

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Response to initiation letters

**Question reference number:** QoN 1

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

Your submission states that a review process does not commence without a person 'undertaking some action' after receiving their initial letter. This action can include receiving the letter by registered mail or MyGov. You further note that 30 per cent of people do not engage with the process at all, and 30 per cent start but do not finish the process.

- a) How do Centrelink staff ensure that people who do not engage after the initial letter or follow up letter, or who do not complete the process, are genuinely contacted before a debt is raised against them?
- b) Please provide information on timelines and actions that are taken in the following situations:
  - i) When there has been no response to the registered letter or MyGov email.
  - ii) When there is no response, but the Department is aware that a letter or email has been opened.

#### **Answer:**

- a) Where people do not engage with Services Australia (the Department) following the initial letter, or the subsequent reminder letters, the Department will attempt to contact the person via phone to discuss their income circumstances.
- b)
  - i) Where the initial letter is issued via myGov, a person is provided with 14 days to open the letter. If this has not occurred after 14 days, a person is then sent the initial letter via registered mail.
  - ii) Where the customer has not engaged following the confirmed receipt of their initial letter or subsequent reminder letters, the Department will attempt to make contact via phone to discuss their income circumstances.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Income management and the compliance program

**Question reference number:** QoN 3

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

- a) Do people subject to income management (either under the Basics Card or the Cashless Debit Card) receive online compliance discrepancy/initiation notices?
- b) If so, how many online compliance initiation letters have been issued to people subject to income management?

#### **Answer:**

- a) Yes. People are not excluded from the income compliance process solely on the basis of being part of a specific program.
- b) From 1 July 2016 to 30 June 2019 there were 1,983 income compliance reviews commenced where the person was a current Income Management or Cashless Debit Card participant.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** ParentsNext and the compliance program

**Question reference number:** QoN 4

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

- a) Do people on the ParentsNext program get online compliance discrepancy/initiation notices?
- b) If so, how many online compliance initiation letters have been issued to ParentsNext participants?

#### **Answer:**

- a) Yes. People are not excluded from the income compliance process solely on the basis of being part of a specific program.
- b) From 1 July 2018 to 30 June 2019 there were 2,456 income compliance reviews commenced where the person was a current ParentsNext participant.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Self-employment and the compliance program

**Question reference number:** QoN 5

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

Are self-employed people able to include 'allowable deductions' in their income assessment process?

#### **Answer:**

Yes, where a person is determined to be self-employed, their income from self-employment is able to be reduced by allowable deductions.

Not all deductions allowed under taxation law are allowed under Social Security law.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Staff turnover

**Question reference number:** QoN 7

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

What is the staff turnover rate in the compliance section? Please provide data for both Centrelink employed staff and contract staff.

#### **Answer:**

Services Australia's (the Department's) ongoing APS turnover rate for the Customer Compliance Division for the period indicated is as follows:

|  | <b>1 October 2018 to<br/>30 September 2019</b> |
|--|--|
| Turnover Rate for Ongoing APS Employees  | 7.3%   |
| Turnover Rate for Contractors (non-APS)* | N/A  |

\*Non-APS turnover data cannot be provided due to non-APS workforce data not yet being available for a full year.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Social Workers

**Question reference number:** QoN 8

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

- a) Do you keep records of how many clients are referred to your in-house social workers?
- b) If so, how many clients involved in the compliance process have been referred to and have received support from social workers?

#### **Answer:**

- a) Services Australia (the Department) is not able to report on the number of individuals referred but can report on the total number of referrals made to departmental social workers.
- b) In the 2018-19 financial year, social workers received 5,973 referrals with identified debt issues. The Department does not separately record how many of these referrals were connected with the income compliance process.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Review and reassessment process – time frames

**Question reference number:** QoN 9

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

Please provide the average length of time the review and reassessment processes have taken.  
What is the longest time a reassessment process has taken?

#### **Answer:**

It is not possible to identify a reassessment timeframe as people can provide additional information, and seek a reassessment, at any time following the raising of a debt.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Review and reassessment process – formal appeals

**Question reference number:** QoN 10

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

In your submission, you state that less than one per cent of cases formally appealed have resulted in the overpayment being changed.

- a) What percentage of cases are formally appealed?
- b) What percentage of cases which are not formally appealed, but instead go through a reassessment process, result in the overpayment being changed?

#### **Answer:**

- a) For the period 1 July 2016 to 31 August 2019, 1.6 per cent of OCI/EIC/CUPI income compliance reviews with a debt outcome were formally appealed to an Authorised Review Officer.
- b) People can provide additional information, and seek a reassessment, at any time following the raising of a debt. There is no data available to identify where a reassessment was requested by a customer.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Customers still using the Employment Income Confirmation System

**Question reference number:** QoN 11

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 2

#### **Question:**

Your submission states that the current online system has resulted in a 'vastly different' customer experience than when the program commenced.

- a) How is Centrelink servicing those customers who are still using the Employment Income Confirmation system to provide information, or are appealing debts which were raised when the first Online Compliance Intervention system was in place?
- b) What enhancements have been introduced to address concerns raised in relation to these processes?

#### **Answer:**

- a) Customers who have had their review initiated through the Employment Income Confirmation (EIC) online system have two channels through which they can complete their review. They can choose to complete their review online. Alternatively, they can access support from our highly trained staff via the dedicated compliance line to assist them to complete their review. Most EIC customers are choosing to use the staff assisted channel. A customer can ask at any time to have a decision reviewed, regardless of which iteration of the online portal under which their review was initiated. Staff will reassess a review outcome any time a customer provides new information to Services Australia (the Department).
- b) As noted in the Department's submission (page 12), the online portal has been iteratively enhanced, with the development of EIC in February 2017, and the latest iteration, the Check and Update Past Income (CUPI) online portal. These enhancements were co-designed with over 35 organisations, including advocacy groups and the Commonwealth Ombudsman, as well as our staff and customers.

Enhancements from the Online Compliance Intervention online portal to the EIC online portal included:

- **Improved letters** – all initiation letters and first reminder letters are sent via registered post. Letters were also able to be sent via myGov, which includes tracking and read-receipt capability. Inclusion of the dedicated phone line in all contact letters.
- **Improved language** – used in letters and in-service information.
- **Functionality** – including online screenflows, content, and ‘save’ function.
- **Debt explanation summary** – improvements made to explain how a debt is calculated.
- **Additional communication materials** – provided to customers on our website.

Enhancements from the EIC online portal to the CUPI online portal included:

- **Improved debt explanation** – provided in all debt outcome letters and the online service.
- **Targeted questions** – starting with questions that establish whether there is an overlap between when income was earned and when the customer was on payment.
- **Improved functionality** – ability for customers to upload documents for staff to action, and updated help text and links to Money You Owe Service.
- **Predictive analytics** – discrepancies that were likely to result in zero or low debt outcome are completed without the customer’s involvement.

# Senate Community Affairs References Committee

## INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

### ANSWER TO QUESTION ON NOTICE

Services Australia

**Topic:** Checking data before data matching

**Question reference number:** QoN 12

**Member:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 November 2019

**Number of pages:** 1

#### **Question:**

Your submission states that the data matching process '...does not commence until the data has been subject to a number of checking processes, including by our staff. Where there are errors identified, we either return the data to the third party for investigation; resolve the errors based on our analysis; or correct the data'. This occurs before the process of identifying income discrepancies begins.

Can you please detail what kinds of errors Services Australia would be checking for at this stage of the process?

#### **Answer:**

Once the file has been received from the Australian Taxation Office (ATO), staff initiate data quality checking processes. The first check will ensure that the data is populated as expected, for example, correct formatting of fields.

Further checks are then undertaken to remove any duplication in the data and to ensure the dates of employment are within the relevant financial year.

An additional identity check is also undertaken against the ATO data to confirm it has been matched to the right customer record. Where an anomaly is identified, these will be manually reviewed by compliance data analysts. These anomalies are resolved before any further processing of those records occurs.