

## Senate Community Affairs Legislation Committee

### ADDITIONAL ESTIMATES – 11 FEBRUARY 2016 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Overpayments and Underpayments

**Question reference number:** HS 39

**Senator:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 4 April 2016

**Number of pages:** 2

#### **Question:**

In relation to QoNs 47 and 48 from Supplementary Budget estimates –

- a) Please provide an update on the data in QoNs 47 and 48.
- b) Why does the Department not collect data on underpayments, given it collects detailed information on overpayments?
- c) Is there a grace period on repaying overpayments for individuals where the Department is responsible for the error?

#### **Answer:**

- a) The following table provides the number and percentage of income support recipients with Centrelink overpayments for the period 1 July 2015 to 31 January 2016.

<b>Income support recipients with Centrelink overpayments for the period 1 July 2015 to 31 January 2016</b>	
<b>Number of Customers with an Overpayment</b>	<b>Percentage of Customers with an Overpayment</b>
629,917	9.64%

Note: The percentages have been rounded to two decimal points. Using these rounded figures may result in discrepancies in individual calculations of the number of customers with an overpayment.

The following table provides the number and percentage of income support recipients with Centrelink overpayments for the period 1 July 2015 to 31 January 2016, broken down by payment type.

<b>Payment Type</b>	<b>Total number of customers with an overpayment</b>	<b>Percent of Total Customers with an Overpayment (%)</b>
ABSTUDY	3,330	8.11
Age Pension	40,781	1.59
Austudy	9,968	15.66
Carers	22,798	8.31
Disability Support	32,353	3.98
Family Tax Benefit	424,234	24.92
Newstart Allowance	137,202	13.32
Other	13,650	11.03
Parenting Payment Partnered	38,222	29.64
Parenting Payment Single	77,455	26.2
Youth Allowance	40,132	9.55

Note 1: While each customer is only counted once within each payment type, some customers receive more than one payment, so could appear in more than one payment type.

Note 2: The percentages have been rounded to two decimal points. Using these rounded figures may result in discrepancies in individual calculations of the number of customers with an overpayment.

The department does not collect data on underpayments.

- b) When an underpayment is identified the payment is corrected and no further action is required in the department's system. Overpayments result in an outstanding debt that cannot be immediately repaid. The amount of an overpayment needs to be held in the department's system until it is repaid.
- c) There is no grace period for individuals repaying overpayments where the department is responsible for the error. The department is able to negotiate a suitable repayment arrangement based on a customer's financial circumstances. This can include temporarily suspending repayment at times of extreme financial hardship. Customers can contact the department to discuss their repayment arrangement and changes in financial circumstances that reduce their capacity to repay a debt at any time.