

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2013-2014

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: 3/3.1

Topic: Incorrect salary payments to MOP(S) Act employees

Senator: Ludwig

Question reference number: F146

Type of question: Written

Date set by the committee for the return of answer: Friday, 11 April 2014

Number of pages: 2

Question:

- 1) In regards to the payment of staff employed under the Ministerial and Parliamentary staff act, in the last three years how many instances have there been of staff being incorrectly paid at a rate higher than they were meant to be? Either by incorrect classification, incorrect allowances or other means.
- 2) Excluding incorrect overpayment of travel allowance, what would be the greatest sum of overpayment that the department has incorrectly made to a M&PS staffer in the last three years?
 - a. For the last three financial years, how many M&PS staff would have been incorrectly overpaid in salary or allowances by less than \$1,000 over a 12 month period by the department?
 - b. For the last three financial years, how many M&PS staff would have been incorrectly overpaid in salary or allowances by more than \$1,000 over a 12 month period by the department?
 - c. For the last three financial years, how many M&PS staff would have been incorrectly overpaid in salary or allowances by more than \$5,000 over a 12 month period by the department?
 - d. For the last three financial years, how many M&PS staff would have been incorrectly overpaid in salary or allowances by more than \$10,000 over a 12 month period by the department?
 - e. For the last three financial years, how many M&PS staff would have been incorrectly overpaid in salary or allowances by more than \$50,000 over a 12 month period by the department?
- 3) What is the department's policy for identifying and recovering the overpayment of salaries or allowances made to M&PS staff?
 - a. Provide a copy of this policy and the date it was implemented.

- 4) When an overpayment of salary or allowances is identified does the department seek to recover the debt in instalments? Is there a threshold for which payments of a certain size can be repaid in instalments?
- a. Provide a copy of this policy that guides this process and the date it was implemented
- 5) If an overpayment of salary or allowances has been paid in net terms, that is tax has been withheld from the portion of the overpayment of the salary or allowances, does the department seek to recover this money in the net or gross amount?
- a. What policy determines this decision?
- b. What is the decision making process for assessing such a situation?

Answer:

- 1) – 2) This information is not stored in a readily available format. To attempt to provide this level of detail would involve an unreasonable diversion of departmental resources.
- 3) The department's policy is contained in the *Commonwealth Members of Parliament Staff Enterprise Agreement 2012 – 2015* which can be found at the following link:
http://maps.finance.gov.au/enterprise_agreement/2012-2015/docs/EA_2012-2015.pdf
- 4) Refer to question 3 above.
- 5) a) and b) Where the tax component of the gross overpayment can be recovered from the Australian Tax Office (ATO), i.e. where the overpayment has occurred in the current financial year and can be repaid before the end of that financial year, then only the net amount is required to be repaid. Where the overpayment has occurred in a previous financial year, or where the repayment will not be completed by the end of the current financial year, the gross amount of the overpayment is required to be repaid. Finance then writes to the ATO (with a copy sent to the employee) informing them that the employee's income for the previous financial year has changed. This then allows the employee to put in an amended tax return to reclaim any overpaid income tax.