

**Senate Standing Committee on Finance and Public Administration**

**ANSWERS TO QUESTIONS ON NOTICE**

**Human Services Portfolio**

Additional Estimates 2006-2007, 13<sup>th</sup> and 16<sup>th</sup> February, 2007

**Question: HS75**

**Agency: Centrelink**

**Outcome 1, Output 1.1**

**Topic: Centrelink Customer records**

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

**SENATOR MOORE** asked on 16/02/2007:

1. Please explain what procedures are in place to correct information which has wrongly been sent to customers notifying them of a debt or credit? For instance, if a customer is told they owe Centrelink \$500 and actually owe \$5000, how does Centrelink correct this information with customers?
2. I refer to the results of the Centrelink Random Sample Survey audit conducted by the Australian National Audit Office (ANAO). Can you please explain what costs are associated with fixing these mistakes, such as the time it takes staff to correct these mistakes?
3. Can you please table Centrelink's most recent Random Sample Survey?
4. What measures are in place to stop the Access Card increasing the number of people who receive wrong payments?
5. Please explain what percentage of these mistakes are customer related errors and Centrelink related errors.
6. Please explain what percentage of Centrelink related errors are based on human error and technical error. Please detail what is the most common human error and technical error.
7. What measures are in place to discipline Centrelink staff who access customer records without cause of authorisation? Please explain these regulations in detail.
8. Have there been any changes since 2006? If not, why not?
9. How has the Department improved its services to cut down on customer privacy breaches in all of its agencies, especially in relation to the implementation of the Access Card?

**ANSWER:**

1. If Centrelink has determined a debt and a subsequent adjustment to the amount is required it is actioned manually by a Centrelink officer.

The process involves locating the correct customer and debt identification record on Centrelink's Debt Management Information System, amending the system with the new amount and documenting the details. After the record has been updated a 'Reconsideration of Decision' letter is sent to the customer. The letter includes the reason for the decision, the new amount, and whether overpaid monies are to be refunded.

If repayments have been made in excess of the new debt amount, they are refunded to the customer provided there are no other outstanding debts. Where other debts exist the money is applied to the outstanding debt balance.

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2. This question has been answered in the response to HS33.
3. The provision of full results from the Random Sample Survey is a responsibility of the three policy departments, the Department of Education, Science and Training, the Department of Employment and Workplace Relations and the Department of Families, Community Services and Indigenous Affairs.
4. The access card will deliver improved efficiencies in government administration and reduce fraud and misuse of taxpayer money. A key measure of the new card is a strengthened proof of identity mechanism that has the capacity to authenticate cardholders, identify their entitlements (such as concession status) and ensure they access the right services and benefits.

To achieve this aim, it is the intent of the Australian Government that access card registrations meet the Gold Standard Enrolment Framework of the National Identity Security Strategy to the greatest possible extent. This will ensure that the risks of identity fraud are managed and appropriate protections to Australian Government outlays are provided.

One of the current contributors to incorrect payments is out of date or incorrect personal information held on agency databases. The access card programme will enable customers to provide information relating to changes in their personal circumstances only once and have that information shared with any participating agency with which that the customer has a designated relationship.

5. Preliminary data available for the current financial year to 30 November 2006 (with a completion rate of 99 per cent) show that Centrelink error that affected payment stands at only 4.23 per cent. Of the total errors, customer error stands at 59.7 per cent while Centrelink administrative error stands at 40.3 per cent.
6. Preliminary data for the current financial year to 30 November 2006 show that of the total errors Centrelink made, 1.4 per cent were due to system error. The remainder were due to human error. The most common human error was processing residence requirements and the most common system error was in terms of storing or applying income.
7. This question has been answered in the response to HS84.
8. This question has been answered in the response to HS84.
9. Security and privacy are paramount to the access card. The *Privacy Act 1988* will be adhered to and there will be no tolerance in relation to unauthorised access to customer records by staff.

The Department is committed to ensuring that comprehensive security is engineered into every aspect of the programme, from initial conception to design and rollout.

Staff access to records will be logged and all logs will be analysed to ensure records are being appropriately accessed.

Further underlining the emphasis on security and privacy, the Access Card Bill contains penalties for staff who inappropriately access information.

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To prepare this answer it has taken approximately 9 hours and 32 minutes at an estimated cost of \$513.