

Senate Finance and Public Administration Standing Committee

SUPPLEMENTARY BUDGET ESTIMATES – 20 October 2009 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Pensioner Entitlement Review

Question reference number: HS38

Senator: Scullion

Type of question: *Written*

Date set by the committee for the return of answer: 4 December 2009

Number of pages: 2

Question:

Centrelink, in particular the Tasmanian office, have recently conducted a review of pension entitlements specifically on those who also receive a foreign pension.

- a) How many pensioners have received a notice of overpayment recovery?
- b) How many cases have been identified as resulting from Centrelink failing to enter correct details in the past?
- c) What processes are Centrelink putting in place to resolve overpayments where the pensioner has no assets or capacity to repay the assessed debt?

Answer:

- a) The number of overpayments raised between 1 July 2009 and 31 October 2009 as part of this program is 5,170.
- b) Data exchanges with other countries maintain accuracy of Centrelink payments by early identification of indexation increases in the rate of foreign pension paid. They also help identify where a customer's Centrelink record does not match the information provided by the data-matching country or by the customer. Differences in the information can be indicative of an overpayment of Centrelink payments. In these instances, Centrelink will initiate appropriate action to recover any overpayments and adjust the customer's payment rates.

There can be numerous reasons for differences that give rise to an overpayment, including, but not limited to, error by Centrelink employees, or by the customer, or non-disclosure of changes in a customer's foreign pension or circumstances. Accordingly, Centrelink would not have the level of information needed to answer this question without recourse to a detailed analysis of individual customer records. To obtain this information would be

highly resource intensive and would require an unreasonable level of expenditure.

- c) Recovery of this class of debts is limited to \$50 per fortnight from the customer's ongoing Centrelink payment. If the customer is unable to afford \$50 per fortnight they may request a review of the recovery rate and a reduced rate may be negotiated. In extreme cases of financial hardship, it is possible to temporarily write off (i.e. suspend) recovery of a debt subject to future recovery.