



Australian Government

29th July 2008



Mr Stephen Palethorpe
Committee Secretary
Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Palethorpe

I am writing to you in relation to evidence provided by officers from the Human Services Portfolio at the 29 May 2008 Budget Estimates hearings of the Senate Standing Committee on Finance and Public Administration (the Committee).

Following the hearings, officers from the Human Services Portfolio who appeared before the Committee have reviewed the proof copy of Hansard and checked departmental records. As a consequence, I would like to submit the following correction from Centrelink.

Evidence of Ms Alison Frame, Centrelink

Correction of evidence

At Hansard page F&PA 40, Ms Frame states:

“We would not have anything on our records about how much money they held in their bank account so we would not be comparing what we think they have got in their bank account currently with what the Commonwealth Bank tells us. We do not hold that information, as you know.”

To supplement the information provided by Ms Frame, the following additional information is provided:

“Centrelink does collect information from all customers receiving income support payments about the accounts they hold with financial institutions including the balance of each account. This is done at new claim stage and also regularly updated when reviews are conducted. Income support customers are also required to advise

Centrelink within 14 days if their financial assets change by \$1,000 or more. The information is collected in order to determine a customer's correct rate under the income and assets tests. All money held in financial investments, which include bank accounts and term deposits, are assessable assets and deemed income is calculated on the current balance of the accounts to determine assessable income.

"Centrelink records information relating to the account a customer requests their income support payments be made into in a separate place to where other bank accounts are held for means test purposes. The payment destination information records the financial institution BSB code but no account balance information. Investment information records the type of account (e.g. cheque, savings, term deposit) and account balance but not the BSB."

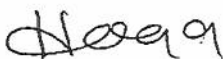
At Hansard page F&PA 44, Ms Frame states:

"The customer is always notified regarding information received from the bank before their record is updated. If there is information that we receive that is going to require us to update the record the customer is always notified."

To supplement the information provided by Ms Frame, the following additional information is provided:

"From the information gained through data matching with the Commonwealth Bank, customer records at risk of incorrect payment are selected for review. If a customer is selected for review they are contacted via a letter requesting they provide up to date details of their income and assets. That letter advises that Centrelink will also check its records against those held with the Commonwealth Bank of Australia to make sure we have the correct details recorded."

Yours sincerely



Carolyn Hogg
A/g Chief Executive Officer