

Senate Standing Committee on Community Affairs

INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 29 March 2021

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: External Collection Agents

Question reference number: IQ21-000036

Member: O'Neill

Type of question: Written

Date set by the committee for the return of answer: 11 June 2021

Number of pages: 1

Question:

With reference to Services Australia's response to Question No. IQ21-000010, which was received by the Committee on 3 May 2021:

- 1) Of the 961 debts referred to an External Collection Agent after 19 November 2019, how many of them were paid by the customer before they were "identified [by Services Australia] as requiring remediation"?
- 2) Of the 961 debts referred to an External Collection Agent after 19 November 2019, how many were recalled from the External Collection Agents by Services Australia?
- 3) What External Collection Agents were those 961 debts referred to?
- 4) How much were the External Collection Agents paid in relation to the work they had done – or the work they were going to do – to collect those 961 debts?

Answer:

- 1) 169 customers made repayments through an External Collection Agency (ECA) before Services Australia (the Agency) recalled these debts.
- 2) The Agency has recalled all related debts referred to an ECA for the 961 customers.
- 3) The 961 customers were referred to:
 - Australian Receivables Limited;
 - Milton and Graham; and
 - Probe.
- 4) The ECAs were paid \$6,814.702 in relation to these debts prior to the debts being recalled. ECAs are paid based on the actual debts recovered, not on the total value of the debts referred to them.

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INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 29 March 2021

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: PAYG Manual Compliance Intervention Program - Averaged Income

Question reference number: IQ21-000037

Member: O'Neill

Type of question: Written

Date set by the committee for the return of answer: 11 June 2021

Number of pages: 1

Question:

Exactly how many debts were raised under the PAYG Manual Compliance Intervention program? Of those, how many were calculated wholly or partly on the basis of averaged ATO income information?

Answer:

There were around 107,000 debts raised in 2015-16 as part of the Income Compliance Program using manual systems.

Services Australia's staff manually examined the records of customers who had a debt raised under the Income Compliance Program, to identify customers whose debts were calculated, wholly or partly, using average Australian Taxation Office (ATO) income information. This involved assessing the customer record to determine whether averaging of ATO income information had been used to raise the debt or whether the debt was raised on another basis. The information is held at a program level and does not relate to the system used to raise the debt.

Please refer to IQ21-00038 for the number of debts calculated wholly or partly using averaged ATO income information as part of the Income Compliance Program.

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INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 29 March 2021

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Income Compliance Intervention Program - Averaged Income

Question reference number: IQ21-000038

Member: O'Neill

Type of question: Written

Date set by the committee for the return of answer: 11 June 2021

Number of pages: 1

Question:

Exactly how many debts were raised under the Income Compliance Program? Of those, how many were calculated wholly or part on the basis of averaged ATO income information?

Answer:

799,459 debts were raised under the Income Compliance Program, of which about 529,000 were calculated wholly or partially on the basis of averaged Australian Taxation Office income information.

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INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 29 March 2021

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Employment Income Confirmation Program - Averaged Income

Question reference number: IQ21-000039

Member: O'Neill

Type of question: Written

Date set by the committee for the return of answer: 11 June 2021

Number of pages: 1

Question:

Exactly how many debts were raised under the Employment Income Confirmation program?
Of those, how many were calculated wholly or part on the basis of averaged ATO income information?

Answer

There were around 379,000 debts raised under the Income Compliance Program using the Employment Income Confirmation system.

Services Australia's staff manually examined the records of customers who had a debt raised under the Income Compliance Program, to identify customers whose debts were calculated, wholly or partly, using average Australian Taxation Office (ATO) income information. This involved assessing the customer record to determine whether averaging of ATO income information had been used to raise the debt or whether the debt was raised on another basis. The information is held at a program level and does not relate to the system used to raise the debt.

Please refer to IQ21-00038 for the number of debts calculated wholly or partly using averaged ATO income information as part of the Income Compliance Program.

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INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM

PUBLIC HEARING 29 March 2021

ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: Check and Update Past Income Program - Averaged Income

Question reference number: IQ21-000040

Member: O'Neill

Type of question: Written

Date set by the committee for the return of answer: 11 June 2021

Number of pages: 1

Question:

Exactly how many debts were raised under the "Check and Update Past Income" program?
Of those, how many were calculated wholly or part on the basis of averaged ATO income information?

Answer:

There were around 152,000 debts raised under the Income Compliance Program using the Check and Update Past Income system.

Services Australia's staff manually examined the records of customers who had a debt raised under the Income Compliance Program, to identify customers whose debts were calculated, wholly or partly, using average Australian Taxation Office (ATO) income information. This involved assessing the customer record to determine whether averaging of ATO income information had been used to raise the debt or whether the debt was raised on another basis. The information is held at a program level and does not relate to the system used to raise the debt.

Please refer to IQ21-00038 for the number of debts calculated wholly or partly using averaged ATO income information as part of the Income Compliance Program.

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ANSWER TO QUESTION ON NOTICE

Services Australia

Topic: AAT decisions referred to DSS

Question reference number: IQ21-000041

Member: O'Neill

Type of question: Written

Date set by the committee for the return of answer: 11 June 2021

Number of pages: 1

Question:

How many AAT decisions did Services Australia refer to the Department of Social Services under the Standing Operation Statements between late April 2015, when the PAYG Manual Compliance Intervention program began, and 27 November 2019?

How many of those AAT decisions related to debts raised under the PAYG Manual Compliance Intervention program, the Income Compliance Program, the Employment Income Confirmation program or the "Check and Update Past Income" program?

Answer:

The requested number of decisions is not known. That information is not readily available and obtaining it would involve an unreasonable diversion of resources. Services Australia would need to manually review all changed AAT decisions received between April 2015 and 27 November 2019 to determine how many of those decisions were referred to the Department of Social Services and if all or part of the decisions related to the relevant programs.