

Senate Community Affairs Legislation Committee

SUPPLEMENTARY ESTIMATES - 18 OCTOBER 2012 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Debt recovery - methods

Question reference number: HS 46

Senator: Siewert

Type of question: Written question

Date set by the committee for the return of answer: 7 December 2012

Number of pages: 3

Question:

Part 5.3 of the *Social Security Act 1991* sets out methods of recovery of social security debts. What is (a) the number of debts, and (b) what is the total amount of those debts, on a State and Territory basis, recovered under each of the following Sections for the last two years:

- 1) deductions from debtor's pension, benefit or allowance;
- 2) deductions from debtor's farm household payments or support;
- 3) legal proceedings;
- 4) garnishee notice;
- 5) arrangement for payment of debt;
- 6) deductions by consent from social security payment of person who is not a debtor;
and
- 7) using a private debt collection agency.

Answer:

The information tables at Attachment A provide details of the source of debt repayments for Centrelink payment debts for 2010-11 and 2011-12 financial years.

- 1) Deductions from debtor's pension, benefit or allowance is included under the column *Withholdings (excluding third party withholdings)*.
- 2) Information regarding deductions from Farm Household Payments or Support is not available.
- 3) Repayments as a result of legal proceedings are not reported within a discreet category as the actual repayment can be made through a variety of repayment methods. Information regarding debts recovered through legal proceedings has been tracked since 1 November 2011 and is shown in the table below. Between 1 November 2011 and 31 October 2012:
 - a. The Department has recovered or attempted to recover 48 debts with a total value of \$2,098,851.61 through the use of legal proceedings.

- b. The total amount of recovery in relation to those debts is \$823,925.27. Of the 48 debts, 30 debts have outstanding balances.

| State/Territory | Debts to be recovered through legal proceedings | | Debts where recoveries have been made | |
|------------------------------|---|-----------------------|---------------------------------------|---------------------|
| | No of Debts | Debt Amount | No of Debts | Amount Recovered |
| Australian Capital Territory | 2 | \$65,680.58 | 1 | \$852.00 |
| New South Wales | 15 | \$496,785.91 | 13 | \$212,370.11 |
| Queensland | 11 | \$285,314.08 | 7 | \$103,074.43 |
| South Australia | 2 | \$130,695.65 | 2 | \$4,349.10 |
| Victoria | 17 | \$1,071,767.16 | 14 | \$503,279.63 |
| Western Australia | 1 | \$48,608.23 | | |
| | 48 | \$2,098,851.61 | 37 | \$823,925.27 |

- 4) Debt repayments through garnishee notice are shown in two columns *Garnishee through the ATO* (Australian Taxation Office) and *Other Garnishee repayments*.
- 5) Arrangement for repayment of debt is shown in the column *All other repayments*.
- 6) Deductions by consent from social security payment of a person who is not a debtor is in the column headed *Third Party withholdings*.
- 7) Repayments made through a private debt collection agency are shown in the *Collection Agent recoveries* column.

| State and Territory | Total number of Customers* | Withholdings (excluding third party withholdings) | | Third party withholdings | | Garnishee through AT0 | | Other Garnishee repayments | | Collection Agent recoveries | | All other repayments | | Total | |
|---------------------|----------------------------|---|-----------------------|--------------------------|---------------------|-----------------------|----------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|-----------------------|-------------------|-------------------------|
| | | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid |
| | | | | | | | | | | | | | | | |
| ACT | 17,188 | 10,404 | 4,648,107.43 | 13 | 7,689.57 | 532 | 357,329.61 | 155 | 391,447.62 | 1,807 | 1,228,905.24 | 15,180 | 7,860,538.72 | 28,091 | 14,494,018.19 |
| NSW | 405,320 | 288,970 | 128,315,419.50 | 637 | 374,419.14 | 12,415 | 7,639,971.74 | 4,007 | 13,546,747.09 | 40,365 | 24,689,322.38 | 315,578 | 162,558,604.65 | 661,972 | 337,124,484.50 |
| NT | 18,738 | 17,108 | 7,270,277.80 | 20 | 11,731.15 | 834 | 525,736.14 | 316 | 564,555.08 | 1,521 | 900,243.59 | 10,722 | 4,470,168.80 | 30,521 | 13,742,712.56 |
| QLD | 290,411 | 210,790 | 89,064,575.76 | 349 | 147,599.91 | 9,861 | 5,745,796.39 | 4,728 | 20,387,832.87 | 25,778 | 14,158,321.98 | 233,681 | 113,746,726.37 | 485,187 | 243,250,853.28 |
| SA | 101,683 | 75,151 | 30,586,873.60 | 124 | 48,059.54 | 2,916 | 1,643,560.55 | 2,201 | 10,843,083.33 | 9,261 | 5,127,731.06 | 75,600 | 30,670,018.57 | 165,253 | 78,919,326.65 |
| TAS | 32,871 | 24,628 | 9,870,656.87 | 35 | 15,519.05 | 1,002 | 534,239.02 | 566 | 2,084,921.98 | 2,837 | 1,403,237.02 | 24,307 | 9,016,833.47 | 53,375 | 22,925,407.41 |
| VIC | 304,279 | 208,653 | 94,758,151.61 | 477 | 280,632.44 | 9,348 | 5,763,388.70 | 6,030 | 27,909,581.66 | 29,569 | 18,872,545.30 | 234,814 | 106,570,264.71 | 488,891 | 254,154,564.42 |
| WA | 131,590 | 96,672 | 40,899,593.88 | 159 | 97,981.12 | 5,010 | 2,955,517.92 | 1,308 | 2,812,413.99 | 13,842 | 9,057,045.10 | 104,537 | 53,194,981.53 | 221,528 | 109,017,533.54 |
| Unknown*** | 22,098 | 13,048 | 6,314,860.87 | 34 | 25,028.58 | 3,576 | 2,220,529.64 | 785 | 1,381,155.38 | 3,202 | 2,185,861.37 | 13,673 | 8,135,927.61 | 34,318 | 20,263,363.45 |
| Total | 1,324,178 | 945,424 | 411,728,517.32 | 1,848 | 1,008,660.50 | 45,494 | 27,386,069.71 | 20,096 | 79,921,739.00 | 128,182 | 77,623,213.04 | 1,028,092 | 496,224,064.43 | 2,169,136 | 1,093,892,264.00 |

* Total number of customers is the number of customers who made at least one debt repayment in the financial year.
 ** Number of debts is the number of debts with at least one debt repayment in the financial year. The sum of these columns is greater than the total due to some debts being repaid via more than one repayment category.
 *** Unknown includes customers where their address is not known or the address is an overseas address.

| State and Territory | Total number of Customers* | Withholdings (excluding third party withholdings) | | Third party withholdings | | Garnishee through AT0 | | Other Garnishee repayments | | Collection Agent recoveries | | All other repayments | | Total | |
|---------------------|----------------------------|---|-----------------------|--------------------------|-------------------|-----------------------|----------------------|----------------------------|----------------------|-----------------------------|-----------------------|----------------------|-----------------------|-------------------|-------------------------|
| | | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid | Number of debts** | Value repaid |
| | | | | | | | | | | | | | | | |
| ACT | 16,215 | 9,152 | 4,613,644.82 | 16 | 8,555.42 | 890 | 552,690.06 | 147 | 359,611.40 | 2,189 | 1,704,401.81 | 15,269 | 8,174,463.12 | 27,663 | 15,413,366.63 |
| NSW | 380,122 | 256,663 | 130,257,074.07 | 534 | 296,517.60 | 18,940 | 11,472,947.71 | 2,723 | 10,980,497.60 | 46,686 | 34,261,955.44 | 313,765 | 170,386,537.49 | 639,311 | 357,655,529.91 |
| NT | 18,703 | 16,446 | 7,458,297.52 | 10 | 7,826.09 | 1,342 | 884,529.51 | 219 | 425,635.64 | 1,958 | 1,401,590.79 | 11,205 | 4,925,729.23 | 31,180 | 15,103,608.78 |
| QLD | 287,224 | 198,055 | 90,644,033.16 | 269 | 116,649.95 | 16,579 | 9,660,235.60 | 3,034 | 12,294,150.46 | 35,842 | 23,114,404.55 | 242,707 | 130,149,372.20 | 496,486 | 265,978,845.92 |
| SA | 89,023 | 62,499 | 29,861,397.93 | 106 | 47,620.54 | 4,481 | 2,600,912.99 | 1,373 | 7,700,912.43 | 9,813 | 6,391,713.33 | 70,996 | 32,843,301.72 | 149,268 | 79,445,858.94 |
| TAS | 29,492 | 21,445 | 9,859,963.02 | 38 | 12,005.80 | 1,550 | 793,593.68 | 273 | 912,925.31 | 2,982 | 1,661,600.80 | 23,128 | 9,735,655.36 | 49,416 | 22,975,743.97 |
| VIC | 279,704 | 183,403 | 94,637,665.09 | 429 | 226,357.60 | 14,140 | 9,164,188.09 | 2,668 | 9,598,224.47 | 33,314 | 25,618,086.58 | 233,837 | 121,532,419.76 | 467,791 | 260,776,941.59 |
| WA | 120,878 | 82,899 | 39,561,952.66 | 95 | 55,737.45 | 7,369 | 4,406,276.70 | 862 | 2,312,011.27 | 16,220 | 13,051,042.39 | 101,490 | 53,432,038.65 | 208,935 | 112,819,059.12 |
| Unknown*** | 20,128 | 9,422 | 4,770,544.23 | 19 | 7,923.59 | 5,094 | 2,863,997.83 | 624 | 1,038,462.49 | 2,690 | 2,135,627.35 | 12,627 | 8,779,346.65 | 30,476 | 19,595,902.14 |
| Total | 1,241,489 | 839,984 | 411,664,572.50 | 1,516 | 779,194.04 | 70,385 | 42,399,372.17 | 11,923 | 45,622,431.07 | 151,694 | 109,340,423.04 | 1,025,024 | 539,958,864.18 | 2,100,526 | 1,149,764,857.00 |

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