

Senate Community Affairs Legislation Committee

BUDGET ESTIMATES - 29 MAY 2012 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Family Tax Benefit Part A – Residency Requirements

Question reference number: HS 37

Senator: Fifield

Type of question: Written

Date set by the committee for the return of answer: 27 July 2012

Number of pages: 2

Question:

- a) Are there any cases where a person on a temporary visa has claimed the Family Tax Benefit and then returned to their native country with an outstanding Centrelink debt?

If so:

- b) How often does this scenario typically occur? What percentage of Centrelink fraud cases are made up of migrants who incorrectly claim these payments?
- c) Can you provide an estimate of how much this kind of Centrelink fraud costs the department each year?
- d) In these cases, what steps does Centrelink take to recoup the money? Particularly if the person has returned to a country with which we do not have a social security or extradition treaty?
- e) Has the Department flagged this issue with the Minister's Office?
- f) Has the Minister's Office asked the Department to undertake any work on enacting measures to close this loophole?
- g) Has the department received any tip-offs in the last twelve months alleging that a person on a temporary visa has claimed the Family Tax Benefit and then returned to their native country with an outstanding Centrelink Debt? If so have these tip-offs been investigated?
- h) How many Indigenous people and irregular boat arrivals have been prosecuted for [this type of] fraud in 2010-2011 and 2011-2012?

Answer:

- a) The following data shows the number of temporary visa holders, with an outstanding Family Tax Benefit debt, who have departed Australia, as at 31 May 2012. (Note: the absence may be temporary or to a country other than their native country.)

Number of Customers	852
Number of Debts	1,441
Amount Outstanding	\$4,163,779

- b) The department is unable to answer the question in relation to how often this scenario typically occurs as it cannot determine if a person's absence is temporary or permanent, or if they returned to their native country. Customers have debts for a number of reasons, including unexpected changes in circumstances, and the presence of a debt does not necessarily indicate that the claim was incorrect or fraudulent. For the 2011-12 financial year, as at 31 May 2012, there were no fraud cases identified involving migrants who incorrectly claim these payments.
- c) For the 2011-12 financial year, as at 31 May 2012, there were no identified costs to the department of fraud associated with migrants who incorrectly claim these payments.
- d) Where a customer does not have a continuing repayment arrangement in place on exiting Australia, or is a former customer, the department attempts to recover the outstanding money through civil action, collection agents or garnishee action if the person has assets or financial interests in Australia. For people residing in New Zealand, debts may be referred to the New Zealand Department of Work and Income for assistance with recovery. Additionally, assistance may be sought from the Australian High Commission or Embassy in the country where the person is now living, but cost effectiveness of any recovery action is taken into consideration.
- e) The issue of recovery of debts from people that have left the country has not been raised with the Minister's Office as there are processes in place to recover overpayments from these people.
- f) The Minister's Office has not raised this with the department as there are longstanding steps in place to recover overpayments from these people.
- g) For the 2011-12 financial year, as at 31 May 2012, there were three tip-offs received where Family Tax Benefit payments have been associated with individuals possibly going overseas. All three tip-offs were assessed and finalised as un-substantiated.
- h) For the 2010-11 financial year there were no cases referred for prosecution. For the 2011-12 financial year, as at 31 May 2012, there were no cases referred for prosecution.