

Senate Community Affairs Legislation Committee

**ADDITIONAL BUDGET ESTIMATES - 16 FEBRUARY 2012
ANSWER TO QUESTION ON NOTICE**

Human Services Portfolio

Topic: Lump Sum Compensation Preclusion Payments

Question reference number: HSW 19

Senator: Siewert

Type of question: Written

Date set by the committee for the return of answer: 29 March 2012

Number of pages: 3

Question:

1. For the financial year 2010-11, provide the following information in relation to lump sum compensation preclusion payments:
 - a. How many lump sum compensation preclusion payments were imposed?
 - b. What was the average length of compensation preclusion periods for people who would otherwise receive a Social Security payment?
 - c. How many age pensioners were subject to preclusion periods?
 - d. What are the number of special circumstances applications for review each year at ODM, ARO level, at SSAT level and the AAT?
 - e. What are the outcomes from those applications: how many set aside, how many affirmed, or withdrawn?
 - f. Of those claims granted (i.e. the LSCPP was reduced in length), how many were reduced because of errors in the original LSCPP calculation, and how many were reduced because of special circumstances discretion s1184K?
 - g. How many people serving a LSCPP claimed a Health Care Card after the first 12 months and how many were granted a Health Care Card after the first 12 months?
 - h. What was the average period of time preclusion periods reduced by on review?
2. Has either FaHCSIA or the Department of Human Services undertaken an analysis of trends in relation to lump sum compensation preclusion periods, for example, cases that involve gambling losses or cases where a person purchased a house or paid part of a mortgage?
3. What policy research and analysis is undertaken by the Department(s) in relation to lump sum compensation preclusion periods? (Please supply any material).
4. Has the Department ever undertaken an examination of client experiences with compensation payments, their knowledge of compensation preclusion periods and charges, the knowledge of advisers and accountants with these policies, etc? If so, please provide links to any research and analysis undertaken.

Answer:

1. a. In the 2010-11 financial year, the department was advised of 20,814 compensation settlements, where a preclusion period applied.
- b. The department is unable to provide a response to this question. It is not possible to distinguish between people on a preclusion period who would otherwise qualify for Social Security payment from those who would not.
- c. In the 2010-11 financial year, 106 Age Pensioners had their entitlement cancelled due to the receipt of a lump sum compensation payment.
- d. and e. The number of applications for review each year at ODM, ARO level, at SSAT level and the AAT, and the outcome of the review are provided in the following table:

Appeal Decision Outcome 2010-11						
Review Type	Affirmed	Set Aside	Settled / Decision by Consent	Varied	Withdrawn / Dismissed	Total
Original Decision Maker						
Compensation preclusion period	800	17		144	56	1,017
Special circumstances	67			7	3	78
TOTAL	867	17		151	59	1,095
Authorised Review Officer						
Compensation preclusion period	454	31		73	28	586
Special circumstances	34	4		7	5	50
TOTAL	488	35		80	33	636
Social Security Appeals Tribunal						
Compensation preclusion period	166	63		6	15	250
Special circumstances	12	1		2	1	16
TOTAL	178	64	0	8	16	266
Administrative Appeals Tribunal						
Compensation preclusion period	15	9	26	2	12	64
Special circumstances	3				2	6
TOTAL	18	9	26	2	14	70
GRAND TOTAL	1,552	125	27	241	122	2,067

- f. The department is not readily able to provide the information requested. Obtaining this information would be an extremely time-consuming, manual process requiring analysis of individual records. This would be an unreasonable diversion of resources.
- g. The department is not readily able to provide the information requested. Obtaining this information would require complex processing. This would be an unreasonable diversion of resources.
- h. The department is not readily able to provide the information requested. Obtaining this information would be an extremely time-consuming, manual process requiring analysis of individual records. This would be an unreasonable diversion of resources.

2. The Department of Human Services has not undertaken any research or analysis of this nature.
3. The Department of Human Services has not undertaken any research or analysis of this nature.
4. The Department of Human Services has not undertaken any research or analysis of this nature.