

Senate Standing Committee on Community Affairs
Inquiry into Centrelink's Compliance Program

Public Hearing – 31 July 2020
ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Senate Standing Committee on Community Affairs inquiry into Centrelink's Compliance Program - Question 1

Question reference number: SQ20-000539

Senator: Rachel Siewert

Type of Question: Spoken. Hansard Page/s: 29

Date set by the Committee for the return of answer: 14 August 2020

Question:

CHAIR: What I was going to suggest, in terms of the question you asked Senator O'Neill, is to ask you, Ms Campbell—when we come back next week—if you could take on notice what reforms are currently being considered in terms of the income compliance program, bearing in mind the points that Senator O'Neill made about the fact that there have been indications that the program will change?

Ms Campbell: I can add to the answers I have already given today, which talk about Single Touch Payroll and further points of proof, rather than relying on ATO averaging. We can provide further details, but the fundamental element is that we will have real-time earnings and we will also rely on other points of proof, when determining a debt.

Answer:

On 19 November 2019, the Minister for Government Services, the Hon Stuart Robert MP, announced changes to the Income Compliance Program so debts would no longer be raised using averaged ATO income data, and that other proof points would be required.

On 29 May 2020, the Minister for Government Services the Hon Stuart Robert MP, announced that from July this year, Services Australia will refund all repayments made on debts raised wholly or partially using averaged ATO income data.

Any further changes to the Income Compliance Program are a matter for government.

The *Social Services and Other Legislation Amendment (Simplifying Income Report and other Measures) Act 2020* will commence on 7 December 2020. The Act will simplify the way employment income is reported and assessed for social security purposes. Recipients will report income when it is received, which will make reporting easier and reduce the risk of people ending up with a debt.

As employers progressively start reporting the Single Touch Payroll expanded dataset, recipients will start to see their income pre-filled through their usual reporting channel. People will still be responsible for reporting their income and making sure the information is correct, and they will be able to review, update or add information before finalising their report to Centrelink.

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Public Hearing – 31 July 2020
ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Senate Standing Committee on Community Affairs inquiry into Centrelink's Compliance Program - Question 2

Question reference number: SQ20-000540

Senator: Deborah O'Neill

Type of Question: Spoken. Hansard Page/s: 29

Date set by the Committee for the return of answer: 14 August 2020

Question:

Senator O'NEILL: And if you could take on notice whether you will be requiring Australians to retain records of employment for seven years, to prove their innocence.

Ms Campbell: We will take on notice the requirement to retain records.

Answer:

The principles of administration in social security law include an obligation to establish procedures to ensure that abuses of the social security system are minimised. Compliance measures are undertaken to support people in receiving their correct payments.

Part 6.3.9 of the Social Security Guide relating to Confirming Employment Income states that “recipients may be required to obtain and provide Service Australia with further documentation to confirm or update any employment details.”

<https://guides.dss.gov.au/guide-social-security-law/6/3/9>

The Services Australia website advises recipients to “keep all relevant records such as:

- financial statements
- tax returns
- payslips or payment summary
- rental history
- bank statements
- any other documents that may help us and you.”

<https://www.servicesaustralia.gov.au/individuals/subjects/compliance-program>

People identified with possible income discrepancies under the Income Compliance Program were asked to provide relevant records to verify their income, such as payslips.