

**Senate Standing Committee on Finance and Public Administration**

ANSWER TO QUESTION ON NOTICE

**Human Services Portfolio**

**Department of Human Services**

Budget Estimates 2007-08 - May 2007

**Question: HS35**

**Outcome 1, Output 1**

**Topic: Department of Human Services - Fraud and Compliance**

**Hansard Page/Written Question on Notice: Hansard Page F&PA 120-1**

**SENATOR LUNDY** asked on 24/05/2007:

**Senator LUNDY**—What are you expecting to save through the expenditure on these additional fraud and compliance measures?

**Mr Popple**—The net save over next three years is \$269 million. The total save is \$383 million. That includes—

**Senator LUNDY**—Can you give me the annualised breakdown of that in relation to these nine new compliance measures?

**Mr Popple**—I was going to say that that is for the whole package. I would have to take it on notice to break it down against the specific measures...

**Senator LUNDY**—Yes, that is fine. I am very keen to get it, and I would prefer to get those figures disaggregated on an annual basis as well.

**Ms Williams**—If we could come back to you, because there seems to be a little bit of a disagreement. We would prefer to give you the correct figures.

**Senator LUNDY**—Yes. I think that would be good. So I have the costs of those programs; what I would like to know is the net savings for each of those programs across each of the out years.

**Mr Popple**—Yes, Senator.

**Answer:**

The total fraud and compliance package included 13 new fraud and compliance measures in the 2007-08 Budget. Estimated net savings from this package of 13 measures are \$54.4 million in 2007-08, \$93.2 million in 2008-09 and \$121.8 million in 2009-10.

In addition to the nine measures listed in the Human Services Portfolio Budget Statements, Centrelink also is responsible for delivering the Families, Community Services and Indigenous Affairs budget measure, *Fraud and Compliance – Preventing Carer Payment Debt*, with the cost of the measure to be met from the existing resources of Centrelink.

The annual estimated net savings for the 13 new measures are:

Portfolio	Measure	2007-08	2008-09	2009-10	2010-11	TOTAL
		(\$ m)	(\$ m)	(\$ m)	(\$m)	(\$ m)
DHS	Residency Eligibility Validation System for Payments and Concessions	-10.6	-14.1	3.8	6.5	-14.4
FaCSIA	Preventing Carer Payment Debt	3.6	12.1	12.1	12.4	40.2
FaCSIA	Age Pension - Additional Assessment of the Value of Real Estate Assets	7.2	56.8	66.8		130.9
FaCSIA	Consistent Assessment of Family	38.5	-3.0	-2.7		32.8

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	Tax Benefit					
FaCSIA, DVA	Age Pension - Data Exchange with the United Kingdom	6.2	9.8	6.0		22.0
FaCSIA	Rolling Random Sample Survey Programme for Families, Community Services and Indigenous Affairs Payments	-4.5	-4.3	-4.3		-13.2
FaCSIA, DVA, DEWR, DEST	Transfer of Death Registration Information	5.9	7.2	7.4		20.5
DEWR	Verification of earnings to improve the accuracy of payments	-2.4	1.8	3.9		3.4
DEWR	Improved reporting of changes in income of people receiving Centrelink payments	4.2	16.0	16.5		36.6
DEST	Continuation and Expansion of Risk Profile Reviews for Student Income Support Payments	-1.3	0.5	1.8		1.1
DoFA, DHS	A More Strategic Approach to Addressing Fraud and Non-Compliance	-1.0				-1.0
DVA	Enhanced Compliance Programme, Income Support – Increase Funding	1.4	3.6	5.6		10.6
DVA	Enhanced Compliance Programme for Special Rate Pension	7.3	6.6	4.9		18.9
	<b>NET SAVINGS</b>	<b>54.4</b>	<b>93.2</b>	<b>121.8</b>	<b>18.9</b>	<b>288.3</b>

These net savings are reported in fiscal balance dollars and include capital funding. A negative figure indicates that there are only costs and no net savings in that year. Discrepancies between totals and sums of components in this table are due to rounding.