

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Additional Budget Estimates 2005-2006, 14 February 2006

Question: HS54

Outcome 1, Output 1.1

Topic: Centrelink – Centrelink debt recovery

Written Question on Notice: Written

SENATOR EVANS asked on 14/2/2006:

Provide an update to the information provided in response to parts (2) to (5) of Question on Notice HS42 from the November Estimates.

Parts (2) to (5) of HS42 are:

2. What account is taken of customers' individual financial circumstances when determining whether the standard rate of debt recovery is appropriate?
3. Does Centrelink undertake any checks before imposing the standard rate of recovery on individual customers? If so, please give details. Or is it up to the customer to request a change to the standard rate to suit their particular circumstances?
4. What has been the impact of the new streamlined approach to debt recovery that was introduced in October 2004?
5. Does Centrelink now measure or monitor customer perceptions of the recovery process, in accordance with the findings of last year's audit report on debt recovery issues? If not, why not?

Answer:

2. A financial circumstances check establishing income and expenses is completed to determine capacity to pay.
3. Deductions do not commence for 28 days after customers are advised of a debt. Customers are requested to contact Centrelink within that time to discuss recovery options if they are unable to repay the debt in full. Where a customer contacts Centrelink, they are advised of the standard repayment rate and, if this is unaffordable, they are given an opportunity to negotiate a more affordable arrangement.
4. To measure the impact of the new streamlined approach Centrelink conducted workshops with customers between May and July 2005 to obtain feedback about their perception of Centrelink's debt management practices. Customer feedback during these workshops indicated that customers found the debt recovery process flexible and responsive to their circumstances.
5. Yes

This answer required 2 hours 40 minutes at a cost of \$114.00 to prepare.