

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Budget Estimates 2005-2006, 26 May 2005

Question: HS81

Outcome 1, Output Group 1.1

Topic: Centrelink – Funding for ‘improved compliance regime’ provided through 2005 budget

Hansard Page/Written Question on Notice: Written

SENATOR EVANS asked on 26 May 2005:

(1) At the Estimates hearing on 26 May 2005 (see Hansard, page 59), Mr Whalan outlined five compliance measures that were funded through the 2005 budget. Is it the case that the five measures outlined by Mr Whalan are being funded through the \$198.2 million that Centrelink has been allocated for an 'improved compliance regime' as part of the welfare changes announced in the budget? Or are some of these five measures being funded separately?

(2) Please indicate which of the five measures outlined by Mr Whalan are being funded from the \$198.2 million allocated for 'improved compliance regime', and which of the measures are being funded separately.

(3) Can Centrelink now provide a full breakdown of how the \$198.2 million that it was allocated (via the Department of Employment and Workplace Relations) for 'improved compliance regime' as part of the welfare changes announced in the budget will be spent?

Answer:

(1 and 2) At the Estimates hearing on 26 May 2005, Mr Whalan referred to the following five compliance measures that were funded through the 2005 Budget:

- Age Pension – detection and prevention of incorrect payments arising from overseas income;
- 10 per cent recovery fee on debts;
- Family Assistance – using reconciliation top-up payments and tax refunds to offset outstanding family assistance debts;
- Eight week non-payment period; and
- case management of customers serving a non-payment period.

Of the five measures outlined above, the 10 per cent recovery fee on debts, the eight week non-payment period, and the case management of customers serving a non-payment period are all funded through the Welfare to Work – improved compliance regime. The other two measures referred to by Mr Whalan in the Estimates hearings

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have been funded separately through the Department of Family and Community Services.

(3) Centrelink anticipates that the funding allocated through Welfare to Work for the 'improved compliance regime' will be spent as follows:

Business Area	Cost
Customer Service Centres / Call Centres (processing of participation reports, consideration of suspension action and case management of prescribed customers serving a non-payment period)	\$119.787 m
Area Support Offices (recovery fee assessments and appeals)	\$52.322 m
IT Systems (applications development and testing)	\$17.670 m
National Support Office (project management and communications products)	\$8.451 m