Australian Government
Department of Human Services

AUSTRALIAN GOVERNMENT
DEPARTMENT OF HUMAN SERVICES

DESIGN, SCOPE, COST-BENEFIT ANALYSIS, CONTRACTS AWARDED AND IMPLEMENTATION ASSOCIATED WITH THE BETTER MANAGEMENT OF THE SOCIAL WELFARE SYSTEM INITIATIVE

SUPPLEMENTARY SUBMISSION
TO THE
SENATE COMMUNITY AFFAIRS
REFERENCES COMMITTEE

JUNE 2017

Table of Contents

Part One – Introduction 1

Part Two – Employment Income Matching System 1

Part Three – Debt Management 2

Part Four – Privacy 3

List of Attachments: 5

A – "Employment Income Confirmation" 1 June 2017 5

B – Updated Letters to Recipients 5

C – Department of Human Services Privacy Policy – April 2017 5

D – Data-matching Privacy Protocol 2004 5

E – Data-matching Privacy Protocol 2017 5

Part One – Introduction

The Department of Human Services (the department) is providing this supplementary submission to the Senate Community Affairs Reference Committee (the Committee), building upon the primary submission dated 22 March 2017 (see *Submission 66* on the Committee's Inquiry website).

Accordingly, this supplementary submission follows the same structure as the department's primary submission, addressing matters raised during regional hearings (after the department's first appearance before the Committee on 8 March 2017) and at the department's appearance at the public hearing in Canberra on 18 May 2017.

While aspects have arisen for consideration through Questions on Notice made to the department, other matters have been raised through evidence provided by, and questions asked of, other organisations and individuals appearing before the Committee.

Part Two – Employment Income Matching System

The department's primary submission explained that the Employment Income Matching measure is only relevant to people who have earned an income, not those who are wholly-dependent on social welfare.

As stated in the department's primary submission, data-matching, sending letters and assessing and calculating differences in income and payments has been part of the department's compliance activities for many years. What has changed is the introduction of the online self-service portal.

However, the introduction of the online portal did not change the data-matching methodology or the way the department assessed and calculated differences in income and payments received.

As discussed with members of the Committee on 18 May 2017, the screens for the employment income confirmation system have recently been clarified and simplified, as set out in the screen shots provided at **Attachment A** (*"Employment Income Confirmation" 1 June 2017*).

These pages can be reached using the details included in letters sent to individuals, and updated copies of these letters are provided at **Attachment B** (*Updated Letters to Recipients*).

These updates to screens and letters are also consistent with the department's response to the Ombudsman's Report 02 of 2017, *Centrelink's automated debt raising and recovery system*, dated 10 April 2017.

The Ombudsman's Report made eight recommendations covering 22 matters, and these have all been accepted by the department (and, where relevant, the Department of Social Services). Implementation of those recommendations has commenced across the board, with around half having already been completed and the balance expected to be completed by August 2017.

This work has included highlighting the department's compliance help line (1800 086 400), as well as continuing to ensure that the line is resourced to enable calls to be answered promptly. Further, to assist recipients with literacy issues, the department has published a Video on Demand on the department's website, which appears at the web address: https://www.humanservices.gov.au/customer/subjects/employment-income-confirmation.

As stated in letters to recipients, the system can be accessed by signing into their Centrelink online account, which is linked to their myGov account. Further work is occurring in the online environment to make this more user friendly for recipients. In this regard, one development since the department's appearance before the Committee on 18 May 2017 has been the release of a new-look portal for myGov over the weekend of 20-21 May 2017.

The improvements to myGov have involved hundreds of hours of user-acceptance testing – including with people in regional areas to gain an understanding of their context and environment.

Key matters identified through this testing included ensuring people can easily find the services they need, setting out clearer instructions, simplifying the sign-in processes (as well as enabling users to unlock their own suspended accounts) and how to more readily identify myGov as a trusted Government site. As a result, the design is now simpler and navigation is easier, such as making the logos for relevant services more prominent. Reducing the volume of information on the screens has also helped the site become more mobile friendly.

The department is currently in the process, along with the Digital Transformation Agency (DTA) and the Australian Taxation Office (ATO), of undertaking four-weeks of user research to see whether the changes have been successful. The DTA is working on the discovery and alpha phases of the project. The ATO has assisted with the prototype stage and the beta product.

Part Three – Debt Management

As stated in the department's primary submission, the majority of people who have a debt owing make arrangements to pay that debt following the information on the accounts payable letter they receive. If however, the person fails to engage with the department to arrange payment, the department initiates debt recovery.

External collection agents are not engaged where a person is an existing welfare recipient. For current welfare recipients, repayment of debts owing is organised through withholding arrangements from the recipient's current payments, which can be negotiated depending on their circumstances. Repayments can be as low as $5 per week. For people who are no longer in receipt of welfare payments, the department may engage an external collection agency.

Collection agencies are contracted by the department to collect debts. Debt collection agents pay 100 per cent of the amounts they successfully collect to the department. They are separately paid for their services at a rate that is calculated based on a percentage of amounts collected. This is consistent with the industry norm. There are no additional payments or incentives paid by the department to the agents for debt recovery services. As noted in evidence before the Committee on 18 May 2017, the department recognises that there are a number of matters related to debt collection which will benefit from review.

Matters referred to an external collection agent are not reflected on a person's credit history. Moreover, the external collection agents do not visit a recipient's home. All contact is done by a combination of letter, text and telephone.

These matters were confirmed when the Committee heard evidence from two external collection agents engaged by the department: Probe Group in Sydney on 19 April 2017 and Dun & Bradstreet (Australia) Pty Ltd in Hobart on 26 April 2017. Collection agencies also use in-house, Australia-based staff for this collection work. For example, Probe Group have 21 staff working from Melbourne, and Dun & Bradstreet have between 30 and 35 staff working from Melbourne.

External collection agents are provided with a significant amount of procedures and training. This includes procedures for vulnerable people. For example, evidence from Dun & Bradstreet confirmed that if a person is identified as vulnerable, no further recovery action is undertaken. Instead, those matters are referred back to the department.

Between 11 and 14 February 2017, the department recalled all unresolved debts raised under the Employment Income Matching compliance measure from external collection agents.

The department has provided an undertaking as part of its response to the Ombudsman's report that it will write to all recipients who had an Employment Income Matching debt to remind them of their review rights, including the application of the recovery fee.

The department is also manually reviewing the debts of people with a recalled debt who had no previous contact with the department as an additional quality assurance check. They are also called to ensure they are aware of their review rights. This has involved making over 11,000 calls and sending over 1000 letters.

Further, in line with standard departmental practice regarding declared disaster areas, debt recovery activities have been suspended for people affected by the Cyclone Debbie disaster.

Part Four – Privacy

The department is legally authorised to conduct data-matching activities, and deals with all personal information it holds in accordance with the *Privacy Act 1988* (Privacy Act) and relevant secrecy provisions in programme legislation. The department notifies recipients of data-matching in its Privacy Policy, as required under Australian Privacy Principle 1. The department's Privacy Policy is at **Attachment C**, having been recently shortened and simplified in consultation with the Office of the Australian Information Commissioner (OAIC).

The relevant data-matching for each relevant financial year occurred as soon as feasible for the relevant financial year. The Employment Income Matching measure has provided the department with the resources required to look into more of the differences identified through the data matches undertaken at that time.

Data-matching is one of the key controls used by the department to manage the ongoing risk of fraud and non-compliance. The department defines its data-matching as the process of comparing data from an external source with its own.

When conducting data-matching activities which do not involve matching Tax File Numbers (TFNs), the department adheres to the Australian Information Commissioner's *Guidelines on Data Matching in Australian Government Administration* (data-matching guidelines), which are issued under section 28(1)(a) of the Privacy Act. Compliance with these guidelines is not mandatory, but is considered to be best privacy practice.

The department's predecessor agency, Centrelink, developed a programme protocol for its Pay As You Go (PAYG) data-matching activity in 2004, when it started receiving the PAYG data file from the ATO. The process for this data-matching activity has not changed since 2004.
The original program protocol for PAYG data-matching was implemented in 2004 following consultation with OAIC's predecessor agency, the Privacy Commission. A copy of the 2004 protocol is attached at **Attachment D**.

As mentioned at the Committee's hearing on 18 May 2017, this program protocol has been updated, in consultation with OAIC, to reflect changes such as to: the names of applicable privacy principles and data-matching guidelines; and the name of relevant entities (such as updating Centrelink to the Department of Human Services). A copy of the updated 2017 data-matching protocol is at **Attachment E**.

The data-matching program remains unchanged since 2004. The number of reviews that the department conducts as a result of its data-matching has increased.

List of Attachments:

A – "Employment Income Confirmation" 1 June 2017

B – Updated Letters to Recipients

C – Department of Human Services Privacy Policy – April 2017

D – Data-matching Privacy Protocol 2004

E – Data-matching Privacy Protocol 2017

Australian Government
Department of Human Services

Employment Income Confirmation

1 June 2017

working as one

centrelink

Welcome

We recently sent you a letter asking you to confirm your employment income as we have received information from the Australian Taxation Office.

If you are a first time user — Start here

If you have already registered — Log in

centrelink

Registration

Back Next

You recently received a letter with your Customer Reference Number (CRN) and Confirmation Code, please enter these details:

CRN

Confirmation Code

centrelink

Getting started

Back Next

To confirm or update your employment income information, we need to verify two identity documents.

Please choose which documents you will provide details for:

- ○ Medicare card and Australian driver licence
- ○ Medicare card and Australian passport

By clicking 'Next' you agree for us to verify your documents with the authorities that issue them.

If you do not have the identity documents, please call 1800 086 400 within 14 days.

For more information expand the topics below:

+ **How it works**

+ **Your right to privacy**

centrelink

Medicare Card

Back Next

Enter information exactly as it appears on your Medicare Card.

Card Colour

Green

Medicare card number

Expiry date

mm/yyyy

/

Sample Medicare Card

Back to samples

Zoom

centrelink

Australian Driver Licence

Back Next

In which state or territory was your Australian Driver Licence issued?

- (●) Australian Capital Territory
- ( ) New South Wales
- ( ) Northern Territory
- ( ) Queensland
- ( ) South Australia
- ( ) Tasmania
- ( ) Victoria
- ( ) Western Australia

centrelink

ACT Driver Licence

Back Next

Enter information exactly as it appears on your ACT Driver Licence.

Given name

☐ I don't have a given name on my document

Middle name

☐ I don't have a middle name on my document

Last or only name

Date of birth

dd/mm/yyyy

/ /

Licence number

Sample ACT Driver Licence

Zoom

centrelink

Australian Passport

Back Next

Enter information exactly as it appears on your Australian Passport.

Document number

Given names

☐ I don't have any given names on my document

Last or only name

Date of birth
dd/mm/yyyy
/ /

Gender
Please select

Expiry date
dd/mm/yyyy
/ /

Sample Australian Passport
Zoom

centrelink

Contact information

Back Next

Your documents have been verified.

You need to provide either your email address or mobile phone number.

We will send you a security code to your email address or mobile phone number.

Email address

OR

Mobile phone number

centrelink

Security Code Sent

Back Next

A security code ending with "cjT" has been sent to the email or mobile number you provided.

If you did not receive a code, click the back button to re-enter your contact details.

Security Code
Enter the security code that was sent to your email or mobile number exactly as you received it.

centrelink

Login

Customer Reference Number (CRN)

Security Code

Enter the security code that was sent to your email or mobile number exactly as you received it.

I have forgotten or lost my Security Code

Login

If you require help throughout the online process please call 1800 086 400.

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Employment Income Confirmation

Start

Information from the Australian Taxation Office (ATO) shows different employer dates or amounts from what we recorded while you were receiving payments from us. There may be a good reason for this.

You have 28 days left to confirm or change your information. Need more time?

If you do not confirm this information before 14 Jun 2017, we will apply the information from the ATO to your record and this may result in a debt.

Before you start

It is likely you will need documents such as:

- payslips
- bank statements (you should be able to access at least the last seven years of these through your bank or credit union)
- separation certificates
- group certificates or payment summary.

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Employment Income Confirmation

Start

Information from the Australian Taxatio were receiving payments from us. There may be a good reason for this.

You have 28 days left to confirm o

If you do not confirm this infor is may result in a debt.

Before you start

It is likely you will need documents such

- payslips
- bank statements (you can access these through your financial provider for up to five years)
- separation certificates
- group certificates or payment summary.

Ask for more time

Do you need more time?

If yes, you will have an extra 14 days. Your new date will be **28 Jun 2017**.

You can only do this twice.

No Yes

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Employment Income Confirmation

Start

Information from the Australian Taxatio were receiving payments from us. There may be a good reason for this.

You have 42 days left to confirm o

If you do not confirm this infor is may result in a debt.

Before you start

It is likely you will need documents such

- payslips
- bank statements (you can access t
- separation certificates
- group certificates or payment sum

Ask for more time

Your request for more time has been successful.

Your new due date is **28 Jun 2017**.

If you do not confirm or change your information by **28 Jun 2017**, we will use the details from the ATO to check we paid you the right amount.

You may also request more time.

Close

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Check your Employment Details

Save and Close | Back | Next

Confirm each employer listed.

Employer	Trading name	ABN
Sparkels	SPARKELS GROUP LIMITED	12 345 768 128
◉ Yes - I worked for this employer		
○ No - I never worked for this employer		
Cole	COLE	12 345 768 123
◉ Yes - I worked for this employer		
○ No - I never worked for this employer		

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Check your Employment Details

Save and Close | Back | Next

For each employer listed, confirm or change as needed.

Financial year 2015 to 2016

Employer information	Dates of employment	Total income	Action
Sparkels Trading name: SPARKELS GROUP LIMITED	01 Jan 2016 to 01 Apr 2016	$10,001.00	Confirm or change

Financial year 2016 to 2017

Employer information	Dates of employment	Total income	Action
Cole Trading name: COLE	01 Oct 2016 to 01 Nov 2016	$5,001.00	Confirm or change

You may find this information on your payslips, bank statements, payment summary, or directly from your employer.

If the person agrees with the dates and selects 'Yes'

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Check your Dates of Employment

Save and Close | Back | Next

The dates your employer advised the Australian Taxation Office (ATO) that you worked for **Cole** were **01 Oct 2016 to 01 Nov 2016.** To confirm dates select 'Yes'. If you need to change the dates, you can select 'No' to change.

The ATO has advised that you started work for **Cole** in this financial year on the **01 Oct 2016.** ◉ Yes ○ No

The ATO has advised that you finished work for **Cole** in this financial year on the **01 Nov 2016.** ◉ Yes ○ No

If the person disagrees with the dates and selects 'No'

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Check your Dates of Employment

Save and Close | Back | Next

The dates your employer advised the Australian Taxation Office (ATO) that you worked for **Cole** were **01 Oct 2016 to 01 Nov 2016**. To confirm dates select 'Yes'. If you need to change the dates, you can select 'No' to change.

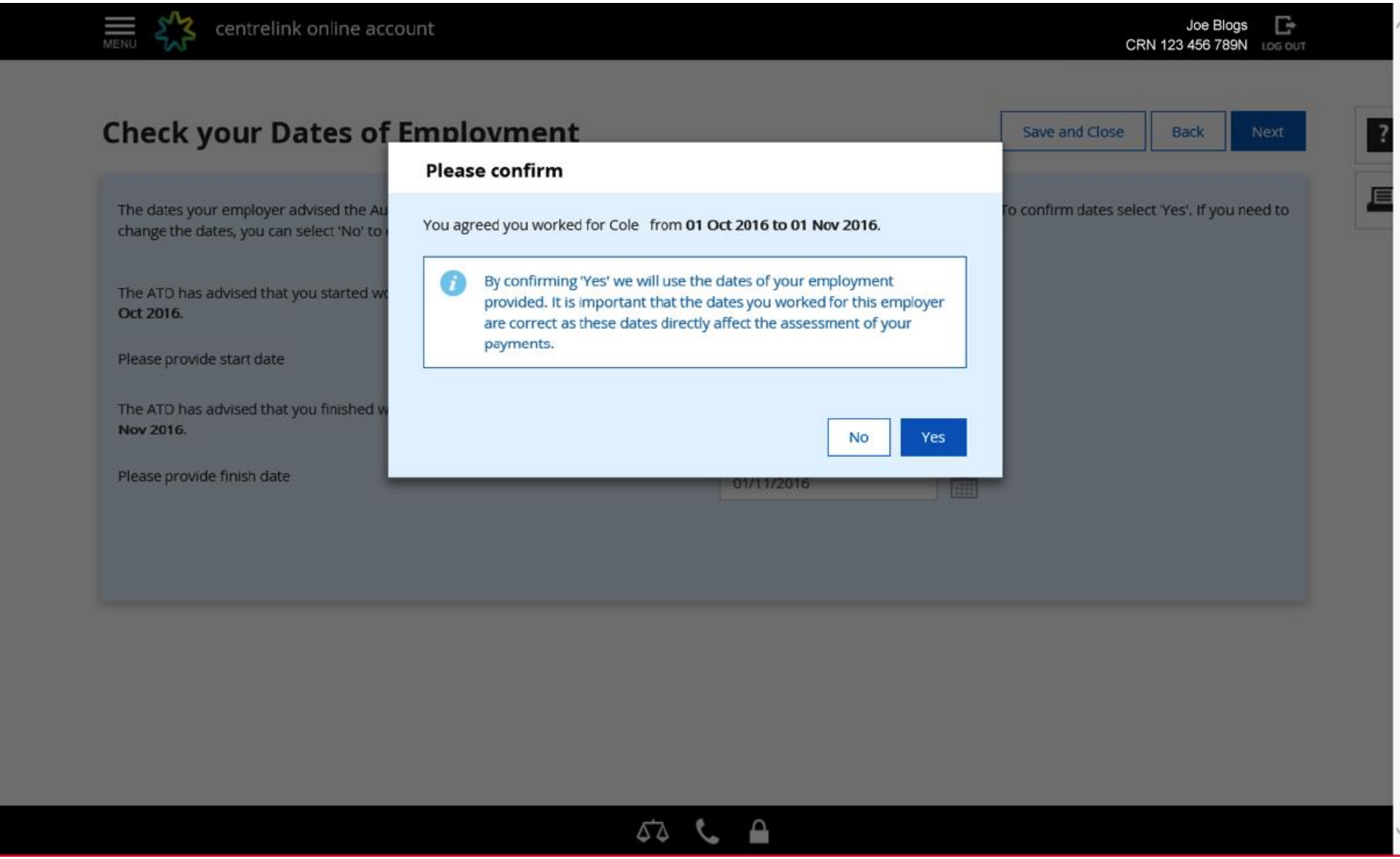
The ATO has advised that you started work for **Cole** in this financial year on the **01 Oct 2016**. ○ Yes ◉ No

Please provide start date 01/10/2016

The ATO has advised that you finished work for **Cole** in this financial year on the **01 Nov 2016**. ○ Yes ◉ No

Please provide finish date 01/11/2016

If the person agreed with the dates and selects 'Yes',



MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Check your Allowances, Lump Sums and Other Income

Save and Close | Back | Next

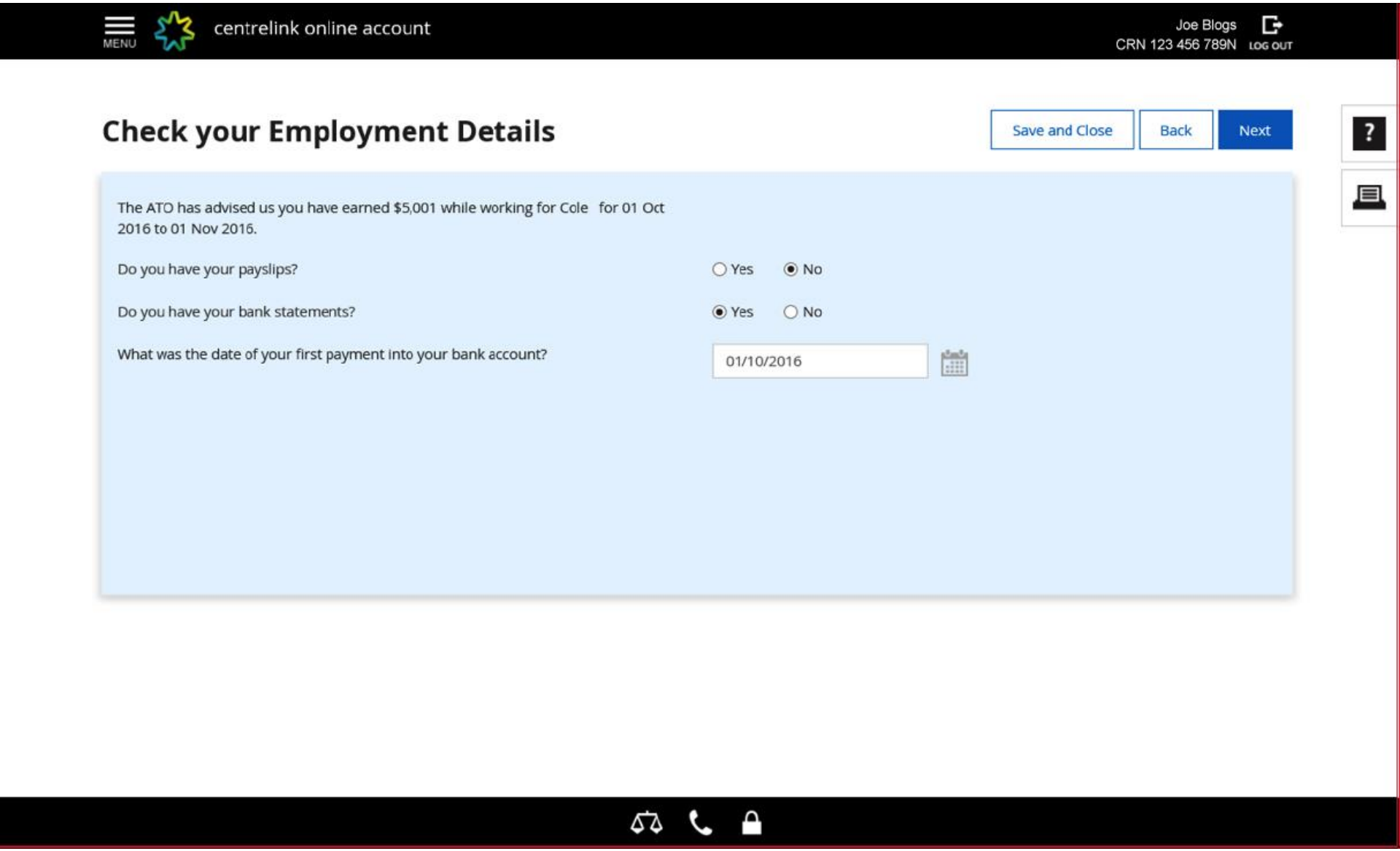
For Cole between the dates of 01 Oct 2016 to 01 Nov 2016:

Did you receive any allowances which compensated you for out of pocket expenses (eg car, meal, tool, phone or laundry allowance)? ○ Yes ◉ No ○ Unsure

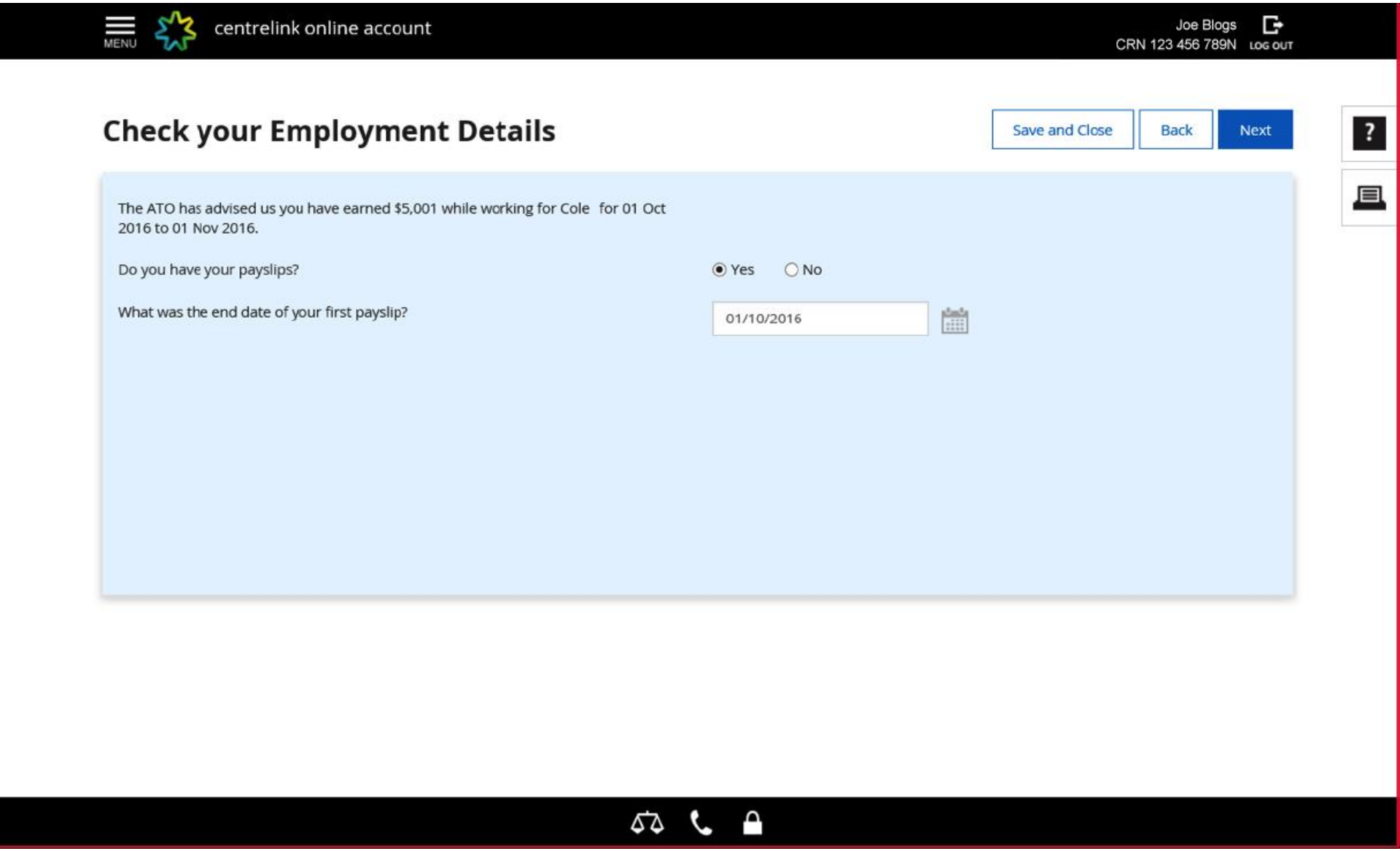
Did you receive any other form of income as a lump sum other than your employment income, such as: ○ Yes ◉ No ○ Unsure
- Income from superannuation,
- Income from compensation payments or income protection.

Did you receive any income other than your employment income, such as: ○ Yes ◉ No ○ Unsure
- Income from superannuation,
- Income from compensation payments or income protection,
- Income from Community Development Employment Projects,
- Government Paid Parental Leave.

If the person does not have payslips and selects 'No' (Net scenario)



If the person does have payslips and selects 'Yes' (Gross scenario)



If the person does not have payslips (Net scenario)

MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Check your Income Details Breakdown

Save and Close | Back | Next

Enter the amounts paid into your bank account for Cole for each of the date periods. If you are unsure what pay amounts to enter into your payment periods displayed click ? for help

01 Oct 2016 to 01 Oct 2016	$	02 Oct 2016 to 15 Oct 2016	$
16 Oct 2016 to 29 Oct 2016	$	30 Oct 2016 to 01 Nov 2016	$

The amounts you just entered are net income. We use gross income (before tax) to calculate our payments so we will convert your net amounts based on information from the ATO (tax you paid). Click next to proceed.

If the person does not have payslips (Net scenario) help text

MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Check your Income Details Breakdown

Enter the amounts paid into your bank account for Cole for each of the date periods. If you are unsure what pay amounts to enter into y
? for help

01 Oct 2016 to 01 Oct 2016	1201	02 Oct 2016 to 15 Oct 2016	1201
16 Oct 2016 to 29 Oct 2016	1201	30 Oct 2016 to 01 Nov 2016	1201

The amounts you just entered are net income. We use gross income (before tax) to calculate our payments so we will convert your net a information from the ATO (tax you paid). Click next to proceed.

Help for Check you Employment Details

- Gross Income
- Net Income
- Payment periods
- Calculating the amount to enter into the payment periods
- Conversion of net income to gross income

If you enter net income, this will be converted to a gross amount based on the amount of tax that you paid within the financial year.

The calculation to determine the tax rate is:

Total Tax from PAYG / Net Payment = Tax Rate per $ paid.

An example of this is below:

Gross income from PAYG: $24,656

Total tax paid on PAYG: $6018

Net payment (PAYG gross – tax paid): $18,638

Tax rate = $6018/$18,638 = 0.3229

Tax rate of 0.3229 is then multiplied with each fortnightly amount to calculate the tax paid. For example if

If the person does not have payslips (Net scenario)

MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Check your Income Details Breakdown

Save and Close | Back | Next

Enter the amoun
for help

01 C

16 C

The amo
informa

ds displayed click

sed on

Accept

The amounts you just entered are net income. We use gross income (before tax) to calculate our payments so have converted your net amounts based on information from the ATO (tax you paid). Please see the following calculations.

Cole	Total Net amount	$4,804.00
	Total estimated gross amount	$5,110.60
	ATO provided	$5,001.00

As you have provided net information it was converted to a gross amount based on the tax that you paid for the financial year. The gross amount is used to calculate your assessment.

If you do not accept the gross payment amount of $5,110.6 to be used in calculating your assessment please contact us on 1800 086 400 to discuss with a compliance officer.

If you agree with the use of this estimated gross amount, then click 'Yes' in order to complete your assessment.

- ○ **Yes, I Joe Blogs accept this estimated gross amount.**
- ○ **No, I Joe Blogs do not accept this estimated gross amount.**

Cancel | Next

If the person does have payslips (Gross scenario)

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

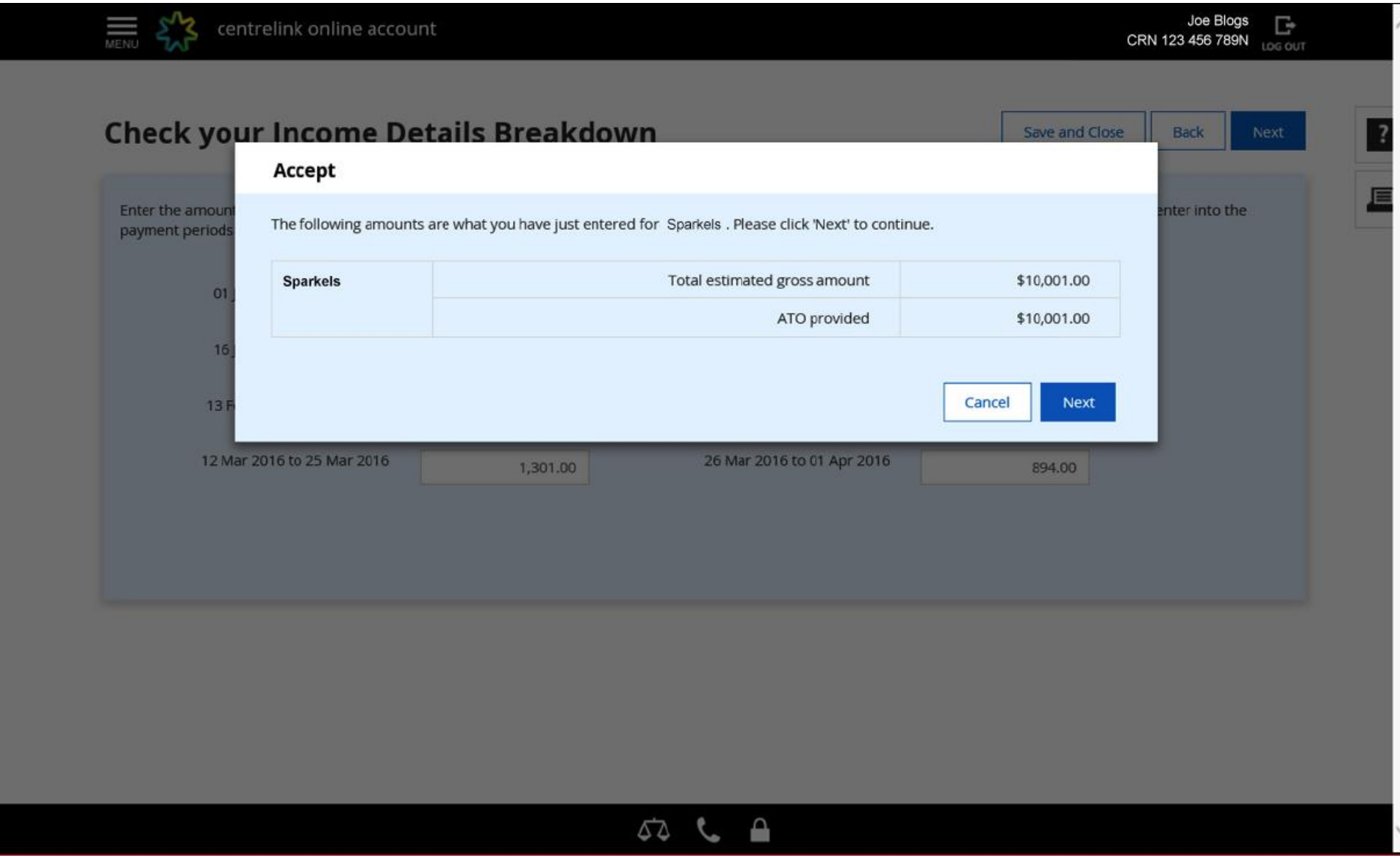
Check your Income Details Breakdown

Save and Close | Back | Next

Enter the amounts paid by Sparkels for the date periods displayed. These amounts can be found on your payslips. If you are unsure what pay amounts to enter into the payment periods displayed, click ? for help

01 Jan 2016 to 01 Jan 2016	1301	02 Jan 2016 to 15 Jan 2016	1301
16 Jan 2016 to 29 Jan 2016	1301	30 Jan 2016 to 12 Feb 2016	1301
13 Feb 2016 to 26 Feb 2016	1301	27 Feb 2016 to 11 Mar 2016	1301
12 Mar 2016 to 25 Mar 2016	1301	26 Mar 2016 to 01 Apr 2016	894

If the person does have payslips (Gross scenario)



MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Check your Employment Details

Save and Close | Back | Next

For each employer listed, confirm or change as needed.

Financial year 2015 to 2016

Employer information	Dates of employment	Total income	Action
Sparkels Trading name: SPARKELS GROUP LIMITED	01 Jan 2016 to 01 Apr 2016	$10,001.00	Confirm or change

Financial year 2016 to 2017

Employer information	Dates of employment	Total income	Action
Cole Trading name: COLE	01 Oct 2016 to 01 Nov 2016	$5,110.60	Confirm or change

You may find this information on your payslips, bank statements, payment summary, or directly from your employer.

MENU centrelink online account

Joe Blogs
CRN 123 456 789N ING OUT

Confirm the Information you Provided

Save and Close | Back | Next

Thank you for confirming your employment information. We will use this to do your assessment, so please make sure it's correct. Review the information carefully before moving to the final steps.

Financial year 2015 to 2016

Employer: **Sparkels** ABN: **12 345 768 128**

	Details you provided	Details provided by the ATO
Dates of employment	01 Jan 2016 to 01 Apr 2016	01 Jan 2016 to 01 Apr 2016
Gross Payments	$10,001.00	$10,001.00

Financial year 2016 to 2017

Employer: **Cole** ABN: **12 345 768 123**

	Details you provided	Details provided by the ATO
Dates of employment	01 Oct 2016 to 01 Nov 2016	01 Oct 2016 to 01 Nov 2016
Gross Payments	$5,110.60	$5,001.00

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Provisional Assessment Outcome

Save and Close | Back | Accept

By accepting this result you are declaring that the information you provided or confirmed is correct, and if your information changed from what you told us previously, there was a good reason. Therefore, no 10% recovery fee will apply.

If you do not accept or review your result within 14 days, the information from the Australian Taxation Office will be automatically applied to your record and may result in a debt.

Thank you for completing your employment income confirmation. The provisional result indicates we over paid you by **$5,488.75**. We will send you notification of this by letter.

If you do not accept this result, you can update your employment details again or call us on 1800 086 400.

Do you accept the provisional debt of **$5,488.75**? If so, click 'Accept'.

MENU centrelink online account

Joe Blogs
CRN 123 456 789N
LOG OUT

Provisional Assessment Outcome

Save and Close | Back | Accept

By accep
previous

If you do
result in

u told us

ecord and may

Thank you for co

ion of this by letter.

If you do not acce

Do you accept th

Accept

Thank you for assisting to confirm your employment income details. Please accept the following declaration and click 'Submit' to finalise your update.

Declaration

I declare that the information I have updated or confirmed is correct.

I understand that:

- I may need to provide further information if required.
- Not providing information or providing false or misleading information is an offence and can result in serious penalties.

☑ **I Joe Blogs accept this declaration.**

Back | Submit

MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Assessment results

Return to home

Assessment outcome | Debt explanation | Centrelink payment history | You reported to Centrelink | What you just told us

Assessment results

Receipt ID: 9000036910
Full name: Joe Blogs
CRN: 123 456 789N
Date and time: 17 MAY 2017 at 2:50:32 PM AUSACT

Thank you for confirming your employment income. We have completed your assessment and the total amount you owe is **$5,488.74**.

We will send you a letter with information about what you owe, how to pay and your review rights.

If you want to see our calculation details please see tabs.

If you believe the assessment result is incorrect or you have made a mistake, please call us on 1800 086 400.

centrelink online account

Joe Blogs
CRN 123 456 789N

Assessment results

Return to home

Assessment outcome | Debt explanation | Centrelink payment history | You reported to Centrelink | What you just told us

Debt explanation

Please see details of the income declared, amount paid, amount you are entitled and the actual income for this assessment.

More information about how your debt was calculated:

Period details	Resulting debt
29 Dec 2015 to 14 Apr 2016 (Debt number: A4224136)	$4,105.75
08 Oct 2016 to 10 Nov 2016 (Debt number: A4224136)	$1,382.99
Amount you owe Centrelink as a result of this assessment	**$5,488.74**

Debt period

29 Dec 2015 to 14 Apr 2016

Entitlement period	Declared income What you previously told Centrelink	Updated income What you have just told Centrelink	Amount originally paid by Centrelink	Amount entitled to based on updated information	Amount overpaid based on updated information
Total	**$0.00**	**$10,001.00**	**$6,701.09**	**$2,595.33**	**$4,105.76**
01 Apr 2016 to 14 Apr 2016	$0.00	$178.80	$873.90	$865.47	$8.43
18 Mar 2016 to 31 Mar 2016	$0.00	$1,495.80	$872.91	$205.98	$666.93
04 Mar 2016 to 17 Mar 2016	$0.00	$1,301.00	$867.00	$297.46	$569.53
19 Feb 2016 to 03 Mar 2016	$0.00	$1,301.00	$867.00	$297.46	$569.53
05 Feb 2016 to 18 Feb 2016	$0.00	$1,301.00	$867.00	$297.46	$569.53
22 Jan 2016 to 04 Feb 2016	$0.00	$1,301.00	$867.00	$297.46	$569.53
08 Jan 2016 to 21 Jan 2016	$0.00	$1,301.00	$867.00	$297.46	$569.53
29 Dec 2015 to 07 Jan 2016	$0.00	$1,821.40	$619.28	$36.56	$582.72

Show 10 per page 8 of 8 records Page 1

MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Assessment results

Return to home

Assessment outcome | Debt explanation | Centrelink payment history | You reported to Centrelink | What you just told us

Centrelink payment history

Please select a debt period to view your payment history for that period.

More information about how your debt was calculated:

Period details	Resulting debt
29 Dec 2015 to 14 Apr 2016 (Debt number: A4224136)	$4,105.75
08 Oct 2016 to 10 Nov 2016 (Debt number: A4224136)	$1,382.99
Amount you owe Centrelink as a result of this assessment	$5,488.74

Debt period

08 Oct 2016 to 10 Nov 2016

Entitlement period	Delivery date	Payment	Payment less deductions
28 Oct 2016 to 10 Nov 2016	14 Nov 2016	$877.10	$877.10
14 Oct 2016 to 27 Oct 2016	31 Oct 2016	$877.10	$877.10
30 Sep 2016 to 13 Oct 2016	17 Oct 2016	$877.10	$877.10

Show 10 per page 3 of 3 records Page 1

MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Assessment results

Return to home

Assessment outcome | Debt explanation | Centrelink payment history | You reported to Centrelink | What you just told us

You reported to Centrelink

Please select a debt period and employer to view your declared employment income for that period.

More information about how your debt was calculated:

Period details	Resulting debt
29 Dec 2015 to 14 Apr 2016 (Debt number: A4224136)	$4,105.75
08 Oct 2016 to 10 Nov 2016 (Debt number: A4224136)	$1,382.99
Amount you owe Centrelink as a result of this assessment	$5,488.74

Debt period

29 Dec 2015 to 14 Apr 2016

Employer	ABN	Entitlement period	Employment status	Hours	Declared amount
No records found					

Show 10 per page 0 of 0 records Page

MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Assessment results

Return to home

Assessment outcome | Debt explanation | Centrelink payment history | You reported to Centrelink | What you just told us

What you just told us

Financial year 2015 to 2016

Employer: **Sparkels** ABN: **12 345 768 128**

	Details you provided	Details provided by the ATO
Dates of employment	01 Jan 2016 to 01 Apr 2016	01 Jan 2016 to 01 Apr 2016
Gross Payments	$10,001.00	$10,001.00

Financial year 2016 to 2017

Employer: **Cole** ABN: **12 345 768 123**

	Details you provided	Details provided by the ATO
Dates of employment	01 Oct 2016 to 01 Nov 2016	01 Oct 2016 to 01 Nov 2016
Gross Payments	$5,110.60	$5,001.00

Assessment result page for a person who does not owe any amount

MENU centrelink online account

Joe Blogs
CRN 123 456 789N LOG OUT

Assessment results

Return to home

Assessment results

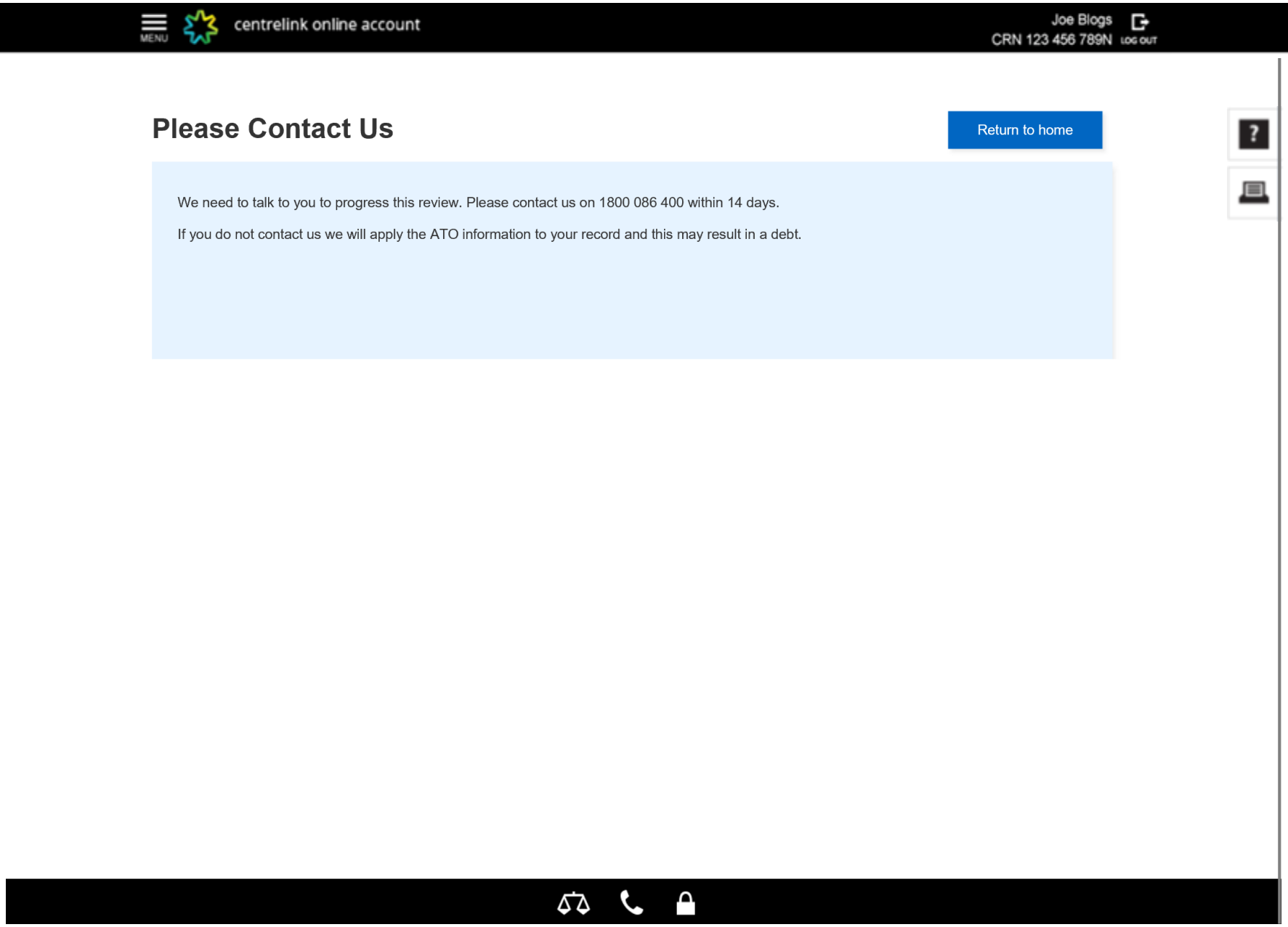
Receipt ID:	9000004379
Full name:	Joe Blogs
CRN:	123 456 789N
Date and time:	20 FEB 2017 at 3:24:05 PM AUSACT

Thank you for confirming your employment income. We have completed your assessment and have paid you correctly.

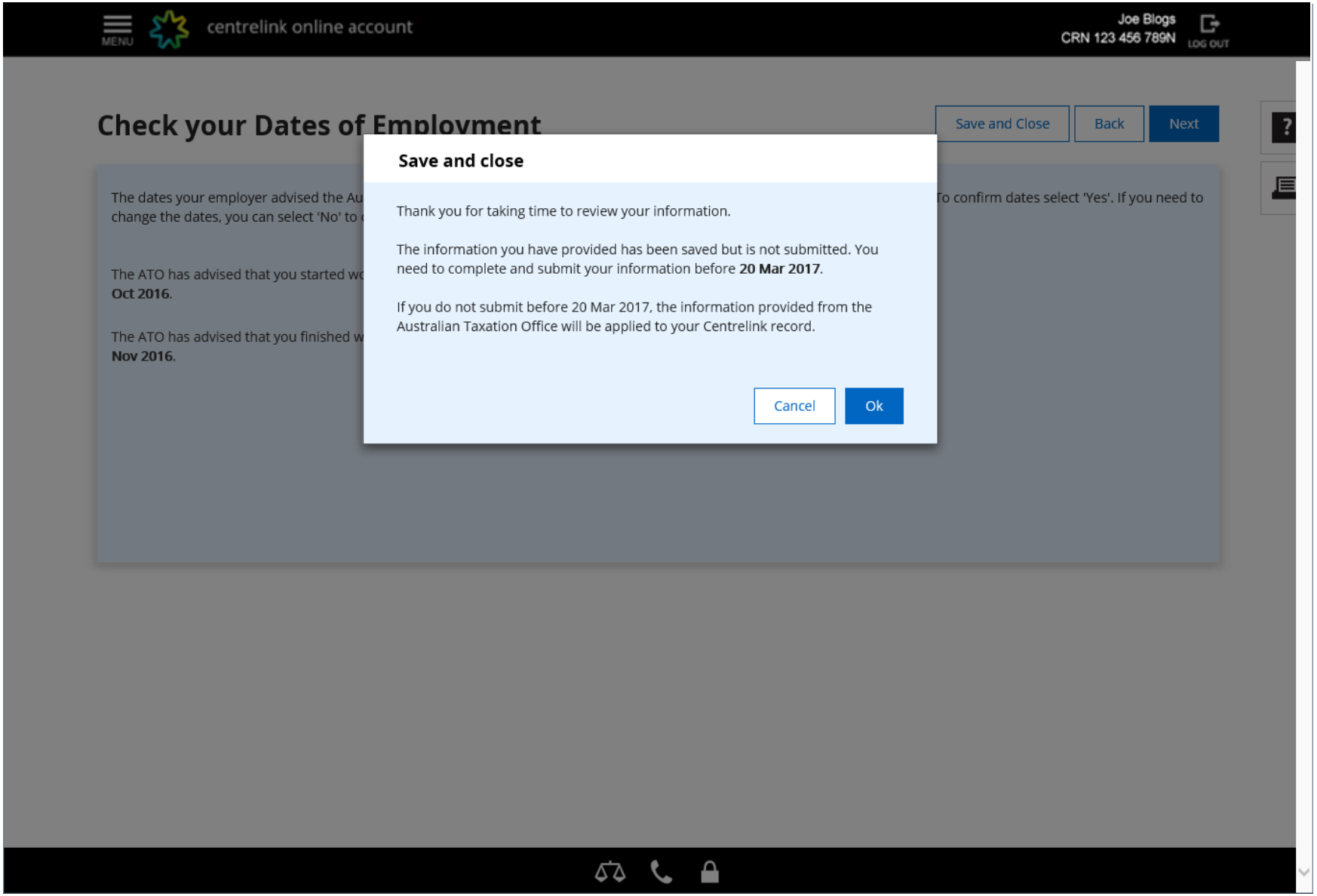
We will send you a letter with this information.

If you believe the assessment result is incorrect or you have made a mistake, please call us on 1800 086 400.

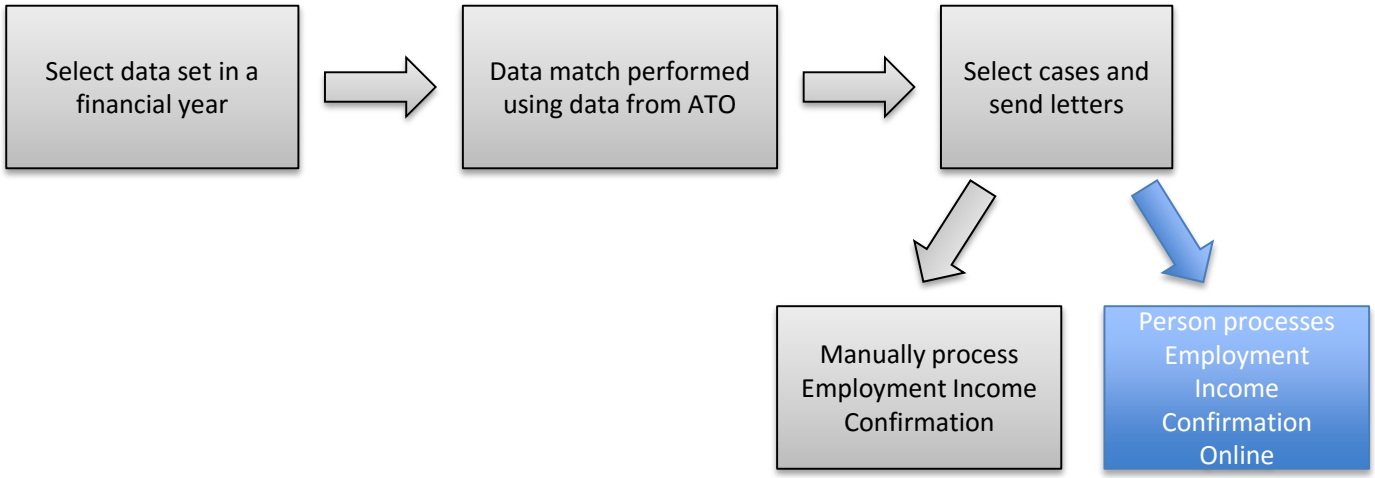
Manual handoff scenario – Generic scenario



Save and close – If the person is an existing customer



High Level Business Process



High Level Online Employment Income Confirmation Process

A_EIC Initial Contact letter_1.4_100217

If not delivered: Locked Bag 8900 CANBERRA ACT 2601
{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}

Australian Government
Department of Human Services
centrelink

<{NOMINEE.TITLE.FULLNAME}
{NOMINEE.POSTAL.ADDRESS}
{NOMINEE.POSTAL.ADDRESS}
!
{CLIENT.TITLE.FULLNAME}
{CLIENT.POST.ADD}
{CLIENT.POST.ADD}
{CLIENT.POST.ADD}>

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to {CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about {CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

Employment income confirmation

We have information from the Australian Taxation Office (ATO) that we need your help to confirm or update. The employment dates or income details are different to what you told us when getting a payment. We use your employment information so you get paid the right payment.

This is not a debt letter. Please check the ATO information with this letter carefully.

You must confirm or update the information **within 28 days** of receiving this letter.

Go online and check today
The easiest way is to sign in to your Centrelink online account linked to your **myGov** account.

You can also go to **humanservices.gov.au/confirmincome** and register:

1. Enter the reference number at the top of this letter and your confirmation code: **{CODE}**. The confirmation code will expire after 28 days.
2. Enter details from your current Australian driver licence or passport, and your Medicare card.
3. Provide an email address or mobile number so we can send you a security code to log on.

Please note, if you don't confirm or update the information within 28 days, we may apply the employment dates and income from the ATO to your record. This may result in a debt you will need to repay.

After you have confirmed or updated the details, we will write to you to let you know the outcome and what you need to do next.

If you need help
If you don't have internet access or need help to sign in, go into any of our service centres. If you need help with the employment information provided, call us on 1800 086 400.

Yours sincerely

Director, Earned Income
Customer Compliance

DRAFT

Employment information statement

Check this employment information from the Australian Taxation Office against your records. Make sure you check the dates you worked for each employer.

Go to **humanservices.gov.au/confirmincome** to confirm or update these details. You may need payslips or bank statements to check this information.

Employer	Super Sparkle Cleaning
Dates of Employment	10 JUL 2015 to 13 AUL 2015
Earnings	$400.00
Employer	Joe Bloggs Tree Cutting
Dates of Employment	5 DEC 2015 - 20 FEB 2016
Earnings	$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	$1022.00

DRAFT

Your Customer Reference Number is **{REFERENCE.NUMBER}**

If you do not agree with a decision we have made

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to **aat.gov.au**

All of the above are free of charge.

There is no time limit for a review of a decision about money you owe us. You can choose to pay back the money while the decision is being reviewed.

Privacy and your personal information

Your personal information is protected by law (including the *Privacy Act 1988*) and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services.

Your information may be used by the department, or given to other parties where you have agreed to that, or where it is required or authorised by law (including for the purpose of research or conducting investigations).

You can get more information about the way in which the department will manage your personal information, including our privacy policy, at **humanservices.gov.au/privacy**

Data matching initiatives

The Department of Human Services undertakes regular data-matching activities in line with the Data-matching Program (Assistance and Tax) Act 1990 and the Office of the Australian Information Commissioner's Guidelines on Data Matching in Australian Government Administration and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

If you need help

If you need help or you do not have internet access, you can go to any of our service centres. You can also call us directly on 1800 086 400.

To give us feedback or make a complaint

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**, or

DRAFT

- go to **humanservices.gov.au/feedback** for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website ombudsman.gov.au or calling them on **1300 362 072**.

DRAFT

B_EIC Reminder letter1_1.4_100217

If not delivered: Locked Bag 8900 CANBERRA ACT 2601
{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}

Australian Government
Department of Human Services
centrelink

<{NOMINEE.TITLE.FULLNAME}
{NOMINEE.POSTAL.ADDRESS}
{NOMINEE.POSTAL.ADDRESS}
!
{CLIENT.TITLE.FULLNAME}
{CLIENT.POST.ADD}
{CLIENT.POST.ADD}
{CLIENT.POST.ADD}>

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to {CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about {CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

Reminder – Employment income confirmation

We wrote to you on {DATE OF INITIAL LETTER} asking you to confirm or update the employment information we have from the Australian Taxation Office (ATO). This is a reminder that you are running out of time.

This is not a debt letter. Please check the ATO information with this letter carefully.

You must confirm or update the information **by {28 DAYS FROM RECEIPT OF INITIAL LETTER}**.

Go online and check today
The easiest way is to sign in to your Centrelink online account linked to your **myGov** account.

You can also go to **humanservices.gov.au/confirmincome** and register:

1. Enter the reference number at the top of this letter and your confirmation code: **{CODE}**. The confirmation code will expire on {28 DAYS FROM RECEIPT OF INITIAL LETTER}.
2. Enter details from your current Australian driver licence or passport, and your Medicare card.
3. Provide an email address or mobile number so we can send you a security code to log on.

Please note, if you don't confirm or update the information by {28 DAYS FROM RECEIPT OF INITIAL LETTER}, we may apply the employment dates and income from the ATO to your record. This may result in a debt you will need to repay.

After you have confirmed or updated the details, we will write to you to let you know the outcome and what you need to do next.

If you need help
If you don't have internet access or need help to sign in, go into any of our service centres. If you need help with the employment information provided, call us on 1800 086 400.

Yours sincerely

Director, Earned Income
Customer Compliance

DRAFT

Employment information statement

Check this employment information from the Australian Taxation Office against your records. Make sure you check the dates you worked for each employer.

Go to **humanservices.gov.au/confirmincome** to confirm or update these details. You may need payslips or bank statements to check this information.

Employer	Super Sparkle Cleaning
Dates of Employment	10 JUL 2015 to 13 AUL 2015
Earnings	$400.00
Employer	Joe Bloggs Tree Cutting
Dates of Employment	5 DEC 2015 - 20 FEB 2016
Earnings	$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	$1022.00

DRAFT

Your Customer Reference Number is **{REFERENCE.NUMBER}**

If you do not agree with a decision we have made

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to **aat.gov.au**

All of the above are free of charge.

There is no time limit for a review of a decision about money you owe us. You can choose to pay back the money while the decision is being reviewed.

Privacy and your personal information

Your personal information is protected by law (including the *Privacy Act 1988*) and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services.

Your information may be used by the department, or given to other parties where you have agreed to that, or where it is required or authorised by law (including for the purpose of research or conducting investigations).

You can get more information about the way in which the department will manage your personal information, including our privacy policy, at **humanservices.gov.au/privacy**

Data matching initiatives

The Department of Human Services undertakes regular data-matching activities in line with the Data-matching Program (Assistance and Tax) Act 1990 and the Office of the Australian Information Commissioner's Guidelines on Data Matching in Australian Government Administration and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

If you need help

If you need help or you do not have internet access, you can go to any of our service centres. You can also call us directly on 1800 086 400.

To give us feedback or make a complaint

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**, or
- go to **humanservices.gov.au/feedback** for other options.

DRAFT

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website ombudsman.gov.au or calling them on **1300 362 072**.

DRAFT

C_EIC Reminder letter2_1.5_140217

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610
{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}

Australian Government
Department of Human Services
centrelink

<{NOMINEE.TITLE.FULLNAME}
{NOMINEE.POSTAL.ADDRESS}
{NOMINEE.POSTAL.ADDRESS}
!
{CLIENT.TITLE.FULLNAME}
{CLIENT.POST.ADD}
{CLIENT.POST.ADD}
{CLIENT.POST.ADD}>

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to {CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about {CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

You need to contact us – Employment income confirmation

We wrote to you on {DATE OF INITIAL LETTER} asking you to confirm or update the employment information we have from the Australian Taxation Office (ATO). We use your employment information so you get paid the right payment.

We sent you a reminder on {DATE OF FIRST REMINDER} to do this by {28 DAYS FROM RECEIPT OF INITIAL LETTER}.

Please call us on **1800 086 400** if you need more time or help with this request. You can call us yourself or appoint someone to deal with us on your behalf.

If we don't hear from you by {PRINTDATE+14days}, we may apply the ATO employment dates and income included with this letter to your record. This may result in a debt you will need to repay.

After you have confirmed or updated the details, we will write to you to let you know the outcome and what you need to do next.

Yours sincerely

Director, Earned Income
Customer Compliance

Employment information statement

Check this employment information from the Australian Taxation Office against your records. Make sure you check the dates you worked for each employer. You may need payslips or bank statements to check this information.

Employer	Super Sparkle Cleaning
Dates of Employment	10 JUL 2015 to 13 AUL 2015
Earnings	$400.00
Employer	Joe Bloggs Tree Cutting
Dates of Employment	5 DEC 2015 - 20 FEB 2016
Earnings	$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	$1022.00

DRAFT

Your Customer Reference Number is **{REFERENCE.NUMBER}**

If you do not agree with a decision we have made

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to **aat.gov.au**

All of the above are free of charge.

There is no time limit for a review of a decision about money you owe us. You can choose to pay back the money while the decision is being reviewed.

Privacy and your personal information

Your personal information is protected by law (including the *Privacy Act 1988*) and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services.

Your information may be used by the department, or given to other parties where you have agreed to that, or where it is required or authorised by law (including for the purpose of research or conducting investigations).

You can get more information about the way in which the department will manage your personal information, including our privacy policy, at **humanservices.gov.au/privacy**

Data matching initiatives

The Department of Human Services undertakes regular data-matching activities in line with the Data-matching Program (Assistance and Tax) Act 1990 and the Office of the Australian Information Commissioner's Guidelines on Data Matching in Australian Government Administration and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

If you need help

If you need help or you do not have internet access, you can go to any of our service centres. You can also call us directly on 1800 086 400.

To give us feedback or make a complaint

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**, or
- go to **humanservices.gov.au/feedback** for other options.

DRAFT

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website ombudsman.gov.au or calling them on **1300 362 072**.

DRAFT

Department of Human Services Privacy Policy

About our privacy policy **1**
Availability of this privacy policy *1*
Who should read this privacy policy? **1**
Anonymity **1**
Secrecy and Confidentiality **1**
Collection of your personal information **2**
Why we collect personal information *2*
Collecting sensitive information *2*
How we collect personal information *3*
Social Networking Services *3*
Storage and security of personal information **3**
Use and disclosure of your personal information **3**
When we will use and disclose your personal information *3*
Use of personal information *3*
Sharing and using your personal information within the department *4*
Disclosing your personal information to third parties *4*
Disclosures to overseas recipients *5*
Market research *5*
Electronic Messaging Service *5*
Personal information for employment purposes **6**
Data matching **6**
Accessing and correcting your personal information **6**
Accessing information *6*
Correcting information *6*
Freedom of Information Request *6*
Request under the Privacy Act *6*
Tax File Number Rules **7**
Why we request TFNs *7*
Prohibitions *7*
Penalties *7*
Further Information *7*
How to make a complaint **7**
How to make a complaint to the Office of the Australian Information Commissioner (OAIC) *8*

About our privacy policy

We are required to have a Privacy Policy under Australian Privacy Principle (APP). The APPs are set out in Schedule 1 of the ***Privacy Act 1988*** (the *Privacy Act*). This privacy policy outlines our personal information handling practices and is written in simple language. Our specific legal obligations when collecting and handling your personal information are outlined in the *Privacy Act.* We will update this privacy policy when our information handling practices change.

This policy provides general information about the various purposes for which we collect, hold, use and disclose personal information. For program specific information, please see the following:

- The collection, use and disclosure of personal information for Australian Hearing related purposes
- The collection, use and disclosure of personal information for Centrelink purposes
- The collection, use and disclosure of personal information for Child Support purposes
- The collection, use and disclosure of personal information for CRS Australia-related purposes
- Collection, use and disclosure of personal information for Medicare and Health program related purposes.

Please visit our **website** for more information about us and the services we deliver.

Availability of this privacy policy

If you wish to access this privacy policy in an alternative format (e.g. hard copy) please **contact us** or visit your local service centre to request a copy. This privacy policy is available free of charge.

Who should read this privacy policy?

You should read this policy if you are:

- a person whose personal information may be given to or held by us
- an agent, representative or nominee of a person whose personal information may be given to or held by us
- a third party who is required to provide information to us
- a contractor, consultant, supplier or vendor of goods or services to us
- a person seeking employment with us, or
- a person who is or was employed by us.

Anonymity

Where possible, we will allow you to interact with us anonymously or using a pseudonym. However, there are some situations where we will need you to identify yourself. This includes:

- if we are required or authorised by law to deal only with identified people; or
- it is impracticable to deal with you anonymously.

If you contact us anonymously or by using an alias, we will only be able to provide general information to you. Online services such as **payment finder** help you make anonymous enquiries.

In order to give information about your circumstances and deliver payments and services to you, we will need to identify you. We may be unable to assist you if you choose not to identify yourself.

Secrecy and Confidentiality

We operate under various legislation dealing with social security, family assistance, health, child support and family law. These laws contain secrecy and confidentiality provisions. These provisions govern access to, use and disclosure of information about our customers.

These provisions restrict the communication of protected information and specify the circumstances where we can release and use customer information. This includes uses within the department.

Collection of your personal information

Why we collect personal information

Personal information is information or an opinion about an identified person or a person who is reasonably identifiable. We collect personal information so that we can identify you, administer payments and services, conduct research and analysis, and whole of government improvement.

The type of personal information collected will depend on the kind of payment or service that you receive or are seeking.

We collect information about **Centrelink** customers to:

- determine and review eligibility and entitlement
- determine and recover overpayments
- link customer's claims with their partner or relatives to ensure correct payments, and
- verify data provided in relation to claims and reviews with third parties.

We collect information about **Child Support** customers for the purpose of:

- assessing eligibility for child support
- calculating how much child support is payable, and
- collecting child support in accordance with the provisions of the *Child Support (Registration and Collection) Act 1988* and the *Child Support (Assessment) Act 1989.*

We collect information for **Health programs** about customers and providers to pay benefits for Medicare programs (including the Medicare Safety Net) and the Pharmaceutical Benefits Scheme.

We also collect information for:

- Digital Health programs including the My Health Records service, and
- the Healthcare Identifiers Service to ensure compliance with the programs we administer.

We also collect information for administrative purposes, such as:

- processing Freedom of Information requests
- managing compensation claims
- conducting entitlement reviews and fraud investigations
- conducting data matching
- providing services in culturally appropriate ways
- conducting statistical analysis and market research to improve service delivery
- participating in merits and judicial review matters, and
- for the allocation of healthcare identifiers.

The collection of personal information may be specifically required or authorised by law. We may also collect personal information about you from third parties. For additional information please read the **collection of your personal information.**

Collecting sensitive information

Sometimes we may need to collect sensitive information about you for the purposes of assessing eligibility for claims, payments or services. We may also collect sensitive information for employment functions, such as providing for staff with disabilities. Sensitive information includes information about your health, genetics, racial or ethnic origin, political opinions, religious beliefs or affiliations, sexual orientation or criminal record. We only collect sensitive information where:

- you consent to the collection
- the collection is required or authorised by law or a court/tribunal order

- we are carrying out our enforcement functions or activities and the information is reasonably necessary for, or directly related to, those functions or activities, or
- a **permitted general situation** exists.

How we collect personal information

We collect your personal information through a variety of channels. This includes paper forms or notices, search warrants, online portals, correspondence, face to face or over the phone.

Your personal information is also collected from third parties including government agencies:

- as a result of a tip off
- when undertaking data matching
- in the course of administering legislation
- in the lodgement of a complaint, or
- in the context of enforcement activities.

When your personal information is collected from a third party, we take steps to inform you. This may occur through our privacy policy, application forms, notices or discussions with our staff.

Social Networking Services

We use social networking services such as Facebook, Twitter, Google+, Youtube and Yammer to communicate with the public and our staff. When you communicate with us using these services we may collect your personal information to communicate with you and the public.

The social networking service will also handle your personal information for its own purposes. These sites have their own privacy policies and data storage, which may include cookies. Your use of these services is governed by the individual conditions of each site.

Storage and security of personal information

We take reasonable steps to protect your personal information against misuse, interference, loss, unauthorised access, modification or disclosure. These steps include:

- paper records held securely in accordance with Australian government security guidelines
- access to personal information on a need-to-know basis and only by authorised personnel
- system access monitored and only accessible by authenticated credentials
- secure access to our premises, and
- regularly updating and auditing our storage and data security systems.

When no longer required, personal information is destroyed in a secure manner, archived or deleted. This is done in accordance with our obligations under the *Privacy Act* and *Archives Act 1983*. Personal information obtained under search warrant is disposed of in accordance with the *Crimes Act 1914.*

Use and disclosure of your personal information

When will we use and disclose your personal information?

Your personal information will be used and disclosed to help us assess eligibility for payments and services, and deliver payments and services. This includes where we manage or deliver other programs and initiatives on behalf of the Australian Government.

Your personal information will not be used or disclosed for purposes unrelated to the purpose for which it was originally collected unless you consent or it is authorised or required under law.

Use of personal information

Personal information is routinely used for the following purposes:

- delivering payments and services
- proof of identity purposes, including using biometric information to confirm your identity
- complaints management and the coordination of feedback, including:
    - the assessment and investigation of complaints or allegations and to record our action and response. This includes complaints or allegations brought to our attention by external bodies. External bodies include the Commonwealth Ombudsman and the Office of the Australian Information Commissioner (OAIC)
    - to assess whether entities, agencies or organisations are eligible to participate in programs. This includes Centrepay, Centrelink Confirmation eServices, Income Management or the BasicsCard.
- Internal merits review processes. This includes the review of decisions made under the social security, family assistance and child support legislation, the *Health Insurance Act 1973* or the *Freedom of Information Act 1982*
- reviewing eligibility or allocation of income management funds
- managing and responding to requests for information
- establishing and considering a compensation claim against us
- use of images and video obtained by CCTV are used for the purposes of:
    - conducting fraud investigations
    - building security
    - employee/contractor identification, and
    - promotional or social activities.
- Fraud investigations, including internal fraud and the assessment of payment eligibility
- data matching purposes to detect incorrect payment entitlements
- minimising the instances of fraud
- statistical analysis including:
    - responding to requests for statistical (de-identified) data, and
    - to assist in the assessment, development and identification of service strategies including those to assist cohorts of customers.
- employment related purposes. This includes the establishment and maintenance of staff records and for the employment and recruitment of staff
- for security purposes, including obtaining and maintaining security clearances, and conducting criminal history checks.

Sharing and using your personal information within the department

Your personal information will not be shared across our Australian Hearing, Centrelink, Child Support and Medicare service areas, unless you have given your consent or the sharing of your information is authorised or required by law.

Disclosing your personal information to third parties

We will disclose your personal information for the purposes we collected it for as well as purposes that are related, where you would reasonably expect us to. In addition, we will disclose your personal information if you consent or if the disclosure is required or authorised under law.

The disclosure of your personal information will depend on the payments or services to which the information relates.

Information is routinely disclosed to Australian Government agencies, state and territory agencies and third parties. For further information in relation to the disclosure of personal information, please read the **disclosures of personal information.**

Disclosures to overseas recipients

We may disclose your personal information to an overseas recipient, such as a foreign government or agency, where:

- international information sharing arrangements are in place, or
- the disclosure is required or authorised by law.

For further information on how we handle your personal information to an overseas recipient, please read the **overseas disclosures**.

Market research

We are committed to continuous improvement, and may conduct research to find out what you think about a range of issues. We generally contract external companies to conduct this research on our behalf. Where the research is related to our payments and services, we may provide your contact details to those companies. If we do disclose your contact details, the company is required to keep your information secure. The company has signed a confidentiality agreement which prohibits the use of your information other than for the contracted purposes.

You may be contacted by SMS, telephone or email inviting you to participate in market research. SMS or emails from external companies may contain embedded links to websites.

Occasionally we also assist other government departments or non-government organisations to conduct research.

Please see **How we use market research** for more information, including how to opt out.

Electronic Messaging Service

From time to time we may send you an SMS alert or email reminder if you have provided a mobile phone number or an email address. You are able to withdraw from this service at any time.

SMS or email reminders from us will not contain your name or contact details, reference numbers or direct links to websites, and you will never be asked to respond via SMS or email. However, SMS messages from third parties acting on our behalf may contain direct links to websites.

The purpose of the SMS alerts is to:

- provide you with information about our services
- remind you to make a payment
- remind you to complete a form by a certain date, or
- to advise you of an office location.

Where appropriate, we may also send you an SMS or email instead of a letter. Messages you may receive include:

- requests and reminders to attend appointments
- requests and reminders to provide documents or up to date information
- notification of decisions or payments
- confirmation of changes to your details, and
- information about payments and services.

We consider that a message has been received by you once it has been sent to the service provider and has been forwarded to your account.

You should ensure personal safeguards are in place to protect yourself, your computer, and your mobile devices against security threats.

For more information about our use of SMS and email, please see **humanservices.gov.au/em**

Personal information for employment purposes

We collect personal information about employees and prospective employees in order to conduct employment and employment-related activities. This includes payroll services, recruitment and selection, performance management, and work health and safety.

For further information please read the **collection of personal information for our employment purposes.**

Data matching

We conduct data matching activities in accordance with the *Privacy Act,* the non-binding **Data Matching Guidelines** issued by the OAIC, and relevant secrecy provisions.

Data matching activities compare income information we collect from customers with information held by the ATO to ensure that our customers are only receiving payments and services they are eligible for.

We prepare a Programme Protocol for each of our data matching programs, in accordance with guidelines issued by the OAIC. The OAIC performs a number of functions in relation to government data matching. For more information about these functions, please see **oaic.gov.au.**

Accessing and correcting your personal information

Accessing information

You can get copies of many documents about you without the need to make a formal request. You can access many documents through the department's **online self-service.** This includes information about your past and future payments, online letters and income statements. Please **contact us** or visit your local service centre if you are unable to access this information through self-service.

You can also request information releases from Centrelink, Medicare and Child Support. For further information, see **Personal Information Releases.**

Correcting information

It's important to tell us if your circumstances change, so we can administer your payments and services. You can update and correct your personal information using the department's **online self-service.** If you are unable to access self-service, please **contact us** or visit your local service centre to correct this information.

Freedom of Information Request

You have a right under the *Freedom of Information Act 1982* to request access to documents that we hold. You also have the right to ask for information that we hold about you to be changed or annotated if it is incomplete, incorrect, out-of-date or misleading. For further information, see **Freedom of Information.**

Request under the Privacy Act

Under the *Privacy Act* (APPs 12 and 13) you have the right to:

- ask for access to personal information that we hold about you, and
- ask that we correct personal information we hold about you.

If you ask, we must give you access to your personal information, and take reasonable steps to correct it if we consider it is incorrect, unless there is a law that allows or requires us not to. If we refuse to correct or give you access to your personal information, we must notify you in writing setting out the reasons.

To make a request to access or correct your personal information under the *Privacy Act*, please **contact us.**

Tax File Number Rules

The ***Privacy (Tax File Number) Rule 2015*** regulates the collection, storage, use, disclosure, security and disposal of individuals' Tax File Number (TFN) information.

A breach of the TFN Rule is an interference with privacy under the *Privacy Act*. If you believe your TFN information has been mishandled you can make a complaint to the OAIC.

Why we request TFNs

We are authorised to request a TFN from recipients of payments to:

- administer various payments; and
- comply with legislation referred to in section 8WA(1AA) of the ***Taxation Administration Act 1953*** *(*'the TAA').

The Child Support Registrar is authorised to collect TFNs on application forms from parents and use them to administer *Child Support (Registration and Collection) Act 1988* and the *Child Support (Assessment) Act 1989.*

You are not breaking the law if you do not give us your TFN. However, if you do not provide it to us, or authorise us to get it from the Australian Taxation Office, you may not be paid.

In giving us your tax file number, you authorise us to use your tax file number for payments and services in future where necessary.

Prohibitions

We do not record, collect, use or disclose TFN information unless it is permitted under taxation, personal assistance or superannuation law.

Sections 8WA and 8WB of the TAA create the following offences:

- unauthorised requirements or requests that a person's TFN be quoted, and
- unauthorised recording, maintaining a record of, use or disclosure of an individual TFN respectively, unless an exception applies.

Penalties

Unauthorised use or disclosure of tax file numbers is an offence under the TAA. These offences have maximum penalties of 100 penalty units and/or imprisonment for 2 years.

Further Information

The OAIC has made the following information available to you to protect your TFN information:

- **Privacy fact sheet 6: Protecting your tax file number information**
- **Privacy business resource 12: The Privacy (Tax File Number) Rule 2015 and the protection of tax file number information**

How to make a complaint

If you wish to complain about how we have handled your personal information, first try to resolve the issue with the person you have been dealing with. If you are not satisfied, you can ask to speak to their supervisor. You can also give feedback to us by:

Phone 1800 132 468

For international callers, see **here**

For extra assistance when calling us, please see **here**

Post For Centrelink and Medicare:

DHS Complaints and Feedback
Reply Paid 7788
Canberra BC ACT 2610

For Child Support:

Child Support Complaints and Feedback
Reply Paid 9815
Melbourne VIC 3001

Online You can provide feedback to us through your online account or directly to us. For more information, see **here**.

We will always respond to your feedback.

We will use the information collected in the lodgement of feedback to investigate and resolve individual issues. We will also use the information to provide feedback to staff or areas within the department. The information collected will then be stored and used to assist us to improve the delivery of our services.

For further information, please see **humanservices.gov.au/customer/contact-us**

How to make a complaint to the Office of the Australian Information Commissioner (OAIC)

If you are unsatisfied with our response, you can write to the OAIC. The OAIC is independent of the department and can:

- investigate complaints about the handling of personal information;
- order compensation to be paid where warranted; and
- recommend that departments change the way they handle personal information.

You can contact the OAIC by:

Phone 1300 363 992

Email **enquiries@oaic.gov.au**

Post GPO Box 5218

Sydney NSW 2001

Online **Privacy Complaint Form**

Centrelink

PROGRAM PROTOCOL

Pay-As-You-Go (PAYG)

Data Matching

May 2004

Approved Version

TABLE OF CONTENTS

1 DESCRIPTION OF THE PROGRAM PROTOCOL 4
1.1 Purpose 4
1.2 Requirement for a Program Protocol 4
1.3 Definition of Data-matching 4
2 DESCRIPTION OF THE MATCHING PROGRAM 5
2.1 Summary of the program 5
2.2 Objectives 6
3 AGENCIES INVOLVED 7
3.1 Source Agencies 7
3.2 Matching Agency 7
3.3 Data used in matching 7
4 DATA ISSUES 9
4.1 Data Quality 9
4.2 Data Integrity 9
4.3 Data Security 9
5 THE MATCHING PROCESS 10
6 ACTION RESULTING FROM THE PROGRAM 11
6.1 Employment Income Reviews 11
7 TIME LIMITS APPLYING TO THE PROGRAM 12
8 PUBLIC NOTICE OF THE PROGRAM 12
9 REASONS FOR CONDUCTING THE PROGRAM 13
9.1 Relationship with the agencies lawful functions 13
9.2 Social Considerations 13
9.3 Voluntary Compliance 13
10 LEGAL AUTHORITY 14
10.1 Centrelink 14
10.2 Australian Taxation Office 14
11 DISCLOSURE OF INFORMATION PROVISIONS 15
11.1 Australian Taxation Office 15
12 ALTERNATIVE METHODS 16
13 PILOT PROGRAMS 17
14 COSTS AND BENEFITS 18
14.1 Actual Running Costs 18
Initiative Performance 19

Approved Version

Cost Benefit Ratio 19
ATTACHMENT A – CUSTOMER CONTACT LETTER – Q062 (customer) 20

Approved Version

1 DESCRIPTION OF THE PROGRAM PROTOCOL

1.1 Purpose

The purpose of the program protocol is to:

(i) identify the matching agency and the source agency;

(ii) detail the direct relationship of the program to the performance of the lawful functions or activities of the matching agency;

(iii) set out the legal basis for any collection, use or disclosure of personal information involved in the program;

(iv) outline the objectives of the program, the procedures to be employed, the nature and frequency of the matching covered by the program and the justifications for it;

(v) explain what methods other than data matching were available and why they were rejected;

(vi) detail any cost/benefit analysis or other measures of effectiveness, which were taken into account in deciding to initiate the program;

(vii) outline the technical controls proposed to ensure data quality, integrity and security in the conduct of the program;

(viii) provide details of pilot testing of the program;

(ix) outline the nature of the action proposed to be taken in relation to the results of the program including any letters to be used by the agency involved;

(x) indicate what form of notice is to be given, or is intended to be given to individuals whose privacy is affected by the program, and

(xi) specify any time limits on the conduct of the program.

1.2 Requirement for a Program Protocol

The Privacy Commissioner's guidelines on *The Use Of Data-matching In Commonwealth Administration* specify that a program protocol be prepared by agencies conducting certain data-matching programs. These guidelines are voluntary. Centrelink and the Australian Taxation Office (ATO) comply with these guidelines.

This initiative is **NOT** part of the program authorised by the *Data-matching Program (Assistance and Tax) Act 1990.*

1.3 Definition of Data-matching

Data matching is the comparison of two or more sets of data to identify similarities or discrepancies. In the context of this protocol, the term data matching is used to denote the use of computer techniques to compare data found in two or more computer files to identify cases where there is a risk of incorrect payment.

Centrelink observes the *Information Privacy Principles*. Individuals who consider that an agency has interfered with their privacy may complain to the Privacy Commissioner.

Approved Version

2 DESCRIPTION OF THE MATCHING PROGRAM

2.1 Summary of the program

Centrelink was established by the government in September 1997 to link the service delivery functions of government departments and agencies to enhance the delivery of those services. Centrelink delivers the payment of Commonwealth allowances and pensions subject to Business Partnership Agreements made with client departments. As a part of this service delivery, Centrelink undertakes compliance activities to ensure payment integrity is maintained

The Australian Taxation Office (ATO) is responsible for the administration of legislation relating to taxation and excises (excluding customs duties). One part of this responsibility is the Pay-As-You-Go (PAYG) taxation system.

From 1 July 2000 a single PAYG system replaced 11 existing reporting systems, including Pay-As-You-Earn (PAYE), Prescribed Payments System (PPS), provisional tax and the company superannuation fund systems.

PAYG is a single integrated system for reporting and paying withholding amounts and tax on business and investment income. The system brings income tax instalments and withholding tax obligations together in one system, which for most businesses means one set of payment dates and one form to complete.

There are two (2) elements of the new system: PAYG instalments and PAYG withholding.

As part of an increased focus on the detection of customers failing to declare or underdeclaring income, an initiative has been introduced to match Centrelink customers with those identified by the ATO as having a PAYG Payment Summary. The data used in the project is sourced from the ATO Pay-As-You-Go Data, which is from the PAYG payment summaries electronically lodged by employers with the ATO.

The PAYG data-matching pilot was announced in the 2000-2001 Budget.

The customer's Centrelink income details are compared with the income details in their PAYG Payment Summary and, where anomalies are identified between the income declared to Centrelink and ATO, the customer is selected for review. The resulting selections are loaded to the Integrated Review System (IRS).

Identified cases are forwarded to Centrelink Clustered Sites for review. Depending on the result of the review, further action may be taken, including a reduction in payment, cancellation of payment, raising and/or recovery of a debt and, in some circumstances, prosecution.

The Program Protocol for Pay-As-You-Go (PAYG) Matching was lodged with the Office of the Privacy Commissioner in May 2004.

Approved Version

2.2 Objectives

The objectives of this matching program are:

- to achieve savings in program outlays by identifying customers, and their partners, with undisclosed or incorrectly declared income from employment;
- to deter customers tempted to fail to disclose income from employment and to promote voluntary compliance through public awareness of the program;
- to recover any moneys which may have been incorrectly paid to those customers; and
- where appropriate, undertake prosecution action.

Approved Version

3 AGENCIES INVOLVED

3.1 Source Agencies

The source agencies that supply data for the purposes of this program are:

- Australian Taxation Office (ATO); and
- Centrelink.

Centrelink is the primary user of this data.

3.2 Matching Agency

The matching agency for this program is Centrelink. The agency's clients for this initiative are the Department of Family and Community Services (FaCS). Centrelink is responsible, as the matching agency, for:

- receiving the data from the source agencies;
- matching the data;
- ensuring the security of the data during processing;
- the destruction of non-customer data at the end of each matching process; and
- the distribution of matched cases to the Centrelink network for review.

3.3 Data used in matching

Centrelink Data

Centrelink supplies its own data relating to all customers in receipt of an income support payment.

Approved Version

Australian Taxation Office

The ATO supplies certain data, which has already been matched with Centrelink customer records. The ATO provides the following information to Centrelink for matching purposes:

- Payer Australian Business Number (ABN);
- Payer name;
- Payer Trading name;
- Payer address;
- Contact name, telephone and facsimile number;
- Australian & New Zealand Standard Industry Classification (ANZSIC) Code;
- PAYG Payment Type;
- Payee Reference Number;
- Payee Australian Business Number (ABN);
- Payee date of birth;
- Payee surname, first given name, second given name;
- Payee address including Suburb, State, Postcode and Country;
- Period of payment start and end date;
- Withholding rate;
- Total tax withheld; gross payment; allowances; lump sum payments;
- Community Development Employment Project, Other income, Reportable fringe benefits, income type;
- Number of calendar days in eligible service period pre 01.07.83 and post 30.06.83;
- Capital Gains Tax exempt and non-qualifying component;
- Undeducted contributions;
- Concessional component, Pre July 1983 element, Post June 1983 taxed element, Post June 1994 invalidity component;
- Assessable amount;
- Death benefit, type of death benefit; and
- Payer Branch Number.

Approved Version

4 DATA ISSUES

4.1 Data Quality

Poor quality data is of limited value in data matching. Centrelink, as the matching agency, verifies the integrity of the data received from the ATO for such things as correct date format and that data is present in all the required fields.

4.2 Data Integrity

Centrelink and the ATO try to maintain the highest level of data integrity possible. Measures taken to maintain integrity levels include designing systems that will not accept records that are incomplete, and identifying and correcting records that have data items that are inadequate or corrupt.

Centrelink data, or more specifically those data items used in the matching process, are standardised. Standardisation is the process whereby data items such as name, address and date of birth are converted in such a way as to ensure that these items are consistent across both organisations' files.

4.3 Data Security

Centrelink staff is subject to existing security controls and the confidentiality provisions of the *Social Security (Administration) Act 1999*. Access to the Centrelink computer centre is strictly controlled and entry properly authorised. The Centrelink security system provides protection and control of dataset access and system entry and program integrity. Security features include logon identification codes, passwords and security groupings to ensure that access to information is on a needs only basis.

The ATO is responsible for its own security with respect to its staff and access to the data provided to Centrelink. The ATO observes strict rules on the transfer of data.

The ATO provides PAYG data to the Data Matching Team. The data file is sent to Centrelink by cartridge between the two agencies.

Existing security arrangements in Centrelink automatically log user access to data files.

Statistics can be produced on the number of records read, number of records matched, number of records unmatched and number of records written. Audit trails that enable verification of the processing of the data are also in place.

Appropriate data destruction practices are in place (see section 5).

Approved Version

5 THE MATCHING PROCESS

This ATO PAYG data-matching program identifies customers, or their partners, who may have income from employment that has not been correctly declared to Centrelink or anomalies identified with the amount declared and received. People who appear on both the ATO and Centrelink files are considered to be 'matches'.

The matching process is only undertaken for ATO PAYG records with the same identity details as a Centrelink customer. The ATO does the initial identity match against Centrelink's annual PAYG Payment Summary file. Centrelink does an additional identity match of all ATO PAYG records with Centrelink customer records, by comparing the surname, forename, middle initial and date of birth with all Centrelink records. Where a match is identified, a selection is generated and output to the Centrelink network for review.

When a customer has been matched, and they have a partner who is also a customer of Centrelink, a review may also be generated for the partner, as any undisclosed income may impact on the partner's entitlement. This process will actually occur during the review selection period. Partner reviews may also be added manually where the relationship is no longer current, but the review process has identified that the partner entitlement would have been impacted during the period of the relationship.

Personal information extracted for use in this data matching program which does not lead to a match is destroyed by Centrelink as soon as practicable and within 90 days after the matching occurred.

Approved Version

6 ACTION RESULTING FROM THE PROGRAM

At the completion of the matching, selected customers have a review activity loaded into Centrelink's Integrated Review System (IRS).

6.1 Employment Income Reviews

The matches produced will be customers who have income in the following categories:

- Individual Non-business, (i.e. wages or salary).
- A 'Voluntary Agreement'. These are available for individual workers (not employees) who are not required to have tax withheld from their payments at the time of receipt. This applies to certain subcontractors who must have an ABN.
- Labour Hire and other Specified Payments. Labour Hire applies to an individual worker who is:
    - An employee employed through a common law contract.
    - An independent contractor arranged directly.
    - An independent contractor arranged through another entity, such as a company, partnership, or trust.
- Specified Payments refers to those payments that would have been affected under the former Reportable Payments System or Prescribed Payments System
- Personal Services Attributed Income, which is the income of an individual or an entity such as a company, partnership or trust that is mainly a reward for an individual's personal efforts or skills.

Before commencing the review, Centrelink staff will check the customer's record to determine if the discrepancy can be explained. Where the check is unable to explain the discrepancy, the customer will be contacted by letter. This letter advises the customer that Centrelink has received information from the ATO indicating they may have commenced employment that may not have been declared, or may have been under-declared, to Centrelink. A copy of this letter is found in Section 15.

The customer is given a period of at least 14 days from the date the letter is issued in which to contact Centrelink in relation to the employment information. Customers are also advised that their payments may be suspended or cancelled and/or they may have an administrative breach applied if they do not respond within the required period.

Upon contacting Centrelink, the customer is provided with an opportunity to respond to the information and provide appropriate evidence of their income from employment. Where Centrelink is satisfied that the information provided by the customer is complete and accurate, Centrelink will not approach third parties for further information. If the customer is unable to provide sufficient evidence, the employer may be contacted to provide further information.

Should the customer fail to respond to Centrelink's request within the specified timeframe, payment may be suspended or cancelled. An administrative breach may also be applied for Newstart and Youth Allowance customers. If the customer responds to the request, Centrelink will not stop payments until the employment information has been confirmed, or the customer requests payment to cease.

The results of the review are recorded on IRS. Depending on the result of the review, further action may be taken, including:

- reduction or cancellation of payment;
- raising of a debt; and
- prosecution action in serious cases.

7 TIME LIMITS APPLYING TO THE PROGRAM

The matching of ATO PAYG data is conducted annually, and cases released to the network weekly.

Data is destroyed in accordance with the Privacy Commissioner's guidelines on T*he Use of the Data-matching in Commonwealth Administration.* ATO data deemed unsuitable for matching is destroyed within 14 days of receipt from the ATO. ATO data used in the matching run but not matched is destroyed within 90 days; and all remaining ATO data is destroyed within 12 months.

8 PUBLIC NOTICE OF THE PROGRAM

This data matching program was notified in the Commonwealth Government Gazette of 12 May 2004.

Approved Version

9 REASONS FOR CONDUCTING THE PROGRAM

9.1 Relationship with the agencies lawful functions

The program is clearly related to Centrelink's lawful function of limiting payments to those eligible under relevant legislation. The *Social Security Act 1991* and the *Social Security (Administration) Act 1999* provide that customers are required to be eligible for payment. These requirements are given to customers in a written advice authorised under different sections of these Acts for different payment types.

9.2 Social Considerations

There are three key social issues associated with the initiative:

- only persons entitled to receive payments from Centrelink do so at the correct rate;
- the desire of most taxpayers for the income support system to be secure as possible from cheating and fraud; and
- the protection of an individual's right to privacy.

Allied to those issues is a concern for social justice. In particular, there is strong support in the community for an income support system that directs available funds to those most in need of assistance. The program helps to achieve this in two ways:

- by strengthening controls in Centrelink payment systems it reduces the outlays from Centrelink programs (this provides funds for the Government to direct to other priorities); and
- the existence of effective controls in payment systems soon becomes evident to the community and rapidly increases voluntary compliance.

Suitable safeguards against unreasonable intrusion into the privacy of individuals are built into the data-matching arrangements. Matching is conducted in accordance with the Privacy Commissioner's guidelines on *The Use Of Data-matching In Commonwealth Administration.*

9.3 Voluntary Compliance

The community's compliance with the law increases when it knows that Centrelink has effective controls in its system to detect incorrect payments and fraud. That is, people claiming or receiving income support payments are more likely to comply voluntarily with the law if they know that:

- there is a high probability that incorrect payments will be detected;
- they will be required to repay any debt; and
- they may be prosecuted if they attempt, by fraud or misrepresentation, to obtain payments to which they are not entitled.

The extent of the voluntary compliance effect flowing from this initiative is difficult to measure and an estimation of the monetary benefits has not been attempted.

Approved Version

10 LEGAL AUTHORITY

10.1 Centrelink

- Section 195 of the *Social Security (Administration) Act 1999* provides that Centrelink may require the provision of specified information that relates to a class of people. This section authorises Centrelink to request from the ATO the details of data recorded on the PAYG Payment Summaries.

Section 192 of the *Social Security (Administration) Act 1999* provides that Centrelink may require the provision of information of relevance to the assessment of claims for Centrelink payments, including whether a Centrelink payment is or was payable to the person who received it or whether the rate is or was correct. Data is provided by the ATO to Centrelink pursuant to this provision.

In both instances data is requested in accordance with section 196 of the *Social Security (Administration) Act 1999.* Section 196 provides that written notice of the information requirements requested in accordance with both sections 192 and 195 be provided by Centrelink to the ATO prior to that information being given.

Information Privacy Principle 11 (IPP 11) does not limit the disclosure of personal information by an agency where that disclosure is required or authorised by or under law. As the ATO information involved in this data-matching program is obtained by Centrelink under sections 192 and 195 of the *Social Security (Administration) Act 199*9,
IPP 11 does not limit its disclosure to Centrelink.

10.2 Australian Taxation Office

The ATO is required to comply with formal notices issued under Sections 192 and 195 of the *Social Security (Administration) Act 1999.* Currently the ATO supplies information to Centrelink on a voluntary basis, without the need for Centrelink to collect this information formally under s192 and s195.

Approved Version

11 DISCLOSURE OF INFORMATION PROVISIONS

11.1 Australian Taxation Office

The ATO releases sufficient information to Centrelink to allow matching to be undertaken and to correctly adjust matched customers' payments. The ATO only provides sufficient information to allow Centrelink to determine the correct entitlement of a customer.

Approved Version

12 ALTERNATIVE METHODS

There are three other data matching programs used by Centrelink to detect customers who have failed to declare, or fail to correctly declare, income from employment.

1. Centrelink matches information from the Australian Taxation Office (ATO) to detect non-disclosure by Centrelink customers of income from employment. The information matched includes Tax File Number Declaration Forms (TDF). This matching has been conducted since May 1987 (previously as Employment Declaration Form (EDF) Matching). This program relies upon the customer completing a TDF and the employer lodging the TDF with the ATO. The data is received from the ATO, and reviews loaded to the Centrelink network on a weekly basis.

2. Centrelink matches information from the Department of Employment and Workplace Relations (DEWR) to detect non-disclosure by Centrelink customers of income from employment. This program relies upon the customer either being placed into employment by a Job Network Member (JNM), or advising a JNM that they have commenced employment. This matching uses data provided by DEWR each calendar month for the previous month.

3. Centrelink matches information from the ATO through the Data-matching Program. This program relies on the customer lodging an Income Tax Return with the ATO and declaring income from employment as a source of income. This matching works on previous financial year data. The Data-matching Program is conducted up to nine times a year.

Other methods available to Centrelink are voluntary compliance, public denunciation, random manual reviews and Industry reviews. Analysis has shown that these methods are time consuming and labor-intensive.

The program of matching PAYG Payment Summary records from ATO seeks to complement these programs by detecting those customers who may not have been detected by the above-mentioned methods, or incorrectly/under declared earnings during their entitlement, therefore identifying customers at risk of incorrect payment.

Approved Version

13 PILOT PROGRAMS

The PAYG data-matching pilot was announced in the 2000-2001 Budget.

The first phase of the pilot was conducted in 2000-2001, commencing in December 2001, and ending in June 2002. Phase II of the project commenced in December 2002, and was completed in June 2003.

The reviews were conducted in centralised teams in Area South Metro and Area North Central Victoria, for Phase I, and solely by Area South Metro for Phase II of the pilot.

The project met or exceeded the measures set down in the Budget estimates for debts raised and overall savings.

The project realised $12,789,000 for the 2002-2003 financial year, which exceeds the $12,672,000 estimated in the Budget papers.

The savings estimate contained in the budget papers was based on the assumption that 10,000 reviews would be completed over the life of the pilot. As of 30 June 2003, the project had 8,151 reviews completed. The final savings figure is estimated to substantially increase as reviews commenced as part of the pilot in the 2002-03 are finalised in the new financial year.

Total savings for Centrelink from the pilot program were $15,944,769.

Approved Version

14 COSTS AND BENEFITS

This section details the costs and benefits for this program that were taken into account in deciding to initiate the program. Annual savings are published in the *Annual Report of the Federal Privacy Commissioner*.

14.1 Actual Running Costs

The methodology used in calculating the costs of this project were based on the Department of Finance publication *Guidelines for Costing of Government Initiatives* (July 1991).

The cost components which have been included are:

- direct operating salary; and
- overheads.

Direct operating salary costs were derived by identifying the time it takes to complete each element of a review, and then using the numbers of reviews completed to determine salary costs. An allowance was made for National Support salary costs.

Debt recovery salary costs were also estimated and included.

Overheads were calculated using the Department of Finance figure of 154.4% of direct operating salary.

The actual costs are, of course, determined by the number of reviews conducted, while the allocated costs have been constant over time. Actual costs are used in calculating the cost/benefit ratio.

Allocated Resources

The total resource allocation for the 2001-2002 Budget Initiative was as follows:

2001-2002

	$
Salary – NSO	51,388
Salary – Area Offices	618,702
Salary – Customer Service Centres	-7,073
Salary – Systems	139,404
Admin Expenses	306,290
Property Operating Expenses	101,430
(source 2001-2002 Budget Documents)	1,210,141

2002-2003

	$
Salary – NSO	37,994
Salary – Area Offices	615,383
Salary – Customer Service Centres	-14,348
Salary – Systems	20,915
Admin Expenses	175,530
Property Operating Expenses	85,190
Out turn factor less 1% efficiency dividend	9,930
(source 2001-2002 Budget Documents)	930,594

Approved Version

Initiative Performance

Overall identified savings results for matching PAYG Payment Summary Data for the 2001-02 and 2002-03 Financial Year are as follows:

	2001-2002	2002-2003	Overall Results
Selections	6,111	26,880	32,991
Reviews Completed	4,043	4,108	8,151
Number of Reductions (incl, cancellations)	235	724	959
Reductions in fortnightly outlays	39,025	205,308	244,333
Savings from downward variations only $ (a)	171,262	885,000	1,056,262
% of raised debts	38.3	85.0	61.8
Total savings including raised debts $	**3,155,769**	**12,789,000**	**15,944,769**
(source – Superstar and IRS)			

Note:
All savings figures that is, $ Reductions, $ Savings, number of debts raised and $ Total savings are net figures.
IRS applies a six (6) week restoration period to all reductions and debts. The value of the reduction or debt at the end of the period is the net result.

Reduction savings figures are extrapolated for the full financial year. Under agreement with the Department of Finance and Administration, savings from reduction in fortnightly outlays are claimed for 26 fortnights. It is assumed that on average savings occur half way through the year therefore, half the savings are claimed in the current financial year and half are carried over the next financial year. All costs for conducting the review are included in the year in which the review is conducted.

Cost Benefit Ratio

Financial Year	Allocated total costs $	Identified Savings Benefit $	Cost/Benefit Ratio
2001-02	1,210,141	3,155,769	1: 2.61
2002-03	930,594	12,789,000	1: 13.74
Overall	2,140,735	15,944,769	1: 7.45

(Source – 2001 – 2002 Budget Documents, Superstar and IRS)

The costs for this initiative are based on resources required for conducting this number of reviews, including set-up costs etc. Accordingly the cost/benefit ratio reflects the value of the initiative.

Approved Version

ATTACHMENT A – CUSTOMER CONTACT LETTER – Q062 (customer)

Centrelink Office Postal Address
Centrelink Office Street Address
Fax: (02) 1234 5678

Please Quote: Q062/123 456 789X

Telephone: (02) 1234 5679
Office Hours: Monday – Friday 8:30am to 5:00pm

Mr J Customer
1 Customer Street
Sydney NSW 2000

Dear Mr Customer

Request for Information

This letter is about your *(payment type).*

We need to make sure you are receiving the correct amount of *(payment type).* One way of doing this is to compare the records of other Government agencies with our records.

The authority to obtain details of your income sources from third parties such as the ATO, is contained in Section 192 of the Social Security (Administration) Act 1999, and such information must be provided under the law.

The information shows that you have received income from the following source:
(Employer 1 name) between *(commencement date)* and *(completion date).*
(Employer 2 name) between *(commencement date)* and *(completion date).*
(Employer 3 name) between *(commencement date)* and *(completion date).*

WHAT YOU NEED TO DO
You may have already told us your income information, but we need you to confirm these details. Please call us on *(1800 number)* (toll free) by *(date +21).* If you do not respond by *(date +21)* your current payment may be stopped. *(NSS: If you reapply you may be penalised with either a rate reduction period of 16% for 13 weeks or a two week non-payment period.).*

This is an information notice given under the social security law. If the information we receive shows that there may be a change to your payments and that you have incurred an overpayment we will write to you again.

Yours sincerely

(*customer service officer's name*)
Customer Service Officer
Centrelink

27 October 2003

PROGRAM PROTOCOL

Pay-As-You-Go (PAYG)

Data-Matching

May 2017

TABLE OF CONTENTS

1 DESCRIPTION OF THE PROGRAM PROTOCOL 3
1.1 Purpose 3
1.2 Requirement for a Program Protocol 3
1.3 Definition of Data-matching 3
2 DESCRIPTION OF THE MATCHING PROGRAM 4
2.1 Summary of the program 4
2.2 Objectives 5
3 AGENCIES INVOLVED 5
3.1 Source Agencies 5
3.2 Matching Agency 5
3.3 Data used in matching 5
4 DATA ISSUES 5
4.1 Data Quality 5
4.2 Data Integrity 5
4.3 Data Security 6
5 THE MATCHING PROCESS 6
6 ACTION RESULTING FROM THE PROGRAM 7
6.1 Employment Income Reviews 7
7 TIME LIMITS APPLYING TO THE PROGRAM 8
8 PUBLIC NOTICE OF THE PROGRAM 8
9 REASONS FOR CONDUCTING THE PROGRAM 8
9.1 Relationship with the agencies lawful functions 8
9.2 Social Considerations 8
9.3 Voluntary Compliance 9
10 LEGAL AUTHORITY 9
10.1 DHS 9
10.2 Australian Taxation Office 9
11 DISCLOSURE OF INFORMATION PROVISIONS 10
11.1 Australian Taxation Office 10
12 ALTERNATIVE METHODS 10
13 PRIOR PROGRAMS AND PILOT PROGRAMS 10
14 COSTS AND BENEFITS 11
Appendix A – Technical Standards report 12
Appendix B – Initial Contact Letter 18

1 DESCRIPTION OF THE PROGRAM PROTOCOL

1.1 Purpose

The purpose of the program protocol is to:

(i) identify the matching agency and the source agency;

(ii) detail the direct relationship of the program to the performance of the lawful functions or activities of the matching agency;

(iii) set out the legal basis for any collection, use or disclosure of personal information involved in the program;

(iv) outline the objectives of the program, the procedures to be employed, the nature and frequency of the matching covered by the program and the justifications for it;

(v) explain what methods other than data-matching were available and why they were rejected;

(vi) detail any cost/benefit analysis or other measures of effectiveness, which were taken into account in deciding to initiate the program;

(vii) outline the technical controls proposed to ensure data quality, integrity and security in the conduct of the program;

(viii) provide details of pilot testing of the program;

(ix) outline the nature of the action proposed to be taken in relation to the results of the program including any letters to be used by the agency involved;

(x) indicate what form of notice is to be given, or is intended to be given to individuals whose privacy is affected by the program, and

(xi) specify any time limits on the conduct of the program.

1.2 Requirement for a Program Protocol

The Information Commissioner's on *Guidelines on Data-matching in Australian Government Administration* (guidelines) specify that a program protocol be prepared by agencies conducting certain data-matching programs. These guidelines are voluntary. The Department of Human Services (DHS) and the Australian Taxation Office (ATO) comply with these guidelines.

This initiative is **NOT** part of the program authorised by the *Data-matching Program (Assistance and Tax) Act 1990.*

1.3 Definition of Data-matching

Data-matching is the comparison of two or more sets of data to identify similarities or discrepancies. In the context of this protocol, the term data-matching is used to denote the use of computer techniques to compare data found in two or more computer files to identify cases where there is a risk of incorrect payment.

DHS observes the *Australian Privacy Principles*. Individuals who consider that an agency has interfered with their privacy may complain to the Information Commissioner.

2 DESCRIPTION OF THE MATCHING PROGRAM

2.1 Summary of the program

DHS delivers a range of programs for payments and services on behalf of the Commonwealth. These payments and services are delivered in accordance with Business Partnership Agreements with client departments.

To maintain the integrity of these payments and services, DHS undertakes compliance activities to ensure ongoing entitlement and eligibility.

The Australian Taxation Office (ATO) is responsible for the administration of legislation relating to taxation and excises (excluding customs duties). One part of this responsibility is the Pay-As-You-Go (PAYG) taxation system.

From 1 July 2000 a single PAYG system replaced 11 existing reporting systems, including Pay-As-You-Earn (PAYE), Prescribed Payments System (PPS), provisional tax and the company superannuation fund systems.

PAYG is a single integrated system for reporting and paying withholding amounts and tax on business and investment income. The system brings income tax instalments and withholding tax obligations together in one system, which for most businesses means one set of payment dates and one form to complete.

There are two (2) elements of the system: PAYG instalments and PAYG withholding.

As part of an increased focus on the detection of recipients failing to declare or under declaring income, an initiative has been introduced to match Centrelink recipients with those identified by the ATO as having a PAYG Payment Summary. The data used in the project is sourced from the ATO PAYG data, which is from the PAYG payment summaries electronically lodged by employers with the ATO.

The PAYG data-matching pilot was announced in the 2000-2001 Budget.

The recipient's income details are compared with the income details in their PAYG Payment Summary and, where anomalies are identified between the income declared to DHS and the ATO, the recipient is selected for review.

Depending on the result of the review, further action may be taken, including raising a debt.

The Program Protocol for Pay-As-You-Go (PAYG) Matching was lodged with the Office of the Privacy Commissioner (as it was then) in May 2004.

Since 2004, DHS has continued to exchange payment summary data with the ATO. This exchange is used to identify potential non-compliance through the comparison of information held by the ATO and information payment recipients have reported to DHS.

This program protocol was updated in May 2017 in consultation with the Office of the Australian Information Commissioner (OAIC) to reflect changes to the names of applicable privacy principles and data-matching guidelines; changes to the name of relevant entities, such as Centrelink to DHS; changes to DHS business processes; technological changes; and other minor changes. It should be noted that the data-matching program and the data matching process remains unchanged since 2004. The number of reviews that DHS conducts as a result of its data-matching has increased.

2.2 Objectives

The objectives of this matching program are:

- to achieve savings in program outlays by identifying recipients with undisclosed or incorrectly declared income from employment;
- to deter recipients tempted to fail to disclose income from employment and to promote voluntary compliance through public awareness of the program;
- to recover any moneys which may have been incorrectly paid to those recipients; and
- where appropriate, to undertake prosecution action.

3 AGENCIES INVOLVED

3.1 Source Agencies

The source agencies that supply data for the purposes of this program are:

- Australian Taxation Office (ATO); and
- DHS

DHS is the primary user of this data.

3.2 Matching Agency

The key matching agency involved in this program is the ATO. DHS provides payment recipient files to the ATO for identity matching.

3.3 Data used in matching

DHS supplies its own data relating to all recipients in receipt of an income support payment. See Appendix A for further details.

4 DATA ISSUES

4.1 Data Quality

Poor quality data is of limited value in data-matching. DHS, as the matching agency, verifies the integrity of the data received from the ATO for such things as correct date format and that data is present in all the required fields.

Data quality mechanisms include:

- the ATO only return high confidence match results to DHS;
- DHS seeking validation from the recipient of any PAYG income reported that may impact welfare eligibility; and
- where recipients provide updated or corrected information, DHS takes this into account when determining the type and need for administrative action.

4.2 Data Integrity

DHS and the ATO try to maintain the highest level of data integrity possible. Measures taken to maintain integrity levels include designing systems that will not accept records that are incomplete, and identifying and correcting records that have data items that are inadequate or corrupt.

DHS data, or more specifically those data items used in the matching process, are standardised. Standardisation is the process whereby data items such as name, address and date of birth are converted in such a way as to ensure that these items are consistent across both organisations' files.

4.3 Data Security

The ATO and DHS exchange data using the dedicated mainframe to mainframe Optus Evolve link. This mechanism provides secure and trusted communications across government jurisdictions.

The ATO data received by DHS is held in DHS' secure Teradata and SAP HANA environments. These are core systems that employ strict security controls. Only DHS employees with a business need have access to view the ATO data provided under this program.

DHS staff are subject to existing security controls and confidentiality provisions of the *Social Security (Administration) Act 1999*. Access to the DHS' computer centres is strictly controlled and entry properly authorised. The DHS' security system provides protection and control of dataset access, system entry and program integrity. Security features include logon identification codes, passwords and security groupings to ensure that access to information is on a needs only basis.

The ATO is responsible for its own security with respect to its staff and access to the data provided by DHS. The ATO is subject to existing security controls and subject to the *Privacy Act 1988*, *Crimes Act 1914* and the *Public Service Act 1999*. Access to the ATO's computer systems is limited and is subject to requests for system access which include reminders about privacy and security obligations. Security features include logon identification codes and passwords. All access to systems is monitored and logged.

Existing security arrangements in the department automatically log user access to data files.

Statistics can be produced on the number of records read, number of records matched, number of records unmatched and the number of records written. Audit trails that enable verification of the processing of the data are also in place.

5 THE MATCHING PROCESS

The ATO PAYG data-matching program identifies recipients, who may have income from employment that has not been correctly declared to DHS or anomalies identified with the amount declared and received. People who appear on both the ATO and DHS files are considered to be 'matches'.

The matching process is only undertaken for ATO PAYG records with the same identity details as a recipient. The ATO does the initial identity match against DHS' annual Payment Summary file. DHS does an additional identity match of all ATO PAYG records with recipient records, by comparing the surname, first name, middle initial and date of birth with all DHS records. Where a match is identified, a selection is generated for review.

When a recipient has been matched, and they have a partner who is also a recipient, a review may also be generated for the partner, as any undisclosed income may impact on the partner's entitlement. This process will actually occur during the review selection period. Partner recipient reviews may also be added manually where the relationship is no longer current, but the review process has identified that the partner recipient entitlement would have been impacted during the period of the relationship.

Personal information extracted for use in this data-matching program which does not lead to a match is destroyed by DHS as soon as practicable and within 90 days after the matching occurred. See Appendix A for further detail.

6 ACTION RESULTING FROM THE PROGRAM

At the completion of the matching, selected recipients have a review activity loaded into DHS' core systems for compliance action.

6.1 Employment Income Reviews

The matches produced will be recipients who have income in the following categories:

- Individual Non-business, (i.e. wages or salary).
- A 'Voluntary Agreement'. These are available for individual workers (not employees) who are not required to have tax withheld from their payments at the time of receipt. This applies to certain subcontractors who must have an ABN.
- Labour Hire and other Specified Payments. Labour Hire applies to an individual worker who is:
- An employee employed through a common law contract.
- An independent contractor arranged directly.
- An independent contractor arranged through another entity, such as a company, partnership, or trust.
- Specified Payments refers to those payments that would have been affected under the former Reportable Payments System or Prescribed Payments System.
- Personal Services income and Attributed Income, which is the income of an individual or an entity such as a company, partnership or trust that is mainly a reward for an individual's personal efforts or skills.
- Foreign employment income, which refers to income derived by Australian residents working overseas as an employee. Australian residents are generally taxed on their worldwide income.

Before commencing the reviews, DHS staff check the output of the matching and assess the performance and accuracy of the matching process. For the reviews that commence, the recipient is contacted by letter which provides the recipient the employment information that DHS has received from the ATO and requests them to clarify this information online. A copy of this letter is found in Section 15.

The recipient is given a period of at least 28 days from the date the letter is received in which to clarify or contact DHS in relation to the employment information. Recipients are also advised that a debt may be raised if they do not respond within the required period.

Upon contacting DHS or accessing the online system, the recipient is provided with the opportunity to clarify the information and provide appropriate evidence of their income from employment. Where DHS is satisfied that the information provided by the recipient is sufficient, DHS will apply the information and determine the outcome.

Administrative action may include a:

- debt being raised
- cancellation of entitlement
- reduction in entitlement

Where a recipient does not provide a response within the specified timeframe, DHS makes the determination of appropriate administrative action based on the information provided by the ATO.

7 TIME LIMITS APPLYING TO THE PROGRAM

The matching of ATO PAYG data is conducted annually, and cases released for review.

The ATO now provide two files, one following the completion of the financial year, and an updated file containing PAYG information received by the ATO after the first file.

DHS does not create a permanent register or database on matched or non-matched selections as part of this protocol.

All external data received from the ATO that is no longer required is destroyed in line with Guideline 7 of the Information Commissioner's *Guidelines on Data-matching in Australian Government Administration.*

8 PUBLIC NOTICE OF THE PROGRAM

This data-matching program was notified in the Commonwealth Government Gazette of 12 May 2004.

9 REASONS FOR CONDUCTING THE PROGRAM

9.1 Relationship with the agencies lawful functions

The program is related to DHS' lawful function of limiting payments to those eligible under relevant legislation. The *Social Security Act 1991* and the *Social Security (Administration) Act 1999* provide that recipients are required to be eligible for payment. These requirements are given to recipients in a written advice authorised under different sections of these Acts for different payment types.

9.2 Social Considerations

There are three key social issues associated with the initiative:

- only persons entitled to receive payments from DHS do so at the correct rate;
- the desire of most taxpayers for the income support system to be secure as possible from cheating and fraud; and
- the protection of an individual's right to privacy.

Allied to those issues is a concern for social justice. In particular, there is strong support in the community for an income support system that directs available funds to those most in need of assistance. The program helps to achieve this in two ways:

- by strengthening controls in DHS payment systems it reduces the outlays from DHS programs (this provides funds for the Government to direct to other priorities); and
- the existence of effective controls in payment systems soon becomes evident to the community and rapidly increases voluntary compliance.

Suitable safeguards against unreasonable intrusion into the privacy of individuals are built into the data-matching arrangements. Matching is conducted in accordance with the Information Commissioner's *Guidelines on Data-matching in Australian Government Administration.*

9.3 Voluntary Compliance

The community's compliance with the law increases when it knows that DHS has effective controls in its system to detect incorrect payments and fraud. That is, people claiming or receiving income support payments are more likely to comply voluntarily with the law if they know that:

- there is a high probability that incorrect payments will be detected;
- they will be required to repay any debt; and
- they may be prosecuted if they attempt, by fraud or misrepresentation, to obtain payments to which they are not entitled.

The extent of the voluntary compliance effect flowing from this initiative is difficult to measure and an estimation of the monetary benefits has not been attempted.

10 LEGAL AUTHORITY

10.1 DHS

Section 195 of the *Social Security (Administration) Act 1999* provides that DHS may require the provision of specified information that relates to a class of people. This section authorises DHS to request from the ATO the details of data recorded on the PAYG Payment Summaries of recipients.

Section 192 of the *Social Security (Administration) Act 1999* provides that DHS may require the provision of information of relevance to the assessment of claims for payments that DHS administers, including whether a payment is or was payable to the person who received it or whether the rate is or was correct. Data is provided by the ATO to DHS pursuant to this provision.

In both instances data is requested in accordance with section 196 of the *Social Security (Administration) Act 1999.* Section 196 provides that written notice of the information requirements requested in accordance with both sections 192 and 195 be provided by DHS to the ATO prior to that information being given.

Australian Privacy Principle 6 (APP 6) provides that personal information can be used or disclosed by an agency where that disclosure is required or authorized by or under law. As the ATO information involved in this data-matching program is requested by DHS under sections 192 and 195 of the *Social Security (Administration) Act 1999*,
APP 6 does not limit its disclosure to DHS.

10.2 Australian Taxation Office

The ATO is required to comply with formal notices issued under Sections 192 and 195 of the *Social Security (Administration) Act 1999.*

The *Taxation Administration Act 1953* provides for the ATO to disclose information to DHS where the disclosure is for the purpose of administering the social security law.

11 DISCLOSURE OF INFORMATION PROVISIONS

11.1 Australian Taxation Office

The ATO releases sufficient information to DHS to allow matching to be undertaken and to correctly adjust matched recipients payments. The ATO only provides sufficient information to allow DHS to determine the correct entitlement of a recipient. Under the program, DHS provides the actual data received from the ATO to the recipient.

12 ALTERNATIVE METHODS

There are three other data-matching programs used by DHS to detect payment recipients who have failed to declare, or failed to correctly declare, income from employment.

DHS matches information from the ATO to detect non-disclosure by DHS payment recipients of income from employment. This involved matching information taken from recipients' Tax File Number Declaration Form (TDF). However, this matching process does not involve matching TFNs and the ATO does not provide any TFNs to DHS in this process. This matching has been conducted since May 1987. This program relies upon the recipient completing a TDF and the employer lodging the TDF with the ATO. The data is received from the ATO and analysed. Reviews are then initiated and undertaken by compliance officers on a regular basis.

DHS matches information from the Department of Employment (DE) to detect non-disclosure by DHS recipients of income from employment. This program relies upon the recipient either being placed into employment by a provider, or advising a provider that they have commenced employment. This matching uses data provided by DE each calendar month for the previous month.

DHS matches information from the ATO through the Data-matching Program. This program relies on the recipient lodging an Income Tax Return with the ATO and declaring income from employment as a source of income. This matching works on previous financial year data. The Data-matching Program is conducted up to nine times a year.

Other methods available to DHS are voluntary compliance, public denunciation, random manual reviews and Industry reviews. Analysis has shown that these methods are time consuming and labour-intensive.

The program of matching Payment Summary records from ATO seeks to complement these programs by detecting those recipients who may not have been detected by the above-mentioned methods, or who may have incorrectly/under declared earnings during their entitlement, therefore identifying recipients at risk of incorrect payment.

13 PRIOR PROGRAMS AND PILOT PROGRAMS

The PAYG data-matching pilot was announced in the 2000-2001 Budget.

The first phase of the pilot was conducted in 2000-2001, commencing in December 2001, and ending in June 2002. Phase II of the project commenced in December 2002, and was completed in June 2003.

The reviews were conducted in centralised teams in Area South Metro and Area North Central Victoria, for Phase I, and solely by Area South Metro for Phase II of the pilot.

The project met or exceeded the measures set down in the Budget estimates for debts raised and overall savings.

DHS and the ATO have been working in partnership to conduct data-matching for more than

two decades. Since 1991, DHS has undertaken employment income matching activities involving the matching of TFNs under the DMP Act. Those activities have been conducted in accordance with the DMP Act and the DMP Guidelines. An initial two year PAYG Data-matching pilot was commenced in 2001. Ongoing PAYG Data-matching has been in operation since 2004.

14 COSTS AND BENEFITS

This section details the costs and benefits for this program that were taken into account in deciding to initiate the program.

As announced in the 2015-16 Budget, and the 2015-16 and 2016-17 Mid-Year Economic Financial Outlook, the Employment Income Matching (EIM) program which uses PAYG matching, is expected to return over $4.6 billion in savings over 5 years. It is anticipated that these savings will be delivered as a result of the department's ability to undertake additional compliance reviews.

In addition to the quantitative benefits, the EIM program will allow DHS to address more non-compliance with recipients. Over time this will lead to more preventative approaches and increase voluntary compliance and reduce debt.

Appendix A – Technical Standards report

A. Description of Data

The following data items to be provided to the ATO by DHS for identity matching purposes.

- Customer Reference Number
- Gender
- Name
- Date of Birth
- Address

Table 1 – Centrelink Identity File

Data item	Description
REF-NUMBER	Customer Reference Number
GENDER	Gender
SRNM	Surname
1ST-NM	First Name
OTHR-GVN-NM	Other Given Name
BRTH-YR	Year of Birth
BRTH-MTH	Month of Birth
BRTH-DAY	Day of Birth
ADDR-LN-1	Address Line 1
ADDR-LN-2	Address Line 2
LCLTY-NM	Locality
POST-CD	Post Code
STATE-CD	State Code

The following data items are provided to DHS by the ATO.

- ‘Pay As You Go’ Payment Summary – Payer Record
- ‘Pay As You Go’ Payment Summary – Payee Record

Table 2 – PAYG Payment Summary Table – Payer Table

Field name	Description
Record length	Indicates the length of the record.
Record Type	Indicates this record is a Payer record.
Payer Australian Business Number or Withholding Payer Number	The ABN is an 11 digit number. The WPN is a 9 digit number
Payer Branch Number	Payer Branch Number
Financial year (CCYY)	Financial year (CCYY)
Payer name	Payer name
Payer trading name	Payer trading name
Payer address – line 1	Payer address – line 1
Payer address – line 2	Payer address – line 2
Suburb, town or city	Suburb, town or city
State or territory	State or territory
Postcode	Postcode
Country	Country
Contact name	Contact name
Contact telephone number	Contact telephone number
Contact facsimile number	Contact facsimile number
ETP payer type	Superannuation payer or Other ETP Payer
ANZSIC Code	ANZSIC Code

- **Table 3 – Payment Summary Output File Table – Payee Table**

Field name	Description
Record length	Indicates the length of the record.
Record Type	Indicates this record is a Payee record
Payment Summary Record Type	Type of Payment Summary
Client reference number	Client reference number
Payee Australian Business Number	If blank or 0 then R02_PYE_M_TFN_ABN
Payee date of birth (DDMMCCYY)	Format to DDMMCCYY
Payee surname	Payee surname
Payee first given name	Payee first given name
Payee second given name	Payee second given name
Payee address – line 1	Payee address – line 1
Payee address – line 2	Payee address – line 2
Payee suburb, town or city	Payee suburb, town or city
Payee state or territory	Payee state or territory
Payee postcode	Payee postcode
Payee country	Payee country
Period of payment start date (DDMMCCYY)	Format as DDMMCCYY
Period of payment end date (DDMMCCYY)	Format as DDMMCCYY
LAB Payment type	This attribute is only used for the LAB record.

Field name	Description
Withholding rate	The rate at which tax was withheld. The withholding rate is stored as five characters to two decimal points, e.g. 04850 = 48.5%
Total tax withheld (dollars)	Total tax withheld (dollars)
Gross payments (dollars)	Gross payments (dollars)
Total allowances (dollars)	This attribute is only used for the INB record.
Lump sum payment A (dollars)	This attribute is only used for the INB record or FEI record
Lump sum payment B (dollars)	This attribute is only used for the INB record.
Lump sum payment D (dollars)	This attribute is only used for the INB record or FEI record
Lump sum payment E (dollars)	This attribute is only used for the INB record or FEI record
Community Development Employment Project (dollars)	This attribute is only used for the INB record.
Other income (dollars)	This attribute is only used for the INB or DSP records.
Reportable fringe benefits (dollars)	This attribute is only used for the INB record or FEI record
Income type	This attribute is only used for the INB record. Values are: S = salary & wages P = Pension
Number of calendar days in eligible service period before 1 July 1983	This attribute is only used for the ETP or ETS records.
Number of calendar days in eligible service period after 30 June 1983	This attribute is only used for the ETP or ETS records.
CGT exempt component (dollars)	This attribute is only used for the ETP or ETS records.
Non-qualifying component (dollars)	This attribute is only used for the ETP or ETS records.
Undeducted contributions (dollars)	This attribute is only used for the ETP, ETS or DSP records.
Concessional component (dollars)	This attribute is only used for the ETP or ETS records.
Pre July 1983 component (dollars)	This attribute is only used for the ETP or ETS records.
Post June 1983 untaxed element (dollars)	This attribute is only used for the ETP, ETS or DSP records.
Post June 1983 taxed element (dollars)	This attribute is only used for the ETP or ETS records.
Post June 1994 invalidity component (dollars)	This attribute is only used for the ETP or ETS records.
Assessable amount (dollars)	This attribute is only used for the ETP or ETS records.
Taxed component taxable amount	The reported amount of taxable superannuation that has been taxed
Total taxable amount	The reported amount of total taxable superannuation

Field name	Description
Untaxable component taxable lump sum amount	The reported amount of a lump sum in arrears that is taxable and has not been taxed
Taxable component taxable lump sum amount	The reported amount of lump sum in arrears that is taxable and has been taxed
Tax offset amount	The reported amount of superannuation tax that has been offset
Transitional termination payment code	Reported value indicating whether the amount on a 'DEMP' report is a transitional termination payment
Related prior payment code	Reported value indicating whether the amount on a 'DEMP' report is related to a prior termination payment
Amendment resolution code	The derived resolution of an attempted amendment
Amendment code	Amendment code as reported
Death benefit (=Y or N)	This attribute is only used for the ETP, EMP or SLS records.
Type of death benefit (=T or O)	This attribute is only used for the ETP, EMP or SLS records.
Payer Australian Business Number or Withholding Payer Number	The ABN is an 11 digit number. The WPN is a 9 digit number
Payer Branch Number	Payer Branch Number
Payee sex	Sex code of the client
Compromised TFN	The status of the matched TFN if compromised, else blank
TFN quoted ind	TFN quoted indicator
Payee match resolution code	Match resolution code
Filler	

B. Matching Techniques

Identify Matching

The identity data-matching of the two information sources is conducted by the ATO.

The output of this matching is provided to DHS as the 'matched' records.

DHS target recipients where there is a discrepancy between income declared to the ATO and income declared to DHS.

This could be –

A) Recipient and Spouse

B) Spouse but not recipient

C) Recipient but not spouse

How DHS detect the discrepancy depends on the information gathered. DHS may have to use different business rules to obtain an accurate and valid result.

Income Matching

Information is extracted from the DHS Enterprise Data Warehouse for both current and the target financial years including:

- declared earnings
- compensation payments
- other government payments
- business, real estate or other income and / or payments
- partner relationship history
- student course history
- income support payment and debt history
- demographic data as required

Business rules are applied to this data to check if there is a difference in the income reported to DHS compared to the income reported by employers to the ATO.

Where a recipient or spouse is identified as having a difference, the selected case will then be loaded into DHS core systems for compliance action.

C. Risks

Incorrect identity matches

The ATO uses sophisticated identity matching techniques to ensure they identify the correct taxpayer from data provide by DHS. This technique uses multiple details to obtain an identity match. For example, where a Customer Reference Number (CRN), name, address and date of birth are available all items are used in the identity matching process.

Very high confidence matches will occur where all fields are matched to a taxpayer in ATO systems. Additional manual processes may be undertaken where high confidence identity matches do not occur.

D. Data quality controls and audit

When compliance action is proposed, additional checks will take place to ensure the correct DHS recipient or spouse has been identified. DHS recipients will be provided with the opportunity to verify the accuracy of the information before any compliance action is taken.

E. Security and confidentiality

All DHS computer systems are strictly controlled with features including:

- system access controls and security groupings
- login identification codes and password protection
- full audit trails of data files and system accesses

Appendix B – Initial Contact Letter

Australian Government
Department of Human Services
centrelink

If not delivered: Locked Bag 8900 CANBERRA ACT 2601
{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}

<{NOMINEE.TITLE.FULLNAME}
{NOMINEE.POSTAL.ADDRESS}
{NOMINEE.POSTAL.ADDRESS}

!

{CLIENT.TITLE.FULLNAME}
{CLIENT.POST.ADD}
{CLIENT.POST.ADD}
{CLIENT.POST.ADD}>

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to {CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about {CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

Employment income confirmation

We have information from the Australian Taxation Office (ATO) that we need your help to confirm or update. The employment dates or income details are different to what you told us when getting a payment. We use your employment information so you get paid the right payment.

This is not a debt letter. Please check the ATO information with this letter carefully.

You must confirm or update the information **within 28 days** of receiving this letter.

Go online and check today

The easiest way is to sign in to your Centrelink online account linked to your **myGov** account.

You can also go to **humanservices.gov.au/confirmincome** and register:

1. Enter the reference number at the top of this letter and your confirmation code: **{CODE}**.
   The confirmation code will expire after 28 days.

2. Enter details from your current Australian driver licence or passport, and your Medicare card.
3. Provide an email address or mobile number so we can send you a security code to log on.

Please note, if you don't confirm or update the information within 28 days, we may apply the employment dates and income from the ATO to your record. This may result in a debt you will need to repay.

After you have confirmed or updated the details, we will write to you to let you know the outcome and what you need to do next.

If you need help

If you don't have internet access or need help to sign in, go into any of our service centres. If you need help with the employment information provided, call us on 1800 086 400.

Yours sincerely

Director, Earned Income

Customer Compliance

Employment information statement

Check this employment information from the Australian Taxation Office against your records. Make sure you check the dates you worked for each employer.

Go to **humanservices.gov.au/confirmincome** to confirm or update these details. You may need payslips or bank statements to check this information.

Employer	Super Sparkle Cleaning
Dates of Employment	10 JUL 2015 to 13 AUL 2015
Earnings	$400.00
Employer	Joe Bloggs Tree Cutting
Dates of Employment	5 DEC 2015 - 20 FEB 2016
Earnings	$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	$1022.00

Your Customer Reference Number is **{REFERENCE.NUMBER}**

If you do not agree with a decision we have made

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to **aat.gov.au**

All of the above are free of charge.

There is no time limit for a review of a decision about money you owe us. You can choose to pay back the money while the decision is being reviewed.

Privacy and your personal information

Your personal information is protected by law (including the *Privacy Act 1988*) and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services.

Your information may be used by the department, or given to other parties where you have agreed to that, or where it is required or authorised by law (including for the purpose of research or conducting investigations).

You can get more information about the way in which the department will manage your personal information, including our privacy policy, at **humanservices.gov.au/privacy**

Data-matching initiatives

The Department of Human Services undertakes regular data-matching activities in line with the Data-matching Program (Assistance and Tax) Act 1990 and the Office of the Australian Information Commissioner's Guidelines on Data-matching in Australian Government Administration and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

If you need help

If you need help or you do not have internet access, you can go to any of our service centres. You can also call us directly on 1800 086 400.

To give us feedback or make a complaint

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**, or
- go to **humanservices.gov.au/feedback** for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website ombudsman.gov.au or calling them on **1300 362 072**.