

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: ADEX

Question reference number: QoN 27

Member: Siewert

Type of question: Hansard pages 60-61

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

Number of pages: 2

Question:

CHAIR: That is different to the information when you upload it on the actual online process? It is different?

Ms Golightly: I am not sure that it is. The ADEX might be two different things, perhaps. My understanding—and I will check this on notice—is that the ADEX is something we use to help staff explain to customers how the debt was calculated, which is a different issue to somebody entering their net pay from their bank statement, for example, onto the online system. I was not quite sure what the—

CHAIR: What people have been trying to find out is how the debt was calculated. Then they have to provide information to update it, but the complaint seemed to be—certainly from *Background Briefing*, but I have had complaints previously—that the information people have provided is different, or where the information is needed and requested is different, to what you have sent them in terms of what you have, or in the form that you have it, I should say.

Ms Campbell: I asked some questions about this after listening to *Background Briefing* on the ADEX. I think we might take that on notice and see what that form is. Sometimes it is confusing with 'gross' and 'net' and fortnights and the like, so I think—

Answer:

Once a compliance review is completed, a recipient may have a debt they need to repay. Information about their debt is available to the recipient during the online process. There is also a print function available if required.

People who need assistance or require further explanation on how the debt was calculated can call a dedicated team of departmental staff using the compliance phone number 1800 086 400. A Compliance Officer will explain to the recipient how the debt has been calculated, and answer any further questions. A recipient can also request evidence of the debt calculation from the Compliance Officer.

Under the social security legislation, income is required to be assessed in the period in which it was earned rather than the period in which it was received. Therefore, there can be a difference between the earnings uploaded by the recipient and the earned income calculated under the legislation.

ADEX is a Debt Explanation tool. Debt or underpayments are explained by differences in payment rates for each payment period before and after an update.

ADEX explains the rates of payment prior to, and after, the update of the person's record. For each period reassessed ADEX provides an outcome from the update of either no adjustment, a negative adjustment (debt) or a positive adjustment (underpayment).

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Design

Question reference number: QoN 35

Member:

Type of question: Written

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

Number of pages: 1

Question:

Please supply any and all documents and electronic data substantiating the design and implementation of the OCI program/process

Answer:

The preparation of an answer to this question would require an unreasonable diversion of departmental resources.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Repayment of alleged debts

Question reference number: QoN 46

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 are appealing an alleged debt detected by the Online Compliance Intervention program are making repayments?

Answer:

Please refer to Question on Notice 4 about the reassessment review and appeals process.

As at 28 February 2017, 106 people have appealed an Online Compliance debt matter to the Administrative Appeals Tribunal. Of these, 63 people have made a repayment during the review process.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Averaging of income

Question reference number: QoN 67

Member:

Type of question: Written

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

Number of pages: 1

Question:

Are debts being raised by averaging income figures?

Answer:

Debts occur where the individual has not declared the correct information. This is why it is important for people to respond to requests from the Department and keep information about their circumstances up to date.

When a difference is identified between the earnings a person declared to the Department and the information provided by the Australian Taxation Office (ATO), the Department seeks to engage with people to clarify this information. The Department requires people to clarify this information to understand when their income was earned. If the person can clarify the difference, the issue may be resolved and no further action may be taken.

It is incorrect to imply the Department always averages, or that the system always averages over the full year. Averaging of income may apply when people do not contact the Department, do not provide further information, or they accept the ATO data (which may be provided for a period less than 12 months) is correct.

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ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Process

Question reference number: QoN 69

Member:

Type of question: Written

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

Number of pages: 1

Question:

What percentage and number of cases have debts been raised that involved employer name anomalies?

Answer:

This information is not available. Debts can occur due to a variety of details about income, or combination thereof, not being declared correctly. The Department does not have information available on breakdown of the causes at this level.

It is important for people to respond to requests from the Department to check their information and update it as required. Where differences between what has been reported to the ATO and the Department can be explained, no debt occurs. This is not an error.

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PUBLIC HEARING 8 MARCH 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Income averaging and anomalies

Question reference number: QoN 70

Member:

Type of question: Written

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

Number of pages: 1

Question:

What percentage and number of cases involved anomalies other than, or addition to, income averaging or employer names? Please outline details.

Answer:

Please see answer to Question on Notice 69.

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PUBLIC HEARING 8 MARCH 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Correcting under-payment

Question reference number: QoN 72

Member:

Type of question: Written

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

Number of pages: 1

Question:

The “no more, no less” statement has been repeated frequently by the Minister for Human Services and the Department. What concrete activities is DHS performing to ensure it detects and corrects instances of under-payment, to ensure that people receive their full entitlements?

Answer:

The delivery of high quality payments is a key objective of the Department. The best way for recipients to ensure their payments are correct is to update their circumstances regularly and accurately. The Department actively encourages recipients to do this, and provides a range of ways in which they can do so.

The Department has a range of assurance processes aimed at ensuring payments accurately reflect the information provided to us by recipients. The overall accuracy of payments is measured annually through a random sample survey program and in its Annual Report the Department publishes a payment correctness figure derived from this survey. This measures the percentage of recipients who received a correct payment without administrative error. The benchmark is 95 per cent and the Department has exceeded this benchmark since it commenced in 2006/07. In 2015/16 the Department achieved over 98 per cent payment correctness. The Department’s 2015/16 Annual Report (page 114), provides further information on payment accuracy and payment correctness.

If a recipient believes that their payment is not correct they can ask for it to be reviewed by a subject matter expert or an authorised review officer.

In cases where underpayments are identified, the Department makes adjustments in accordance with social security law.