

## Senate Community Affairs Legislation Committee

### BUDGET ESTIMATES – 5-6 JUNE 2014 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Overpayments

**Question reference number:** HS 186

**Senator:** Cameron

**Type of question:** Written

**Date set by the committee for the return of answer:** 25 July 2014

**Number of pages:** 2

#### **Question:**

- a) Please update Supplementary Estimates, 21 November 2013 Answers on Notice, Department of Human Services, HS 90.
- i) How many people have a Centrelink overpayment (including FTBA and B) and are not currently in receipt of a Centrelink payment (including FTBA and B)? (List Centrelink payments and FTBA and B overpayments separately).*
  - ii) What was the total value of these outstanding debts?*
  - iii) How much of this overpayment (in total value and numbers of debtors) is currently not under a recovery arrangement?*
  - iv) What steps are being taken to recover these overpayments?*
- b) Please update Additional Estimates, 27 February 2014 Answers on Notice, Department of Human Services, HS 34.
- i) Provide a breakdown of outstanding debt by main pension/allowance.*
  - ii) Provide the value of overpayments that have not yet been raised*

#### **Answer:**

- a) As at 31 March 2014:
- i) The department can now provide quarterly information on the number of customers with a debt. There were 302,965 non-current customers with a total of 471,283 debts. The department's debt management information system does not separately identify FTB A and B debts. There were 103,565 non-current customers with a total of 177,472 debts relating to Family Tax Benefit.*
  - ii) The total value of the debts owed by non-current customers was \$1,153,430,883. Of this total, debts to the value of \$522,373,720 are owed in relation to Family Tax Benefit and associated payments.*
  - iii) Of the total debts owed by non-current customers 193,648 debts, with a total value of \$465,266,265, were not under any formal recovery arrangement.*

iv) Where debts are not under any recovery arrangement, the department attempts to discuss repayment arrangements with these customers. If several attempts to contact the customer are unsuccessful, other avenues to pursue recovery may be considered, such as referral to a Collection Agent, or garnishee of wages or tax refund.

b) i) The following table provides a breakdown of outstanding debt at 31 May 2014 by main pension /allowance.

<b>Customer Payment Group</b>	<b>Number</b>	<b>Amount</b>
Family Tax Benefit (FAO reco. only)	258,289	\$789,356,208
Parenting Payment Single	88,349	\$484,149,484
Newstart Allowance	265,439	\$433,476,175
Disability Support Pension	53,741	\$233,801,266
Youth Allowance (Student)	73,312	\$146,626,743
Parenting Payment Partnered	46,533	\$142,048,198
Age Pension	32,207	\$131,522,727
Family Tax Benefit (excluding FAO reco.)	103,002	\$82,010,464
Carer Payment	18,548	\$65,760,376
Austudy	21,030	\$52,018,619
Youth Allowance (Jobseeker)	36,403	\$25,642,829
ABSTUDY	11,803	\$21,507,829
Other	60,154	\$111,910,255
<b>Grand Total</b>	<b>1,068,810</b>	<b>\$2,719,831,174</b>

ii) The estimated value of overpayments that have not been raised was approximately \$336 million at 31 May 2014.