

## QUESTION TAKEN ON NOTICE

### SUPPLEMENTARY BUDGET ESTIMATES: 21 OCTOBER 2008

#### IMMIGRATION AND CITIZENSHIP PORTFOLIO

##### **(61) Output: Internal Product**

Senator Hanson-Young (L&CA114-115) asked:

Can I also put on notice some questions about the break down of the daily debt from the different facilities around the country, the level of interest that is charged on these debts, the process for the debt waivers—and my understanding is that the Department of Finance and Deregulation is involved in that—the stock of debts that are still outstanding, and the standard size of a detention debt, if there is some type of medium or average?

What is the level of interest that is accumulated on debt?

*Answer:*

##### **Daily debt**

The daily maintenance amount, as defined in s.208(1) of the Migration Act, is \$114.00 ex GST (valid 7/4/08 – 6/4/09) and is standard across all Immigration detention centres and Immigration residential housing and Immigration transit accommodation.

##### **Level of interest that is charged on these debts**

As detention debts are usually very large, the Department generally does not impose interest charges, as it would impose additional hardship and this is not considered to be in the interests of the Commonwealth. However, charging of interest on detention debt is considered on a case by case basis.

Interest charges are based on the 90-day bank accepted bill less 10 basis points.

##### **The process for the debt waivers**

The power to waive a debt to the Commonwealth is provided in paragraph 34(1)(a) of the *Financial Management and Accountability Act 1997* and is vested in the Minister for Finance and Deregulation (Finance) and his delegates. This authority has not been delegated to the Minister for Immigration and Citizenship or anyone within DIAC.

Any individual, company or other organisation can submit a waiver request and in certain circumstances DIAC may seek a waiver of the debt. An application for waiver of a debt will only be successful where it is found that there is a moral obligation on the Commonwealth to waive the debt. The guidelines issued by Finance indicates that the waivers power should not be applied if there are other avenues that could be

expected to provide an equitable solution for the claimant that have not yet been explored.

In addition to debt waivers, the Department provides for writes offs of approximately 97% of detention debt. While the act of write off does not extinguish the debt at law, it does have the effect that the debtor is not pursued, where it is uneconomic to do so.

### **The stock of debts that is still outstanding**

As at 30 September 2008, balance of debt outstanding, net of waivers and write-offs, is \$8,212,807.86.

### **The standard size of a detention debt, if there is some type of medium or average**

There is no standard detention debt amount. The size of debts depends on the length of time in detention plus any removal costs.

### **The level of interest accumulated on debts**

Normally interest is not charged on detention debts. Interest accumulated on the above balances is nil.