

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Human Services Portfolio**

**Department of Human Services**

Additional Estimates February 2005

**Question: HS34**

**Outcome 1, Output 1.1 – Effective delivery of Australian Government services to eligible customers.**

**Topic: Compensating people for financial loss as a result of overestimating income for family tax benefit purposes**

**Hansard Page/Written Question on Notice: Written**

Senator Chris Evans asked on 15 February 2005:

(1) In relation to the case in which one family was paid compensation under the Compensation for Detriment Caused by Defective Administration Scheme as a result of that family overestimating their income to reduce the risk of incurring a family tax benefit debt (see page 40 of the Ombudsman's Annual Report 2003-04):

- (a) Why was this compensation paid?
- (b) How much compensation was this family paid?

(2) Are there any other families in the same situation? How many other families have lodged a claim for compensation under the CDDA scheme?

(3) How much will it cost to compensate those other families?

Answer:

(1) (a) Compensation was paid in this particular case because it was established that the family was not fully informed that over-estimating their income could result in losing entitlement to a health care card. The family was compensated for the concessions they were assessed as having foregone over a 4 week period in 2002.

(1) (b) The family was paid \$2,984.00 in compensation.

(2) There are no other applications for compensation from families who lost entitlement to a health care card due to an over estimation of their family income.

(3) Not applicable.