

Senate Finance and Public Administration Standing Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES – 21 OCTOBER 2008

Human Services Portfolio



Department/Agency: Centrelink
Outcome/Output Group: Outcome 1/Output 1.1
Topic: Australian Valuation Office

Senator: Senator Bernardi

Question reference number: HS4 and HS5

Type of question: Hansard F&PA126 and 127

Date set by the committee for the return of answer: 5 December 2008

Question(s):

HS4: Mr Cowan—The Australian Valuation Office uses a profiling approach to determine how best to do their valuations on properties of Centrelink customers. I do not have any figures at all with me on the break-up of the various methods they use. I can provide them for you, but I do not have them here today.

Senator BERNARDI—If you could take that on notice. I am specifically interested in whether there has been any significant change or any change at all in the percentage of physical inspections versus desktop valuations. The valuation office, through Mr D'Ascenzo, who is the head of the ATO, said that they respond to Centrelink requests. I hope I am right in that. I will stand corrected if I am not. They respond to your requests for the number of valuations and how they should be conducted; they do not determine that themselves.

Mr Cowan—We would talk about an appropriate approach but we would not specify a specific type of valuation for a specific type of property—and take into account they do valuations of properties for us right across Australia and overseas of Centrelink customers. They use a mixed bag of approaches, and we discuss with them regularly the approaches they use to do valuations.

Senator BERNARDI—I appreciate that.

HS5: Mr Cowan—We will have to give you some explanations of the data, because this time last year there was a significant increase in applicants for the age pension as a result of changes to the taper rate. That would distort any sort of time line of activity. We can give you some clarification on that.

Senator BERNARDI—The easiest way to do this is to be full and fearless in providing the information to us, which I am sure that the Minister would support.

Senator Ludwig—Absolutely.

Answer(s):

HS4 and HS5:

Since the implementation of the 2006-07 Budget measure *Fraud and Compliance Improved Assessment of the Value of Real Estate Assets*, Centrelink has established a regular valuation cycle for all customer real estate assets. This cycle ensures that customers' real estate assets are reviewed at least once within each two year period.



Year	Non-visual Assessments	Roadside Assessments	Full valuation Assessment	Appeals to the Social Security Appeals Tribunal or Administrative Appeals Tribunal
2004-05	9,025 (20%)	33,224 (75%)	2,029 (5%)	15
2005-06	9,505 (19%)	37,849 (77%)	1,807 (4%)	15
2006-07	7,124 (15%)	39,896 (82%)	1,505 (3%)	33
2007-08	19,517 (26%)	54,336 (72%)	1,181 (2%)	10

The increase in the number of non-visual assessments conducted by the Australian Valuation Office on behalf of Centrelink during 2007-08 can be attributed to a number of factors, including:

- an increase in the number of customers requesting a reassessment of their assets following a change in their circumstances and a change in the financial market;
- an increase in the number of Age Pension claims and related real estate assessments as a result of the change to the Age Pension assets taper rate; and
- an increase in the number of assessments conducted as a result of the introduction of the cyclical review process as part of the budget initiative.

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