](http://humanservices.gov.au) and search for 'employment income'.

Yours sincerely

{OIC.NAME}

Compliance Officer

Delegate of the Chief Executive Centrelink

Reminder letter - June 2016 - Oct 2016

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610

Your reference: 123456789Z



Australian Government

Department of Human Services

centrelink

John Citizen  
123 Canberra Street  
CANBERRA ACT 2900

06 August 2016

Dear Mr. Citizen

### Important information about your employment income

We have received information from the Australian Taxation Office about your employment income. This shows that the amount reported to them is different to the amount you told us. To make sure you have been paid correctly, we need you to confirm your employment income information.

#### What you need to do

1. Please check the enclosed employment income information.
2. Confirm your employment income online **before 26 August 2016**.

You can do this by going to **my.gov.au** and signing in to access your Centrelink online account. If you do not have a myGov account, you can create one and link it to your Centrelink online account.

#### What you need to know

If you do not confirm your employment income online by **26 August 2016**, we will update your details using the enclosed employment income information.

If the employment income you told us is not correct, this may result in a debt that you will need to repay. When confirming your employment income online, there will be an opportunity to provide an explanation if you did not previously tell us the correct amount. If a debt arises and a reasonable excuse is not provided, a 10% recovery fee will be added to the debt amount. If you do not respond, it will be assumed no reasonable excuse applies and the 10% recovery fee will be added to the debt amount. You will be advised of the outcome in writing.

For more information



my.gov.au



ExpressPlus mobile apps



humanservices.gov.au

**More information**

For more information about employment income, please go to [humanservices.gov.au](http://humanservices.gov.au) and search for 'employment income'.

Yours sincerely

Director, Earned Income  
Customer Compliance

OCI Customer Contact Letter - Oct 2016 - 20 Jan 2017

### Employment income information

This information has been received from the Australian Taxation Office

Employer	Canberra Property Services Pty Ltd
Period of employment	01.JUL.2010 to 30.JUN.2011
Earnings	\$497.00
Employer	123 Management Services Pty Ltd
Period of employment	01.JUL.2010 to 26.JUN.2011
Earnings	\$35,500,310

OCI Customer Contact Letter - Oct 2016 - 20 Jan 2017

Your customer reference number is **123456789Z**

#### **Privacy and your personal information**

Your personal information is protected by law, including the *Privacy Act 1988*, and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services. This information is required to process your application or claim.

Your information may be used by the department or given to other parties for the purposes of research, investigation or where you have agreed or it is required or authorised by law.

You can get more information about the way in which the Department of Human Services will manage your personal information, including our privacy policy, at **humanservices.gov.au/privacy** or by requesting a copy from the department.

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- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

#### **To make a complaint or give us feedback**

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- call our feedback and complaints line on 1800 132 468, or
- go to **humanservices.gov.au/feedback** for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](http://ombudsman.gov.au) or calling them on 1300 362 072.

OCI Customer Contact Letter - Oct 2016 - 20 Jan 2017

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610

Reference: 123456789Z

John Citizen  
123 Canberra Street  
CANBERRA ACT 2900



**Australian Government**  
Department of Human Services



19 August 2016

Dear Mr. Citizen,

**REMINDER: Please confirm your employment income**

Our records show that you haven't yet confirmed your employment income as requested.

**What you need to do**

1. Check the enclosed employment income information.
2. Confirm your employment income online **before 26 August 2016**.

You can do this by going to **my.gov.au** and signing in to access your Centrelink online account. If you do not have a myGov account, you can create one and link it to your Centrelink online account.

**What you need to know**

If you do not confirm your employment income online by **26 August 2016**, we will update your details using the enclosed employment income information.

If the employment income you previously told us is different, this may result in a debt that you will need to repay. A 10% recovery fee may also be added to the debt amount. You will be advised of the outcome in writing.

OCI Reminder Letter - 06/2016 - 20 Jan 2017

For more information

<a href="http://my.gov.au">my.gov.au</a>	ExpressPlus mobile apps	<a href="http://humanservices.gov.au">humanservices.gov.au</a>
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**More information**

For more information about employment income, please go to [humanservices.gov.au](http://humanservices.gov.au) and search for 'employment income'.

Yours sincerely

Director, Earned Income  
Customer Compliance

OCI Reminder Letter - Oct 2016 - 20 Jan 2017

### Employment income information

This information has been received from the Australian Taxation Office

Employer	Canberra Property Services Pty Ltd
Period of employment	01.JUL.2010 to 30.JUN.2011
Earnings	\$497.00
Employer	123 Management Services Pty Ltd
Period of employment	01.JUL.2010 to 26.JUN.2011
Earnings	\$35,500,310

OCI Reminder Letter - Oct 2016 - 20 Jan 2017

Letter 1 – released 20/01/16

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610  
{RETURNADDRESSBARCODE}

Reference: {REFERENCE.NUMBER}



Australian Government

Department of Human Services

centrelink

<{NOMINEE.TITLE.FULLNAME}  
{NOMINEE.POSTAL.ADDRESS}  
{NOMINEE.POSTAL.ADDRESS}  
!  
{CLIENT.TITLE.FULLNAME}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}>

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
{CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
{CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

### Important: Confirm or change your employment information online

We have received information from the Australian Taxation Office (ATO) about your employment income and dates of employment. **This indicates that the amount or dates of employment reported to them is different to the information you told us.** There may be a valid explanation for this. To make sure you have received the correct Centrelink payments, you need to go online to confirm or update your employment income and employment dates **before** {confirmDate}.

#### What you need to do

1. Check the enclosed employment income and dates (please make sure these are the dates you worked for each employer)
2. Log on to my.gov.au and go to your Centrelink online account
3. Go to the reminders section and click on 'confirm or update' your employment income
4. Confirm your employment dates for each employer
5. Confirm your employment income for each employer

If you do not have a myGov account, you can create one and link it to your Centrelink online account. If you do not have a Centrelink online account you can create one through myGov.

**If you require further assistance, or need more time, and you do not have internet access you can attend your local Centrelink office and receive assistance to log on to myGov. If you require further assistance please call our dedicated Compliance number on 1800 086 400.**

#### What you need to know

If you do not confirm or update your employment income information online by {confirmDate}, we will update your details using the employment income and dates provided to us from the ATO.

This letter is a request for information only; it is not a debt letter. However, if the employment income information you told us is different to the ATO information, and you do not respond to this letter by checking and confirming your employment income information, this may result in a debt that you will need to repay. If you have a debt, a debt notice will be sent to you.

### More information




For more information about employment income, please go to **humanservices.gov.au** and search for 'employment income'.

Yours sincerely

Director, Earned Income  
Customer Compliance

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For more information

 <b>my.gov.au</b>	 <b>ExpressPlus mobile apps</b>	 <b>humanservices.gov.au</b>
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[Next page](#)

### Employment income information

This information has been received from the Australian Taxation Office

Employer	{employer}
Period of Employment	{employmentPeriod}
Earnings	\${earnings}
Employer	{employer}
Period of Employment	{employmentPeriod}
Earnings	\${earnings}
Employer	{employer}
Period of Employment	{employmentPeriod}
Earnings	\${earnings}

[Letter back](#)

Your customer reference number is **{REFERENCE.NUMBER}**

### Privacy and your personal information

Your personal information is protected by law, including the Privacy Act 1988, and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services. This information is required to process your application or claim.

Letter 1 – released 20/01/16

Your information may be used by the department or given to other parties for the purposes of research, investigation or where you have agreed or it is required or authorised by law.

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- Department of Immigration and Border Protection
- Defence Housing Authority
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- Public and Private education providers in each state and territory.

If you require further assistance, or need more time

If you do not have internet access you can attend your local Centrelink office and receive assistance to log on to myGov. If you need any assistance please call our dedicated Compliance number on **1800 086 400**.

### **To give us feedback or make a complaint**

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Letter 2

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610  
{RETURNADDRESSBARCODE}

Reference: {REFERENCE.NUMBER}



Australian Government

Department of Human Services

centrelink

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<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
{CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
{CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

**REMINDER: Please respond. You must confirm or change your employment information online**

Our records show that you were sent a letter dated {sentDate} seeking information about your income details held by Centrelink to be provided by {provideByDate}.

We have received information from the Australian Taxation Office (ATO) about your employment income and dates of employment. **This indicates that the amount or dates of employment reported to them is different to the information you told us.** There may be a valid explanation for this. To make sure you have received the correct Centrelink payments, you need to go online to confirm or update your employment income and employment dates **before {confirmDate}**.

**What you need to do**

1. Check the enclosed employment income and dates (please make sure these are the dates you worked for each employer)
2. Log on to my.gov.au and go to your Centrelink online account
3. Go to the reminders section and click on 'confirm or update' your employment income
4. Confirm your employment dates for each employer
5. Confirm your employment income for each employer

If you do not have a myGov account, you can create one and link it to your Centrelink online account. If you do not have a Centrelink online account you can create one through myGov.

**If you require further assistance, or need more time, and you do not have internet access, you can attend your local Centrelink office and receive assistance to log on to myGov. If**

Letter 2

**you require further assistance please call our dedicated Compliance number on 1800 086 400.**

### What you need to know

If you do not confirm or update your employment income information online by {confirmDate}, we will update your details using the employment income and dates provided to us from the ATO.

If the employment income information you told us is different to the ATO information, and you do not respond to this letter by checking and confirming your employment income information, this may result in a debt that you will need to repay. If you have a debt, a debt notice will be sent to you.

### More information

For more information about employment income, please go to **humanservices.gov.au** and search for 'employment income'.

Yours sincerely

Director, Earned Income  
Customer Compliance

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For more information



**my.gov.au**



**ExpressPlus mobile apps**



**humanservices.gov.au**

*Next page*

### Employment income information

This information has been received from the Australian Taxation Office

Employer	{employer}
Period of Employment	{employmentPeriod}
Earnings	\${earnings}
Employer	{employer}
Period of Employment	{employmentPeriod}
Earnings	\${earnings}
Employer	{employer}
Period of Employment	{employmentPeriod}
Earnings	\${earnings}

Letter 2

**Letter back**

Your customer reference number is **{REFERENCE.NUMBER}**

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If not delivered: Locked Bag 8900 CANBERRA ACT 2601

{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}



**Australian Government**  
**Department of Human Services**

**centrelink**

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 {CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
 {CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

### **Employment income confirmation**

We have information from the Australian Taxation Office (ATO) that we need your help to confirm or update. The employment dates or income details are different to what you told us when getting a payment. We use your employment information so you get paid the right payment.

This is not a debt letter. Please check the ATO information with this letter carefully.

You must confirm or update the information **within 28 days** of receiving this letter.

#### **Go online and check today**

The easiest way is to sign in to your Centrelink online account linked to your **myGov** account.

You can also go to **humanservices.gov.au/confirmincome** and register:

1. Enter the reference number at the top of this letter and your confirmation code: **{CODE}**.  
The confirmation code will expire after 28 days.
2. Enter details from your current Australian driver licence or passport, and your Medicare card.
3. Provide an email address or mobile number so we can send you a security code to log on.

Please note, if you don't confirm or update the information within 28 days, we may apply the employment dates and income from the ATO to your record. This may result in a debt you will need to repay.

After you have confirmed or updated the details, we will write to you to let you know the outcome and what you need to do next.

**If you need help**

If you don't have internet access or need help to sign in, go into any of our service centres. If you need help with the employment information provided, call us on 1800 086 400.

Yours sincerely

Director, Earned Income  
Customer Compliance

Current EIC Contact letter - 11 Feb - Current

## Employment information statement

Check this employment information from the Australian Taxation Office against your records. Make sure you check the dates you worked for each employer.

Go to [humanservices.gov.au/confirmincome](http://humanservices.gov.au/confirmincome) to confirm or update these details. You may need payslips or bank statements to check this information.

Employer	Super Sparkle Cleaning
Dates of Employment	10 JUL 2015 to 13 AUL 2015
Earnings	\$400.00
Employer	Joe Bloggs Tree Cutting
Dates of Employment	5 DEC 2015 - 20 FEB 2016
Earnings	\$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	\$1022.00

Current EIC Contact letter

Feb - C

Your Customer Reference Number is **{REFERENCE.NUMBER}**

### **If you do not agree with a decision we have made**

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to [aat.gov.au](http://aat.gov.au)

All of the above are free of charge.

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Current EIC Contact letter - 11 Feb - Current

If not delivered: Locked Bag 8900 CANBERRA ACT 2601  
 {RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}



**Australian Government**  
 Department of Human Services

**centrelink**

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{PRINT.DATE}

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 {CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
 {CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

### Reminder – Employment income confirmation

We wrote to you on {DATE OF INITIAL LETTER} asking you to confirm or update the employment information we have from the Australian Taxation Office (ATO). This is a reminder that you are running out of time.

This is not a debt letter. Please check the ATO information with this letter carefully.

You must confirm or update the information by **{28 DAYS FROM RECEIPT OF INITIAL LETTER}**.

#### Go online and check today

The easiest way is to sign in to your Centrelink online account linked to your **myGov** account.

You can also go to **humanservices.gov.au/confirmincome** and register:

1. Enter the reference number at the top of this letter and your confirmation code: **{CODE}**.  
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Yours sincerely

Director, Earned Income  
Customer Compliance

Current EIC Reminder Letter - 11 Feb - Current

## Employment information statement

Check this employment information from the Australian Taxation Office against your records. Make sure you check the dates you worked for each employer.

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Earnings	\$400.00
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Earnings	\$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	\$1022.00

Current EIC Reminder L...

11 Feb - ...

Your Customer Reference Number is **{REFERENCE.NUMBER}**

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- Contact us so we can check the details and explain the decision.
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*Current EIC Reminder Letter - 11 Feb - Current*

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610  
{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}



**Australian Government**  
**Department of Human Services**



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Dear {CLIENT.TITLE.SURNAME}

**You need to contact us – Employment income confirmation**

We wrote to you on {DATE OF INITIAL LETTER} asking you to confirm or update the employment information we have from the Australian Taxation Office (ATO). We use your employment information so you get paid the right payment.

We sent you a reminder on {DATE OF FIRST REMINDER} to do this by {28 DAYS FROM RECEIPT OF INITIAL LETTER}.

Please call us on **1800 086 400** if you need more time or help with this request. You can call us yourself or appoint someone to deal with us on your behalf.

If we don't hear from you by {PRINTDATE+14days}, we may apply the ATO employment dates and income **included** with this letter to your record. This may result in a debt you will need to repay.

After you have confirmed or updated the details, we will write to you to let you know the outcome and what you need to do next.

Yours sincerely

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Customer Compliance

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Earnings	\$1022.00

Current EIC Reminder Letter 2

Your Customer Reference Number is **{REFERENCE.NUMBER}**

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Current EIC Reminder Letter 2 - 15 Feb - Current

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 10 APRIL 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Income support payment types

**Question reference number:** QoN 110

**Member:**

**Type of question:** Written

**Date set by the committee for the return of answer:** 5 May 2017

**Number of pages:** 2

**Question:**

Please provide a breakdown of the numbers of people subject to debt recovery actions by income support payment type.

**Answer:**

The Department engages with in excess of 700,000 people with a range of social welfare debt matters, covering many programs. Providing a breakdown by income support payment type would be an unreasonable diversion of departmental resources.

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 10 APRIL 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Income support payment types

**Question reference number:** QoN 111

**Member:**

**Type of question:** Written

**Date set by the committee for the return of answer:** 5 May 2017

**Number of pages:** 1

**Question:**

Please provide a breakdown of the numbers of people subject to debt recovery actions by age.

**Answer:**

The Department engages with in excess of 700,000 people with a range of social welfare debt matters, covering many programs. Providing a breakdown by age would be an unreasonable diversion of departmental resources.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 19 APRIL 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Use of Debt Collectors

**Question reference number:** QoN 142

**Member:** Senator Watt

**Type of question:** Hansard page 12

**Date set by the committee for the return of answer:** 8 May 2017

**Number of pages:** 1

#### Question:

**Senator WATT:** There has been a media report, in the last week or so, about Centrelink's increased use of debt collectors to pursue these debts. I do not know whether this was canvassed in some of the hearings last week that I was not at. There was an article in *The Guardian* last Wednesday, 12 April, which said that Centrelink has used private debt collectors to pursue 43 per cent of the debts raised by their robo-debt system and that this is a vastly higher rate than normal. Is that report correct?

**Mr Mowbray-d'Arbela:** I think that was a report that related to information that had been tabled with the committee in response to a question on notice, so, if you don't mind, I might take your specific question on notice.

#### Answer:

The article refers to figures provided in QoN 16. Please refer to QoN 16.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 19 APRIL 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Use of Debt Collectors

**Question reference number:** QoN 143

**Member:** Senator Watt

**Type of question:** Hansard page 12

**Date set by the committee for the return of answer:** 8 May 2017

**Number of pages:** 1

#### Question:

**Senator WATT:** I understand that there are only a certain proportion of matters that are referred to debt-collection agencies and there is a process that is gone through before it gets to that point. But, according to this report, in 2015-16 about 12½ per cent of these types of debts were referred to private debt collectors and that has now jumped to 43 per cent of the debts. It might be that there are more debts being raised—or it might be that there are fewer—but my question is: why is there an increased reliance on private debt collectors to pursue those debts?

**Mr Mowbray-d'Arbela:** I will take it on notice. But I think the issues that arose were, significantly, for people who were former recipients and that there were more former recipients involved in the OCI process than in other matters. That is why that number might seem skewed.

#### Answer:

Please see answer to QoN 142.

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 21 APRIL 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** OCI Breakdown per State

**Question reference number:** QoN 146

**Member:** Senator Pratt

**Type of question:** Hansard page 2

**Date set by the committee for the return of answer:** 8 May 2017

**Number of pages:** 2

#### **Question:**

Senator PRATT: compare the data. That makes sense. How many OCI notices were sent for this zone?

Mr Hutson: I think we agreed to take that on notice—at a hearing yesterday—for each state.

CHAIR: We have asked for it to be broken down further.

Senator PRATT: In that response, will you tell us how many debts were raised for each zone, how many notices were sent, and the value of any debts raised? I am assuming that is all covered in the same set of questions?

#### **Answer:**

The number of initial letters which were sent by Service Zone as at 28 February 2017 as well as the total debts raised and total value of debts raised from 1 July 2016 to 28 February 2017 are listed in the below table:

<b>Service Zone</b>	<b>Number of Initial Debts Raised</b>	<b>Original Value when Debt Raised (\$m)</b>	<b>Number of Assessments Initiated to 28 February 2017</b>
CENTRAL NEW SOUTH WALES	9,948	24.3	15,799
CENTRAL QUEENSLAND	12,791	28.8	20,155
EASTERN VICTORIA	12,125	27.5	19,372
NORTH NEW SOUTH WALES	12,276	27.4	18,918
NORTHERN AUSTRALIA	1,130	2.5	1,817
NORTHERN QUEENSLAND	6,111	15.3	9,410
NORTHERN VICTORIA	12,930	28.8	20,845
SOUTH AUSTRALIA	11,198	25.1	17,646
SOUTH QUEENSLAND	12,432	27.9	19,538
SOUTHERN NEW SOUTH WALES	6,975	16.5	11,270
SYDNEY	14,186	32.1	23,100
TASMANIA	3,677	8.6	5,856
WEST AUSTRALIA	12,603	27.9	20,111
WEST VICTORIA	11,031	25.4	17,395
<b>TOTAL</b>	<b>139,413</b>	<b>318.1</b>	<b>221,232</b>

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 21 APRIL 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Zone-Breakdown

**Question reference number:** QoN 148

**Member:** Senator Pratt

**Type of question:** Hansard page 5

**Date set by the committee for the return of answer:** 8 May 2017

**Number of pages:** 1

#### **Question:**

Senator PRATT: In terms of this area being seen as specific and not generalist, I imagine that is because most of the information that you give out in your offices affects many thousands of recipients. It is probably useful for us to see at some point—it will be on notice—how many of these notices have gone out in each zone. We asked how many people in each zone might be eligible to have such a debt notice raised but have not had one raised?

CHAIR: No, we have not asked that.

Senator PRATT: Okay. I will also put that on notice.

#### **Answer:**

The initial letter requests people to confirm or update their employment income details. At this stage of the process, no assumptions about there being a debt or, no debt has been made. Initial letters are not debt letters.

The answer to the number of initial letters which were sent for each zone is provided in response to Question on Notice (QoN) 146 from the Community Affairs Reference Committee Public Hearing which was held on 21 April 2017.

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 21 APRIL 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Debts under \$50

**Question reference number:** QoN 154

**Member:** Senator Kakoschke-Moore

**Type of question:** Hansard page 11

**Date set by the committee for the return of answer:** 8 May 2017

**Number of pages:** 1

#### **Question:**

Senator KAKOSCHKE-MOORE: I would like to go to some answers that the committee received recently to questions on notice from the Canberra hearing—in particular, on the issue of debts waived and debts written off. We got some stats back about the breakdown of both of those. In relation to debts waived, you provided some figures about debts that were waived because they were less than \$50. Between July 2016 and February 2017, just over 6,000 debts were waived because they were less than \$50. How many of those debts were \$50 or less when they were first raised?

Mr Mowbray-d'Arbela: What was the question number?

Senator KAKOSCHKE-MOORE: It was No. 6.

Mr Hutson: That would be additional information. I am not sure we would seek to know whether they were originally in excess of \$50 before a review or re-assessment. I would have to take that on notice. And one of the things I will take on notice is whether it is possible to get there.

#### **Answer:**

For the period 1 July 2016 to 28 February 2017, approximately 132,000 debts were raised as a result of the online compliance intervention. Of these, 6,174 debts were waived that had a value of less than \$50. There were 5,266 of these which had an initial debt amount of less than \$50.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 21 APRIL 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Amounts waived

**Question reference number:** QoN 155

**Member:** Senator Kakoschke-Moore

**Type of question:** Hansard page 11

**Date set by the committee for the return of answer:** 8 May 2017

**Number of pages:** 2

#### Question:

Senator KAKOSCHKE-MOORE: That would be great. Thank you. Between July 2016 and February 2017, there were 60 debts waived because of clerical error. What would constitute 'clerical error'?

Mr Hutson: It probably covers a multitude of sins—everything from a transcription error through to a mistake of some sort. I can get more information about what we are explicitly thinking about when we use the term 'clerical error'. Essentially, it covers human mistakes by the department.

Senator KAKOSCHKE-MOORE: Would it be possible to get the amounts for each of those 60 debts that were waived because of clerical error?

Mr Hutson: Yes.

#### Answer:

The Department will apply a waiver to a social welfare debt where:

- there has made a mistake in administering a payment, and
- the debt is identified solely as an administrative error providing the recipient's conduct has not contributed to the debt in any way, and
- the debt was not raised within a period set out in legislation (for example, Social Security Act debts not raised within six weeks of the first payment that caused the debt).

The waiver will apply to all or part of the debt, if all of the provisions above are met.

Examples of administrative error include mistakes in:

- calculating the amount of a payment,
- determining which social security payment/s a person is entitled to be paid,
- correctly actioning information provided by the recipient.

The table below lists the individual values of the 60 Online Compliance Intervention debts that were waived due to clerical error between 1 July 2016 and 28 February 2017.

#	Amount Waived - Clerical Error <sup>1</sup>	Original Debt Amount	#	Amount Waived - Clerical Error	Original Debt Amount
1	\$4.79 <sup>2</sup>	\$786.25	31	\$513.59	\$513.59
2	\$17.87 <sup>2</sup>	\$1,909.44	32	\$518.88	\$518.88
3	\$25.67 <sup>2</sup>	\$686.13	33	\$524.67	\$524.67
4	\$40.24 <sup>2</sup>	\$6,707.50	34	\$532.18	\$3,311.89
5	\$43.86 <sup>2</sup>	\$1,349.08	35	\$557.13	\$561.12
6	\$54.60	\$1,734.44	36	\$646.88	\$2,576.63
7	\$77.11	\$269.91	37	\$662.94	\$662.94
8	\$80.44	\$3,216.72	38	\$702.42	\$2,106.17
9	\$87.22	\$1,021.55	39	\$740.16	\$740.16
10	\$91.98	\$91.98	40	\$771.31	\$11,511.22
11	\$107.08	\$11,238.45	41	\$1,191.96	\$1,191.96
12	\$118.50 <sup>3</sup>	\$101.97	42	\$1,217.82	\$1,217.82
13	\$167.42	\$726.80	43	\$1,227.48	\$1,227.48
14	\$187.28	\$187.28	44	\$1,286.53	\$1,286.53
15	\$219.26	\$2,420.29	45	\$1,381.67	\$1,381.67
16	\$275.11	\$6,524.97	46	\$1,849.07 <sup>3</sup>	\$1,670.39
17	\$303.99	\$565.05	47	\$2,083.06	\$5,568.39
18	\$313.93	\$2,006.88	48	\$2,136.91	\$9,953.84
19	\$349.18	\$349.18	49	\$2,163.60	\$2,163.60
20	\$350.38	\$3,286.97	50	\$2,460.46	\$2,460.46
21	\$361.76	\$370.55	51	\$2,598.36	\$2,598.36
22	\$378.52	\$5,544.96	52	\$2,621.84	\$2,621.84
23	\$416.30	\$1,263.28	53	\$2,756.27	\$2,756.27
24	\$425.99	\$6,235.55	54	\$2,891.52	\$2,891.52
25	\$426.64	\$1,493.24	55	\$2,948.67	\$2,948.67
26	\$426.88	\$5,897.14	56	\$3,000.22	\$3,000.22
27	\$433.35	\$714.63	57	\$3,161.29	\$3,161.29
28	\$436.71	\$436.71	58	\$3,305.59	\$3,305.59
29	\$474.10	\$474.10	59	\$3,505.96	\$3,505.96
30	\$490.20	\$2,043.74	60	\$5,898.71	\$7,589.75

<sup>1</sup> It is possible that only part of a debt is waived due to clerical error.

<sup>2</sup> Department will automatically waive debts that were raised with a value of less than \$50. The debts in this table with a value of less than \$50, had an original debt amount of more than \$50.

<sup>3</sup> In some cases, the waive amount may be more than the original debt amount. This is because it is possible for a debt amount to change during the life of the debt. This could occur if a review or reassessment is conducted due to further information being available between the original debt amount being established, the reviews being completed, and the debt being waived.

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 21 APRIL 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Debts waived-person deceased

**Question reference number:** QoN 156

**Member:** Senator Kakoschke-Moore

**Type of question:** Hansard pages 11-12

**Date set by the committee for the return of answer:** 8 May 2017

**Number of pages:** 1

#### **Question:**

Senator KAKOSCHKE-MOORE: Great. In relation to debts permanently written off, there are two categories—bankruptcy discharged or because the person has passed away and their estate is insufficient to cover the debt. Thankfully, there are not too many in that category. I would like to know, of those debts that were written off because the person was deceased, how many of those people were still alive at the time they received notice that the debt may have been owing?

Mr Hutson: We will investigate whether we have that information. There are not very many cases. We will probably have to interrogate each of those records individually, but, given that there are not very many, it should not be beyond us.

#### **Answer:**

Please see answer to QoN 201.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 26 APRIL 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Debt Collection Agency

**Question reference number:** QoN 169

**Member:** Senator Siewert

**Type of question:** Hansard page 50-51

**Date set by the committee for the return of answer:** 9 May 2017

**Number of pages:** 2

#### Question:

Mr Hutson: As to how far we are at with that recall, I think we must be pretty close to being complete now, but I will try to give you a more accurate answer as to how many of them are still with an external collection agent and how many are back with us. It has been quite some time since mid-February, so I suspect that everything—

Senator SIEWERT: Yes, which is why I thought it would be fair enough to ask for an update where they have been recalled but also—

Mr Hutson: As at 28 February, there were 56,504. If it is all right, we will give you an answer as at 31 March. That is a month ago, but is that—

Senator SIEWERT: Yes, that is fine—of the 56,504—

Mr Hutson: As at 31 March and maybe 30 April.

Senator SIEWERT: Okay. How many have been contacted? Have they had a reassessment? And where are the debts up to now, in terms of the debts as they stood at the time, whether they have been reduced, whether they have been reduced to nothing and whether they have been increased?

Mr Hutson: Could I clarify the question you are asking: you are only asking with respect to the 56,504?

Senator SIEWERT: Those that were sent to the external debt collectors.

Mr Hutson: That is the cohort you want to know about. You would like to know, as at 31 March, how many of the debts have been recalled by the department, you would like to know how many people whose debts have been recalled by the department have now been contacted to discuss the opportunities that they may have regarding reassessment and you would also like to know how many of those people we think still owe money and, if so, whether the debt has been reduced from the original debt or has not been reduced?

Senator SIEWERT: Yes. And there are occasions where it has increased. From the evidence that we have received—

Mr Hutson: Indeed, there are some cases where it does increase. That is right.

Senator SIEWERT: If we could get an answer to that, that would be appreciated.

Mr Hutson: Sure.

Senator SIEWERT: Thank you. Sorry to be a particular with the language. I am aware that we have been talking at cross-purposes sometimes. There is 'reassessed', 'reviewed' and 'appealed'. If it is possible, so that we have a full picture, how many of those have been reviewed, assessed and appealed? I understand that there may not have been time to go through the review process, because of the time frames, but they may have commenced

**Answer:**

The Department recalled 56,504 debts from external debt collection as part of our service recovery process.

The Department initiated a process to contact individuals via telephone to:

- provide an explanation of the debt if required,
- ensure the person is aware of their review and appeal rights, and
- negotiate a repayment arrangement or pause existing repayment arrangements if a review is requested.

The Department's approach has been to attempt contact with five attempts on at least two days for each person. Calls to approximately 11,000 people have been deferred as they are in a disaster affected area and approximately a further 3,500 were excluded due to extenuating circumstances. As at 31 May 2017 14,378 people have been successfully contacted. The Department will continue contacting people including through a mail out to people with a debt to explain their review rights.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 26 APRIL 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Reassessment

**Question reference number:** QoN 178

**Member:** Senator Siewert

**Type of question:** Hansard page 57

**Date set by the committee for the return of answer:** 9 May 2017

**Number of pages:** 2

#### Question:

Senator SIEWERT: Thank you. I just wanted to clarify that. Could you take this on notice: of the 156,000 up to 28 February, the remaining two thirds for recipients, because they were not referred to external debt collectors, or people that have agreed to—

Mr Hutson: You said 156,000; I think that the number is 132,000.

Senator SIEWERT: I beg your pardon.

Mr Hutson: 132,000 at the end of February, and 56,000 were referred to debt collection agents. You would like some information regarding the other 80,000 or so?

Senator SIEWERT: Yes. Can we get some detail on non-recipients who have agreed to paying, or those who are recipients, on notice? What percentage are—

Mr Hutson: The two categories. I understand.

#### Answer:

Out of the approximate 132,000 debts raised as a result of the Online Compliance Intervention, approximately 56,000 were referred to an External Collection Agent.

- Of the remaining approximate 76,000 debts raised:
  - approximately 19,300 (25%) debts have been fully recovered as at 28 February 2017,
  - approximately 56,700 (75%) were not referred to an External Collection Agent.
- Of the approximate 56,700 debts not referred to an External Collection Agent:
  - approximately 32,300 debts were under arrangement for recipients as at 28 February 2017,
  - approximately 12,400 debts were under arrangement for non-recipients as at 28 February 2017,
  - approximately 12,000, have a status of not under arrangement, permanently written off or waived.

- Of the approximate 19,300 debts fully recovered:
  - approximately 7,800 were for recipients, and
  - approximately 11,500 were for non-recipients.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 18 MAY 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Percentage of people referred to debt collectors

**Question reference number:** QoN 186

**Member:** Senator Watt

**Type of question:** Hansard page 27

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 1

#### Question:

**Ms Golightly:** No, Senator. We refer somewhere around 10 percent—or in that order—of all our debts to external debt collectors in a year, bearing mind that we only refer people who are former recipients. If they are current recipients, they are not referred. With the OCI, I have some figures where about just under half, or 40-something per cent—I have the figures here somewhere—had debts. It was a much smaller percentage of those that flowed through to the external debt collectors. I can get those figures while we are here but it was not 60 per cent.

**Senator WATT:** Maybe if you can track that down it would be good. Mr Williams, I understand that when the ATO does use private debt collectors payments are made to debt collectors on a flat-fee basis, so if a debt collector is chasing a debt of \$100,00 they get a certain fee. I understand it is the same fee almost regardless of the size of the debt. Is that right?

#### Answer:

Refer to Question on Notice 142.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 18 MAY 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Debt collector's fee

**Question reference number:** QoN 187

**Member:** Senator Siewert

**Type of question:** Hansard page 29

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 2

#### **Question:**

**Senator Siewert:** In that case, can I ask: did you think about the fee base that the ATO offers and maybe offering a slightly higher fee, bearing in mind what you have just said about the different profiles of the people that you are seeking to get debts back from?

**Ms Golightly:** I would have to take on notice going back in the history when we have looked at a flat fee, a commission based fee or what the ATO pays and what we pay. I am not entirely sure that paying a higher fee actually addresses the issues that we are facing, particularly the one where we have clients, customers or recipients coming on and off payments so regularly, because you would be paying that flat fee—a higher one—more regularly. So it may not be best value for them or for us.

**Senator Siewert:** Maybe you could take this on notice, because I am aware of time: I do not quite follow why the on and off is going to be harder.

**Ms Golightly:** I can take it on notice but, just very quickly, I do not know the ATO's contract individually, but the way a flat fee normally works is that you pay it every time you refer, whereas for our contract the commission is only on the debt that you collect.

#### **Answer:**

Only debts for former welfare recipients are referred to External Collection Agents (ECA) for debt recovery. When a former recipient reclaims income support payments, debts that have been referred to an ECA are automatically recalled to the Department to action further. Therefore during the recovery lifecycle a debt could be recalled and referred to an ECA a number of times. A flat fee would therefore result in multiple fees being applied to collect the one debt amount.

The current commission payment model allows for this feature of the social security debt recovery life cycle. The ECA is only paid once, and only when the debt is collected. No fees are paid to the ECA for debts which may be referred to them but no recovery occurs before the debt is returned to the Department.

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 18 MAY 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Percentage of people referred to debt collectors

**Question reference number:** QoN 188

**Member:** Senator Siewert

**Type of question:** Hansard page 30

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 1

#### **Question:**

**Ms Golightly:** In terms of OCI, the ratio of current to non-current customers who have been picked up in that is about 60 per cent former customers to 40 per cent current customers. The figure I will confirm for you is the ratio of how many then go through to the debt collectors, which I think is much smaller than that. From memory, it is about 20 per cent, but I will check that.

**Senator Siewert:** Twenty per cent of the 60 per cent or 20 per cent overall?

**Ms Golightly:** It could be 20 per cent of all the debt that goes to external debt collectors. There is only a small proportion of our debts that go there anyway. The OCI component of that is even smaller again, so I think it is 20 per cent of the 20 per cent, but I will double-check that.

#### **Answer:**

Refer to Question on Notice 142.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 18 MAY 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Letters

**Question reference number:** QoN 189

**Member:** Senator WATT

**Type of question:** Hansard page 37

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 2

#### Question:

**Senator WATT:** Has anyone tallied up the cost of sending out these letters by registered post? If we are talking 10,000 a week, that has to be pretty substantial, hasn't it?

**Ms Campbell:** I do not have the data on hand, but we can take that on notice. This is a challenge for us, because there are a number of recipients who like using myGov. They want to use electronic because they are not in one place and the like. So this is something I think we will have to come back to, where there are recipients and former recipients who are regularly using myGov and want to be able to manage their affairs in that manner. I think it is fair to say we have gone for a 'safety first'

measure to go to registered mail, to ensure that people got their information. But I have had feedback that people would prefer, on some occasions, to have their information go to myGov. So this is something that we will look at in the future.

**Senator SIEWERT:** Do you mean the first contact?

**Ms Campbell:** Yes, because they do not have a residential address, or they do not have a secure mailing location for their residential address, or they just very much prefer to use an online method.

**Senator WATT:** If you could take that on notice that would be great. I remember that earlier on in this inquiry we were told that, for those 20,000 letters a week that were being sent out, there was about a 20 per cent error rate. Is that figure still right?

**Ms Campbell:** We have never agreed that that is an error rate, and I think you and I have discussed this on many occasions. I think the Ombudsman too has discussed it. In fact, does someone have what the Ombudsman said about the error rate?

**Senator SIEWERT:** Let's not repeat what the Ombudsman said. We do know what the Ombudsman said.

**Senator WATT:** So they are not debt notices; they are initial clarification letters. If they are not errors, what are they?

**Ms Campbell:** They are initial clarification letters where the recipient or former recipient has been able to provide clarification, which means that there is no need to continue with the process.

**Senator WATT:** All right. When I say 'error', what do you say?

**Ms Campbell:** I say there has been an initial clarification letter, the recipient or the former recipient has been able to clarify the information, and there is no requirement for them to continue in the process.

**Senator WATT:** Okay. Let's call them 'clarifications', then. Is that an acceptable term? Do you want to take that on notice?

**Ms Campbell:** We will take that on notice.

**Answer:**

As at 30 April 2017 the cost of sending letters by registered post for release of the initial contact letters was approximately \$11,300.

The initial letter is titled “Employment Income Confirmation” or “Income Confirmation” depending on the nature of the income. It can be described as an initial contact letter.

## **Senate Community Affairs References Committee**

### **DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE**

**PUBLIC HEARING 18 MAY 2017**

**ANSWER TO QUESTION ON NOTICE**

**Department of Human Services**

**Topic:** Meetings in relation to the issues with the OCI

**Question reference number:** QoN 200

**Member:** Senator WATT

**Type of question:** Hansard page 47

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 1

#### **Question:**

Ms Campbell: I think it was from 8 or 9 January. We can take on notice to advise you when those meetings first began. There had been meetings, I believe, with Minister Porter the week before.

#### **Answer:**

The Department commenced meeting with Minister Tudge on 9 January 2017.

The Department met with Minister Porter on 4 January 2017.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 18 MAY 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Debt letters sent to deceased people

**Question reference number:** QoN 201

**Member:** Senator Watt, Senator Kakoschke-Moore

**Type of question:** Hansard page 48

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 1

#### Question:

Senator WATT: We do not really have time to explore that further, so I will leave it at that. The other thing I wanted to check—we may have already asked this question on notice as well—I understand we have previously been advised that, as of February 2017, 17 deceased people had received a letter demanding repayment of a debt. Do we have the figure for the current number of deceased people?

Ms Golightly: I will have to take that on notice, but I would also clarify—if it is the question I remember, it was the number of people who had passed away after receiving the letter. I will double-check both those things for you.

Senator KAKOSCHKE-MOORE: There were 17 debts that had permanently been written off. Twelve of those were due to the person being bankrupt and five were due to the person being deceased, and that was at February. I think we put on notice how many of those people were deceased at the time the debt was raised.

Ms Golightly: That is right. We are working on that. We will give you the up-to-date figures on those.

#### Answer:

As at 30 April 2017, there were 25 debts (relating to 24 individuals) permanently written off with the reason ‘deceased – insufficient estate’.

- Thirteen (13) of these individuals were not alive at the time the Department issued an Account Payable Notice. This was because the Department was either unaware of the person passing away, or acted in line with the relevant legislation to notify the executor of the estate.
- Eleven (11) of these individuals (which account for 11 debts), were alive at the time the Account Payable Notice was issued by the Department.

The Department can write off the debt when there is insufficient funds in an estate to recover the debt.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 18 MAY 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Debt collection

**Question reference number:** QoN 203

**Member:** Senator SIEWERT, Senator KAKOSCHKE-MOORE

**Type of question:** Hansard page 49

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 1

#### Question:

**Senator KAKOSCHKE-MOORE:** But you would put somebody through the stress of being contacted by an external debt collector for \$20?

**Ms Golightly:** This is something we are having a look at going forward.

**Senator SIEWERT:** Have you referred anybody to a debt collector for \$20?

**Ms Golightly:** I would have to take that on notice.

#### Answer:

Only former recipients who have an outstanding social welfare debt to the Commonwealth, who have not entered into a payment arrangement or who had an arrangement which they have not met, are referred to an External Collection Agent.

In order to be referred to an External Collection Agent, a person must have had a residual debt balance of \$20 or more (from one or more larger debts), including where they have been paying off a debt under a payment agreement but have now stopped making those payments. This has been a long standing practice since 1996.

On 23 May 2017, the Department ceased external debt recovery from External Collection Agents, where a person has a residual debt balance of less than \$50.

## Senate Community Affairs References Committee

### DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

PUBLIC HEARING 18 MAY 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Cost-benefit analysis

**Question reference number:** QoN 206

**Member:** Senator SIEWERT

**Type of question:** Hansard page 50-51

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 1

#### **Question:**

**Senator SIEWERT:** There is a question on notice I can ask now, and there will be a number of others because we have in fact gone over time. Going back to the issue around the cost-benefit analysis, do you have figures on how much it costs to collect, say, a debt of \$50 or \$20 in terms of the registered mail and all of the other issues? Have you done that calculation?

**Ms Campbell:** I think we are talking about two different things now. I am not sure, but this might be what you are asking: what is the initial threshold where we would send a clarifying letter? Is that what you are asking?

**Senator SIEWERT:** It seems to me we have acknowledged that debts can be referred under \$50. How much would that cost? What is the cost of pursuing that debt—not just the fee or the commission but in terms of the whole process?

#### **Answer:**

Please refer to QoN 102 and 203.

## Senate Community Affairs References Committee

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PUBLIC HEARING 18 MAY 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

**Topic:** Letters sent to people living in the areas affected by the recent cyclones and floods

**Question reference number:** QoN 207

**Member:** Senator Watt

**Type of question:** Hansard page 46

**Date set by the committee for the return of answer:** 31 May 2017

**Number of pages:** 1

#### Question:

Senator WATT: Yes, I was going to come to that. One of the other things were told in the hearing in Brisbane was that a range of letters addressed to people who live in the areas affected by the recent cyclones and floods are being held back.

Ms Campbell: That is our normal practice—yes.

Senator WATT: If a natural disaster has hit?

Ms Campbell: Yes.

Senator WATT: Do you know roughly how many are being held back?

Mr McNamara: It is roughly around 40,000.

Senator WATT: When is it expected that they will be sent out?

Mr McNamara: My understanding is that it will be when the relevant postcodes are no longer considered to be a disaster zone.

Ms Campbell: I am not sure what the date is, but we have had in place for many years this protocol to give people some space to recover from that. We can come back to you on notice, if you like, about how long we give. That is very dependent—sometimes—on the severity. If I think back to 2011, after the significant floods in Brisbane, we put a whole lot of compliance activity on hold, which had quite significant impacts on the estimates down the track.

#### Answer:

As at 31 May 2017 there were 40,000 employment income cases to be reviewed in regions affected by Natural Disasters in Queensland and New South Wales. Consistent with the whole of government approach discussed and agreed through the Australian Government Disaster Recovery Committee, activity on these reviews was paused. As a result approximately 18,000 letters for Employment Income Confirmation (EIC) reviews were temporarily held. All related compliance activity recommenced on 11 September 2017.