

Senate Community Affairs Legislation Committee

SUPPLEMENTARY BUDGET ESTIMATES – 23-24 OCTOBER 2014 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Private Debt Recovery Action

Question reference number: HS 157

Senator: Siewert

Type of question: Written

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Number of pages: 2

Question:

- a) What proportion and amount of debts was recovered by:
 - i) Dun & Bradstreet; and
 - ii) Recoveries Mercantile?
- b) How many debts were recovered by each of these agencies in 2013-14?
- c)
 - 1) How much commissions were received by each of the collection agencies in 2013-14?
 - 2) Provide details, in dollar amounts and numbers of people) whose debts are currently under management by these agencies.
- d) How many complaints were received about private debt collection agencies in 2013-14?

Answer:

- a) The following table shows the proportion and amount of debts recovered by Dun & Bradstreet and Recoveries Corporation in 2013-14.

Collection Agency	Amount Recovered (\$ million)	Proportion of Total Debt Recovered
Dun & Bradstreet	\$61.65	4.9%
Recoveries Corporation	\$63.19	5.0%
DHS recovered	\$1,141.24	90.1%
Total	\$1,266.08	100%

- b) The department is unable to provide the number of debts recovered by each of these agencies as recovered amounts may not solely contribute to the debt being fully recovered. For example, a collection agent may recover a portion of the debt before a customer resumes receiving payments and the debt is then recovered through automatic withholdings from ongoing payments.
- c)
 - 1) The following table shows the amount of commission received by each of the collection agents for 2013-14.

Collection Agency	Commission received
Dun & Bradstreet	\$6,786,512.46
Recoveries Corporation	\$6,950,517.68
Total	\$13,737,030.14

- 2) The following table provides details, in dollar amounts and numbers of debts currently under management by these agencies.

Collection Agency	Number of customers	Number of debts	Debt amount with agency
Dun & Bradstreet	33,226	50,341	\$114,963,680
Recoveries Corporation	35,136	53,671	\$123,168,601
Total	68,362	104,012	\$238,132,281

- d) For 2013-14 there was a total of 201 complaints received about private debt collection agencies.