

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: HS90

Outcome 1, Output Group 1.1

Topic: Centrelink – Seniors’ concession allowance

Hansard Page/Written Question on Notice: Written

SENATOR EVANS asked on 26 May 2005:

- (1) On what dates has the seniors' concession allowance been paid to date?
- (2) For each occasion on which the allowance has been paid:
 - (a) How many payments were made?
 - (b) What has been the total amount paid?
 - (c) What was the average payment made?
- (3) What was the process for paying the allowance to eligible customers? Were eligible customers automatically paid the allowance? Did eligible customers have to nominate a bank account, or were existing bank account details used by Centrelink to make the payment?
- (4) Is there a time limit in which eligible customers have to inform Centrelink of their bank account details for this payment?
- (5) Are customers specifically informed of this time limit in correspondence advising them to supply bank account details to Centrelink? If not, why not?

Answer:

- (1) The first instalment of Seniors Concession Allowance was paid on 21 December 2004. The second instalment was paid on 20 June 2005. A small number of customers received their instalment on a later date than 21 December 2004 or 20 June 2005. This occurs where a customer is retrospectively granted a Commonwealth Seniors Health Card and is therefore eligible on the qualification date, or the customer supplies their bank details after the qualification date.

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- (2) (a) The number of payments made for each instalment of Seniors Concession Allowance was:

Instalment	December 2004	June 2005
Number of payments made	289,399*	291,359

* Includes customers paid after 21 December 2004.

- (b) The total amount paid for each instalment of Seniors Concession Allowance was:

Instalment	December 2004	June 2005
Total amount paid	\$28,939,900	\$29,543,803

- (c) The average payment made for each instalment of Seniors Concession Allowance was:

Instalment	December 2004	June 2005
Average payment	\$100.00	\$101.40*

* Adjusted for the March 2005 Consumer Price Index.

- (3) Seniors Concession Allowance is automatically paid into the bank accounts of eligible customers, ie. holders of Commonwealth Seniors Health Cards. Initially, only those Commonwealth Seniors Health Card holders who were in receipt of Telephone Allowance had the necessary bank account details recorded for Seniors Concession Allowance to be paid. To ensure the greatest possible take up for the first payment of Seniors Concession Allowance, Centrelink wrote to all customers who had not provided bank account details, asking them to provide these details to enable Centrelink to make the first payment of Seniors Concession Allowance.

In certain limited circumstances where customers cannot provide bank account details, Centrelink will allow a cheque payment to be made. A customer must request an exemption from direct credit from Centrelink for this to occur.

- (4) Under social security law, customers must supply details of their bank accounts within 28 days of the date of such a request. In addition, there is a subsequent 13 week period which enables customers time to comply with the request. In practical effect, this means that the customer will still receive the Seniors Concession Allowance payment if they supply their bank details within 17 weeks.
- (5) In the initial mailout asking customers to provide bank account details, customers were not given a time limit in which to supply these details to Centrelink. This was an oversight. As this mailout did not specify a timeframe, customers who contact Centrelink

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to supply their bank account details after the allowable period and who were otherwise eligible for the December 2004 Seniors Concession Allowance payment will be paid.