

## **Senate Community Affairs References Committee**

### **INQUIRY INTO CENTRELINK'S COMPLIANCE PROGRAM**

#### **ANSWER TO QUESTION ON NOTICE**

##### **Services Australia**

**Topic:** Case selection process – clarification of evidence

**Question reference number:** QoN 14

**Member:** O'Neill

**Type of question:** Written

**Date set by the committee for the return of answer:** 6 December 2019

**Number of pages:** 1

#### **Question:**

- a) On what date did the improved case selection process begin?
- b) What is the process for investigating discrepancies of \$1000 or less without the involvement of a customer?
- c) Apart from a discrepancy of \$1000 or less, are there any other criteria used to determine the likelihood of a zero or low debt outcome for the purpose of case selection?
- d) How does Services Australia define a 'low debt outcome' in the improved case selection process?
- e) What is the minimum predicted value of a debt outcome required before a CUPI compliance review is initiated (i.e. an initiation letter is sent to a customer)?

#### **Answer:**

- a) The improved case selection process began in July 2018.
- b) Employment income information sent to the Australian Taxation Office (ATO) by employers is matched to people who have received an income support payment. This information is securely transmitted to Services Australia (the Department) twice each year. Where we identify that the income declared to the Department by a customer and the income declared by an employer, or employers to the ATO results in a discrepancy of \$1,000 or less, no further action is taken by the Department. This matched information is not stored, or used for any additional compliance review purposes.
- c) There are other factors that contribute to a customer not being prioritised for an income compliance review. These include where a customer has received less than \$1,000 of income support payments in the financial year being assessed, or where the system calculates the discrepancy value, when applied over the employment period and taking into consideration any other income information on the customer's Centrelink record, would not affect the customer's rate of payment.
- d) A low debt outcome is defined as a review under the enhanced Check and Update Past Income system that has been estimated to be \$420 or less.
- e) During the case selection process and using the best available income information, one of the considerations applied in progressing a review is whether the estimated debt value is under \$420.

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##### **Services Australia**

**Topic:** Case selection process – clarification of evidence

**Question reference number:** 15

**Member:** O'Neill

**Type of question:** Written

**Date set by the committee for the return of answer:** 6 December 2019

**Number of pages:** 1

#### **Question:**

Since the hearing on 3 October, the committee has received correspondence from an individual who believes that the evidence from Services Australia, referenced above, was misleading as he has personally been pursued for a compliance debt of an amount less than \$1,000.

Can Services Australia please clarify whether the \$1000 figure relates only to the discrepancy between the amount of income reported by an individual and the amount reported in tax office income data, and not to a calculated debt outcome amount?

#### **Answer:**

The \$1,000 figure that was referenced during the 3 October 2019 hearing relates to the discrepancy between the amount of income reported by an individual to Services Australia and the amount of income reported to the Australian Taxation Office by an employer or employers.