

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Supplementary Budget Estimates 2005-2006, 1 November 2005

Question: HS 37

Outcome 1, Output 1.1

Topic: Centrelink - Debt Management

Hansard Page/Written Question on Notice: Written

SENATOR EVANS asked the Minister for Human Services, upon written notice:

1. Please provide an update (covering the 2005-06 financial year to date) of the figures provided on table 4 on page 44 of the Centrelink Annual Report 2004-05.
2. Please provide a table showing a full breakdown (by payment type and value of debt raised) of all debts raised in 2004-05 and 2005-06 (to date).
3. What is the total value of debts that have been recovered by Centrelink in the 2005-06 financial year (to date)?
4. Please provide a full breakdown of the cause (ie payment type) of all debts recovered in 2004-05 and 2005-06 (to date).
5. Please provide a table listing of all private debt collection agencies used by Centrelink, the commencement of the contract with the agency, the expiry date of the contract, the value of the contract, and how much has been paid to the agency under the contract to date.
6. Do any of Centrelink's contracts with private sector debt collection agencies have performance/incentive bonuses of any kind built into the contract? Please provide all details of all such bonus arrangements.
7. Are private debt collection agencies required to follow Centrelink debt collection guidelines when undertaking debt collection activities for Centrelink? If not, why not? If so, please supply a copy of the guidelines.
8. How much Centrelink debt has been recovered by Dun & Bradstreet in 2004-05 and 2005-06 (to date)? Please indicate the value of the debts recovered in these years, and the number of customers repaying these debts.
9. What level of debt has been recovered by credit card by Dun & Bradstreet in 2004-05 and 2005-06 (to date)?

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Supplementary Budget Estimates 2005-2006, 1 November 2005

Answer:

1. The table below shows debts raised for 2005-06 financial year to 31 October 2005.

Type of debts	Number of debts	Amount raised \$m
Total debts raised, excluding Family Tax Benefit and Child Care Benefit reconciliation and non-lodger debts	541,041	318

2. The table below shows debts raised by payment type for 2004-05.

Payment Type	Raised Amount (\$m)
Age Pension	71
Age Pension Related Payments	1
Disability Support and Sickness Allowance	109
Disability and Sickness Related Payments	19
Newstart Allowance	259
Newstart Related Payments	15
Youth Allowance and Austudy	126
Abstudy	12
Assistance to Isolated Children	0.8
Youth and Student Related Payments	3
Family Tax Benefit	42
Childcare Assistance	15
Family Related Payments	2
Family Assistance Office Reconciliation	949
Parenting Payment	174
Parenting Related Payments	3
Special Circumstances	13

The table below shows debts raised for 2005-06 financial year to 31 October 2005.

Payment Type	Raised Amount \$m
Age Pension	29.5
Age Pension Related Payments	0.5
Disability Support & Sickness Allowance	38.8
Disability & Sickness Related Payments	6.9
Newstart Allowance	90.1
Newstart Related Payments	4

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Supplementary Budget Estimates 2005-2006, 1 November 2005

Youth Jobseeker	8.8
Youth Student, Apprentice & Austudy	34.7
Abstudy	3.8
Assistance to Isolated Children	0.4
Youth & Student Related Payments	1.1
FTB (including FAO reconciliation)	192
Childcare Assistance	4.3
Family Related Payments	0.5
Parenting Payment	72.1
Parenting Related Payments	0.6
Special Circumstances	4.4

3. See the 2005-06 table provided in answer to question 4.
4. The table below shows debts recovered by payment type in 2004-05.

Payment Type	Recovery Amount (\$m)
Age Pension	56
Age Pension Related Payments	1
Disability Support & Sickness Allowance	88
Disability Support & Sickness Related Payments	15
Newstart Allowance	216
Newstart Related Payments	14
Youth Allowance and Austudy	93
Abstudy	10
Assistance to Isolated Children	0.6
Youth and Student Related Payments	5
Family Tax Benefit	31
Childcare Assistance	14
Family Related Payments	5
Family Assistance Office Reconciliation	479
Parenting Payment	119
Parenting Related Payment	7
Special Circumstances	10

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Supplementary Budget Estimates 2005-2006, 1 November 2005

The table below shows debts recovered by payment type in 2005-06 financial year to 31 October.

Payment Type	Amount Recovered \$
Age Pension	19,389,997
Age Pension Related Payments	271,576
Disability Support & Sickness Allowance	30,438,015
Disability & Sickness Related Payments	5,232,207
Newstart Allowance	75,858,060
Newstart Related Payments	3,931,998
Youth Jobseeker	6,970,398
Youth Allowance, Apprentice & Austudy	27,162,355
Abstudy	3,227,927
Assistance to Isolated Children	252,771
Youth & Student Related Payments	1,316,611
Family Tax Benefit	11,671,510
Childcare Assistance	4,748,605
Family Related Payments	1,272,038
FAO Reconciliation	216,452,731
Parenting Payment	45,220,600
Parenting Related Payments	1,853,927
Special Circumstances	3,702,859

5. Centrelink established a panel of providers for debt collection in October 2005. The providers on the panel are Dun and Bradstreet (Australia) Pty Ltd and RCL Mercantile. Details can be seen on AusTender at www.contracts.gov.au. In the 2005-06 financial year to 31 October 2005 (exclusive of GST), \$66,539.26 has been paid to D&B and \$9,726.58 has been paid to RCL.
6. No.
7. No, although letters, scripts etc. used by the Mercantile Agent are subject to approval by Centrelink. The purpose of outsourcing work to a Mercantile Agent is to have the expertise and tools of that agent applied to the collection of debt from Centrelink ex customers.
8. 8. In the 2004-05 financial year Dun and Bradstreet recovered \$54 million. In the 2005-06 financial year to 31 October 2005 Dun and Bradstreet recovered \$21 million. The detailed information required to answer the question on the number of ex-customers involved is not readily available. To obtain this information would be highly resource intensive and I cannot justify the level of expenditure that would be required to obtain it.
9. The detailed information required to provide figures for the 2004-05 financial year is not readily available. To obtain this information would be highly resource intensive and I cannot justify the level of expenditure that would be required to obtain it. For the 2005-06 financial year to 31 October 2005, ex-customers made 1,454 credit card payments to Dun and Bradstreet to a total value of \$482,837.