

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: Persons repaying debt who subsequently ask for reassessment

Question reference number: QoN 4

Member: Siewert

Type of question: Hansard page 42

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

Number of pages: 2

Question:

CHAIR: Ms Golightly, thank you for the information but it did not actually answer the specific question. If you have not got the information, perhaps you could take it on notice. I have had a number of people personally tell me their accounts, experiences. A number of them have said, 'We started paying because we were just so worried about it.' In the media—in fact, it was, if I understand the background briefing, in a story on the weekend—we had somebody there list their experiences where they had started to pay while they were still challenging their debt. So, the question is then, specifically, how many people have started repaying, who have subsequently asked for a reassessment or started repaying after they asked for a reassessment because they were worried about the debt?

Ms Golightly: I can see whether we can get those numbers for you, but I would stress, again, that this is not a unique practice. For example, in FTB, if somebody incurs a debt there, because they may have not lodged a tax return, for example, or any of our other programs, where somebody has not done something that is required by the eligibility for that payment, then the debt is raised and they can ask for it to be reassessed—

CHAIR: I understand—

Ms Campbell: Senator, I think your question is quite specific about numbers, and I do not think we have those numbers at the table. The other thing I would be trying to work out is how we are going to get those numbers, because it may mean manual engagement. We have talked about the fact that our systems do not specify that, but I think we will need to take that one on notice.

Answer:

The re-assessment, review and appeals process is contained in the Department of Human Services Submission to the Senate Affairs References Committee on the Design, Scope, Cost-Benefit Analysis, Contracts Awarded and Implementation Associated with the Better Management of the Social Welfare System Initiative, 8 March 2017. Please refer to page 10 of the submission.

The process can involve an iterative engagement with individuals as additional information is provided. The Department, either online or with the assistance of compliance officers, facilitates the individual entering the information to allow a debt to be determined. Once a debt is determined, the Department continues this open approach to being able to reassess the debt based on new information. This ongoing process is not like a formal review that has a formal commencement date and completion date.

As a result of the iterative nature of the process described above, the Department does not have information to identify the number of individuals making a repayment pending a reassessment. The Department is able to identify approximately 5,700 individuals who commenced repaying the debt prior to the debt being changed as a result of a reassessment.

On 15 February 2017, an updated process was implemented where the recovery of a debt can be paused when a person has requested a review.

A person can have a formal review of the Department's decision. This is undertaken by an Authorised Review Officer (ARO). Additionally, if at any point a person advises they want to proceed directly with a formal or ARO review of the decision, it is referred to an ARO.

The ARO will undertake an independent review of the decision and consider all original information. They will take account of any new information or evidence the person may provide.

Since February 2017, if people request a reassessment or review of their debt, the Department will pause debt recovery for the duration of the review, unless the person requests to enter into or continue a repayment arrangement.

If a person is not satisfied with the outcome of the review, they can appeal by applying to the Social Services and Child Support Division of the Administrative Appeals Tribunal.

The Department will write to all people that have had an OCI debt to remind them of their review rights, including the application of the recovery fee.

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PUBLIC HEARING 8 MARCH 2017

ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Debt Collection - Commission

Question reference number: QoN 29

Member: Siewert

Type of question: Hansard page 65

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

Number of pages: 1

Question:

CHAIR: I have some further questions on debt collecting. Can you clarify the commission that is paid for the debts?

Ms Campbell: The actual rate is, I think, part of the commercial-in-confidence part of the contract, so I would have to take on notice whether we could provide that for the committee.

Answer:

The commission pricing structure provided in the Department's contracts with External Collection Agents is sensitive commercial information. The disclosure of this information could adversely affect the commercial affairs of the External Collection Agents as well as the Commonwealth's dealings with these organisations, under current and potential future contractual arrangements. Consultation with the External Collection Agents would normally be undertaken as part of any consideration of disclosure.

Two External Collection Agents gave evidence to the Committee indicating that they would provide the confidential information such as commission rates to the Committee in confidence.