

# **Centrelink's automated debt raising and recovery system**

A REPORT ABOUT THE DEPARTMENT OF HUMAN SERVICES' ONLINE COMPLIANCE INTERVENTION SYSTEM FOR DEBT RAISING AND RECOVERY

APRIL 2017

Report by the Acting Commonwealth Ombudsman,  
Richard Glenn, under the *Ombudsman Act 1976*

REPORT NO. **02|2017**



# CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>PART 1 - INTRODUCTION AND SCOPE .....</b>	<b>4</b>
Introduction .....	4
Scope of this investigation and methodology .....	4
<b>PART 2 - WHAT IS THE ONLINE COMPLIANCE INTERVENTION SYSTEM?.....</b>	<b>5</b>
<b>PART 3 - LESSONS LEARNED - KEY ISSUES ARISING OUT OF OUR INVESTIGATION .....</b>	<b>7</b>
Accuracy of Debts Raised by the OCI system .....	7
Ten per cent recovery fee .....	8
<i>Transparency and usability of the OCI system.....</i>	<i>9</i>
<i>Customers who did not receive the initial contact letter .....</i>	<i>9</i>
<i>Usability of the online system .....</i>	<i>11</i>
Problems gathering employment income evidence .....	12
<i>Adequate time to respond.....</i>	<i>14</i>
Service delivery - the adequacy of DHS' communication to customers and staff .....	15
<i>Communication to customers .....</i>	<i>15</i>
<i>Directing customers online and assistance to customers to use the OCI .....</i>	<i>16</i>
<i>Communication and training for staff .....</i>	<i>18</i>
<i>Assistance for vulnerable customers .....</i>	<i>19</i>
<i>DHS' response to complaints and feedback .....</i>	<i>22</i>
<b>PART 4 – CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>26</b>
<i>Recommendations regarding the ten per cent recovery fee.....</i>	<i>26</i>
<i>Recommendations regarding initial contact letters.....</i>	<i>27</i>
<i>Recommendations to further improve clarity of messaging within the OCI system</i>	<i>27</i>
<i>Recommendations to further assist customers to gather evidence to effectively use the OCI system.....</i>	<i>28</i>
<i>Recommendations to further improve service delivery.....</i>	<i>28</i>
<i>Recommendations regarding vulnerable customers .....</i>	<i>29</i>
<i>Future implementation of the OCI.....</i>	<i>29</i>
<b>APPENDIX A – UNDERSTANDING THE OCI.....</b>	<b>31</b>
The previous manual process .....	31
The 2015 Pilot .....	32



The interim process.....	33
The OCI process July 2016 to January 2017 .....	33
Changes to the OCI since February 2017 .....	35
<b>APPENDIX B – THE OCI IN OPERATION.....</b>	<b>39</b>
Accuracy of debts raised by the OCI .....	39
<i>Suitability and reliability of ATO data</i> .....	39
<i>The data matching process</i> .....	39
<i>Ability of the system to accurately assess various kinds of income and exclusions</i>	41
<i>Use of ‘averaged’ ATO income data</i> .....	42
Application of the ten per cent recovery fee.....	43
<b>APPENDIX C – AGENCY RESPONSES .....</b>	<b>45</b>
<b>APPENDIX D – LETTERS – OCI OCTOBER 2016 .....</b>	<b>54</b>
1    Initial letter to customers .....	54
2    Reminder letter .....	58
3    Notice of Decision letter .....	61
<b>APPENDIX E – LETTERS – OCI FEBRUARY 2017 .....</b>	<b>63</b>
1    Initial letter to customers .....	63
2    Reminder letter - first .....	68
3    Notice of Decision Letter – debt.....	73
4    Notice of Decision Letter – debt (no customer contact) .....	75
<b>APPENDIX F – SCREENSHOTS – OCI DECEMBER 2016 .....</b>	<b>78</b>
<b>APPENDIX G – SCREENSHOTS – OCI FEBRUARY 2017 .....</b>	<b>84</b>



## EXECUTIVE SUMMARY

In July 2016 the Department of Human Services (DHS) - Centrelink launched a new online compliance intervention (OCI) system for raising and recovering debts. The OCI matches the earnings recorded on a customer's Centrelink record with historical employer-reported income data from the Australian Taxation Office (ATO). Parts of the debt raising process previously done manually by compliance officers within DHS are now done using this automated process. Customers are asked to confirm or update their income using the online system. If the customer does not engage with DHS either online or in person, or if there are gaps in the information provided by the customer, the system will fill the gaps with a fortnightly income figure derived from the ATO income data for the relevant employment period ('averaged' data).

Since the initial rollout of the OCI, the Commonwealth Ombudsman's office has received many complaints from people who have incurred debts under the OCI. This report examines our concerns with the implementation of the OCI, using complaints we investigated as case study examples.

We acknowledge the changes DHS has made to the OCI since its initial rollout. The changes have been positive and have improved the usability and accessibility of the system. However, we consider there are several areas where further improvements could be made, particularly before use of the OCI is expanded. We have made several recommendations to address these areas.

### **Accuracy**

Administrative decisions are made on the best available information at the time of the decision. If further information becomes available, a new decision can be made.

We examined the accuracy of debts raised under the OCI. We are satisfied the data matching process itself is unchanged. The number of instances where no debts were raised following contact with a customer (approximately 20 per cent) was consistent with DHS' previous manual debt investigation process. This figure has been incorrectly referred to as an 'error' rate.

We are also satisfied that if the customer can collect their employment income information and enter it properly into the system, or provide it to DHS to enter, the OCI can accurately calculate the debt. After examination of the business rules underpinning the system, we are satisfied the debts raised by the OCI are accurate, based on the information which is available to DHS at the time the decision is made.

However, if the information available to DHS is incomplete, the debt amount may be affected. It is important for the system design for customers to respond to information requests from DHS so decisions are made on all available information. We have therefore concentrated on the accessibility, usability, and transparency of the system, including quality of service delivery and procedural fairness in this report.

### **Ten per cent recovery fee**

Under social security law, DHS is required to apply a ten per cent recovery fee in certain circumstances if the customer has a debt and does not have a reasonable excuse. The debt recovery fee is not unique to the OCI and is applied to other debts from manual compliance review processes. The OCI automated the application of the recovery fee where there was no contact from the customer, or the customer



responded that they did not have personal factors which affected their ability to accurately declare their income.

This raised concerns for customers who may not have had an adequate opportunity to provide a reasonable excuse, for example if they did not receive the initial letter, or did not understand the connection between reasonable excuse and the recovery fee.

In response to concerns raised by our office, DHS no longer applies the fee automatically for customers who respond to DHS. It has enhanced the OCI to make it easier for customers who have a reasonable excuse to notify the department so they will not be charged the fee. It now provides clearer information and further invitation to provide a reasonable excuse in debt notification letters. We have recommended that, in certain cases, DHS review those debts where the recovery fee was previously applied.

### **Transparency and Usability**

Good public administration requires a transparent and open decision making process that clearly sets out the issues the person needs to address to challenge a decision and the findings of fact on which the decision is based. This principle continues to apply when decision making is automated.

Our investigation revealed DHS' initial messaging to customers through its letters and in the system itself, was unclear and did not include crucial information such as a contact phone number for the DHS compliance team. Many complainants did not realise their income would be averaged across the employment period if they did not enter their income against each fortnight. This resulted in people with fluctuating or intermittent income having their income averaged. In some cases this was a more favourable outcome for the customer and in others, the debt was overstated.

We acknowledge DHS has made several changes to improve the initial contact letters and messages within the system. We have made recommendations to further improve these, including clearly explaining that ATO income may be averaged across the person's employment period and the consequences this may have for the debt amount.

### **Evidence gathering**

DHS has always asked customers to collect employment income information during its compliance reviews. Under the OCI, if the person does not supply the information, DHS will no longer use its information gathering powers to obtain it directly from employers or other third parties.

Many complainants had problems collecting evidence about their employment income, particularly for periods from several years ago. We have recommended in certain circumstances, DHS should further support customers to gather employment income evidence to maximise the accuracy of possible debts.

### **Service delivery and communication**

Poor service delivery was a recurring theme in many complaints received by our office. Customers had problems getting a clear explanation about the debt decision and the reasoning behind it. As the compliance helpline number was initially excluded from letters and was not obvious in the system, customers called general customer service lines resulting in long wait times. They could not always get clear information and assistance to use the online system. Service centre staff did not always have sufficient knowledge about how the OCI system works, highlighting a



deficiency in DHS' communication and training to staff. In some instances, a more thorough manual intervention by a compliance officer would have saved the customer time and effort. We have made several recommendations for DHS to further improve its communication to customers and staff in relation to the OCI.

The OCI will not be rolled out in a fully automated manner to customers identified as vulnerable. DHS has told us that when the OCI is rolled out to vulnerable customers, they will be assisted by a DHS staff member. Depending on the customer's choice, DHS can complete the review for them or help them use the system.

Customers who are vulnerable must be supported through alternative channels particularly telephone services. We have recommended that DHS should expand the group of customers included in the vulnerable cohort and provide additional assistance and support to vulnerable people to engage with the OCI.

### **Planning and risk management**

In our view, many of the OCI's implementation problems could have been mitigated through better project planning and risk management at the outset. This includes more rigorous user testing with customers and service delivery staff, a more incremental rollout, and better communication to staff and stakeholders. DHS' project planning did not ensure all relevant external stakeholders were consulted during key planning stages and after the full rollout of the OCI. This is evidenced by the extent of confusion and inaccuracy in public statements made by key non-government stakeholders, journalists and individuals.

A key lesson for agencies and policy makers when proposing to rollout large scale measures which require people to engage in a new way with new digital channels, is for agencies to engage with stakeholders and provide resources for adequate manual support during transition periods. We have recommended DHS undertake a comprehensive evaluation of the OCI in its current form before it is implemented further and any future rollout should be done incrementally.



## PART 1 - INTRODUCTION AND SCOPE

### Introduction

1.1 In July 2016 the Department of Human Services (DHS) – Centrelink<sup>1</sup> launched a new online compliance intervention (OCI) system for raising and recovering debts.<sup>2</sup> The OCI matches the earnings recorded on a customer's Centrelink record with historical pay as you go (PAYG) income<sup>3</sup> data from the Australian Taxation Office (ATO). Customers are asked to confirm or update their income using the online system. If there is a discrepancy in the data match, this can result in a debt the customer must repay. Parts of the debt raising process previously done manually by compliance officers within DHS are now done using this automated process.

1.2 Since the end of 2016, the Commonwealth Ombudsman's office has received numerous complaints from people who have incurred debts under the OCI.<sup>4</sup> The OCI has also generated considerable comment in the media and complaints from community stakeholders.

### Scope of this investigation and methodology

1.3 This report does not comment on the policy rationale behind the OCI process. We accept the purpose of the OCI is to protect the integrity of government expenditure through income support payments.

1.4 The investigation focused on debts raised by the OCI. It did not examine DHS' broader debt raising and recovery program or the use of mercantile agents to recover debts. While debts raised by the OCI represent approximately eight per cent of DHS' total debt recovery activities,<sup>5</sup> our observations may apply to DHS' debt raising and recovery more generally, particularly as the OCI is expanded to other types of income.

1.5 Our investigation is informed by material we obtained from investigating individual complaints, our discussions with other oversight bodies<sup>6</sup> and meetings with

---

<sup>1</sup> DHS is the agency with responsibility for administering social security, family assistance and other support payments via its Centrelink program. For ease of understanding, the term 'DHS' is mainly used in this report as it is that department's actions and decisions that are discussed in detail. However, where it is necessary to refer to the Centrelink program itself, the term 'Centrelink' is used.

<sup>2</sup> The OCI was introduced as part of a 2015-2016 Budget measure, 'Strengthening the Integrity of Welfare Payments' and a December 2015 Mid-Year Economic Fiscal Outlook announcement.

<sup>3</sup> Income reported by employers

<sup>4</sup> In the three month period from November 2016 to January 2017, the Ombudsman's office received 241 complaints about OCI debts (includes complaints recorded from November 2016 under a specific OCI issue string, but not complaints received in September and October 2016). In January 2017, the Ombudsman's office received 1563 approaches about Centrelink matters, compared to 835 approaches in July 2016, an 87 per cent increase in complaints.

<sup>5</sup> Of the 1 569 911 people who were sent debt notices in the 2016 calendar year, 126 571 (approximately eight per cent) were sent debt notices under the OCI: information provided by DHS to the Ombudsman's office on 8 February 2017 – Debt notices prior to and due to the OCI (Action item 03.02.2017\_10).

<sup>6</sup> Including the Office of the Australian Information Commissioner, the Inspector-General of Taxation and the Australian National Audit Office.



community stakeholders, including legal advocacy services and community organisations. We met with key DHS staff onsite, had several briefings about the OCI, and access to key documents from DHS. We acknowledge DHS' cooperation and assistance through the course of this investigation.

## PART 2 - WHAT IS THE ONLINE COMPLIANCE INTERVENTION SYSTEM?

2.1 DHS has conducted PAYG data matching activities with the ATO since 2004 using its information gathering powers under the *Social Security Act 1991*.<sup>7</sup> The PAYG data obtained from the ATO was matched against the total earnings declared by Centrelink customers. Where there was a discrepancy, DHS investigated further to decide if the customer had been overpaid and had a debt that should be recovered.

2.2 These data matching activities identified roughly 300 000 possible discrepancies per year. DHS would apply a risk matrix to the discrepancies to identify the highest risk of non-compliance and would then investigate roughly 20 000 of the highest risk discrepancies per year. DHS was unable to investigate the remaining discrepancies, due to the costs and resources involved in manually investigating and raising debts.

2.3 Since 2010-2011 DHS has had the capacity to store its matched data, so it holds records of discrepancies from that year onwards. In early 2015 DHS proposed<sup>8</sup> a new online approach to compliance which would allow it to review all discrepancies from 2010-2011.

2.4 The scale of the OCI project is significantly larger than DHS' previous debt raising and recovery process. DHS estimates it will undertake approximately 783 000 interventions in 2016-2017 compared to approximately 20 000 compliance interventions per year under the previous manual process.<sup>9</sup>

2.5 The main efficiencies would be gained by:

- DHS no longer using its information gathering powers<sup>10</sup> to request information directly from third parties, such as employers. Under the OCI, it is now the customer's responsibility to provide this information
- the OCI system automatically sending letters to tell customers about the income discrepancy
- moving much of the debt management and calculation process online
- customers entering their information directly into the OCI system.

---

<sup>7</sup> DHS has advised the data matching complied with the voluntary *Guidelines on Data Matching in Australian Government Administration* and was not done under the *Data-matching Program (Assistance and Tax) Act 1990*. DHS began data matching activities in 1991.

<sup>8</sup> DHS, Executive Minute to the Minister for Social Services (copy to the Minister for Human Services), 12 February 2015 (Document 0.6)

<sup>9</sup> Information received from DHS on 24 March 2017.

<sup>10</sup> under sections 63, 192 and 195 *Social Security (Administration) Act 1999*



2.6 DHS conducted analysis via a two stage pilot in 2015 before submitting the measure for government approval. The findings of the pilot are discussed at Appendix A.

2.7 Following government approval, DHS rolled out the measure in three stages:<sup>11</sup>

- From 1 July 2015 DHS introduced an 'interim process'. It began applying the same approach manually that the OCI was being designed to do automatically. DHS investigated 100 000 discrepancies during this phase.
- From 1 July 2016 DHS began rollout of the OCI, starting with a limited release of 1000 cases into the OCI where there were income discrepancies.
- From September 2016<sup>12</sup> DHS commenced rollout of the fully automated OCI.

2.8 DHS will expand the OCI further from January 2017 and July 2017 to include non PAYG employment data. DHS has told our office the implementation of future compliance measures will take into account lessons learnt from the OCI.

2.9 Appendix A provides a detailed analysis of the OCI including the manual systems and pilot programs that preceded it and the improvements made to it since February 2017.

---

<sup>11</sup> DHS, Project Management Plan, op cit (Document 0.5)

<sup>12</sup> Information obtained from DHS site visit 19-20 January 2017. The full rollout was due to commence on 1 July 2016 but was delayed until September 2016.



## PART 3 - LESSONS LEARNED - KEY ISSUES ARISING OUT OF OUR INVESTIGATION

3.1 Based on the complaints made to our office about the OCI, our investigation focused on:

- the accuracy of debts raised by the OCI, in particular those calculated using 'averaged'<sup>13</sup> ATO income data
- the application of the ten per cent recovery fee
- the transparency and usability of the OCI system - in particular, whether the decision making process was clear to customers
- problems customers faced gathering evidence and effectively presenting their case in the OCI system
- the adequacy of DHS' assistance and communication to customers, including those who are vulnerable (service delivery)
- the adequacy of staff training and communication to support customers using the system
- DHS' approach to complaints
- the adequacy of DHS' project planning and governance mechanisms.

### Accuracy of Debts Raised by the OCI system

3.2 Concerns were raised with our office about the accuracy of debts generated under the OCI, including: the suitability and reliability of ATO data, the ability of the system to accurately assess various types of income and exclusions, the practice of 'averaging' ATO data and the automatic application of a ten per cent recovery fee. Detailed findings and analysis on these issues are set out in Appendix B.

3.3 We are satisfied that if the customer is able to collect the income information required and enter it properly into the system, the OCI is capable of accurately calculating the debt. The OCI has a similar proportion of discrepancies which do not proceed to debt recovery action after the customer is contacted as the previous manual system did, at around 20 per cent.<sup>14</sup> This figure has been incorrectly referred to as an 'error' rate.

3.4 In fact, this figure relates to the number of customers who received a letter asking them to contact DHS about a discrepancy and who, after providing an explanation, do not have a debt. In our view, it is entirely reasonable and appropriate for DHS to ask customers to explain discrepancies following its data matching

---

<sup>13</sup> 'Averaging' refers to the practice of treating income as if it was earned at a consistent rate over a total period of employment rather than applying the precise amounts against the fortnights in which the income was actually earned. DHS currently applies averaging where a person accepts the PAYG data or does not enter data for all fortnights.

<sup>14</sup> The number and proportion of discrepancies which did not proceed to action after the individual was contacted was 17.23 per cent in 2007-2008 rising to 25.5 per cent in 2009-2010: Australian Government, *Data Matching Program Report on Progress 2007-2010* Centrelink and the Data Matching Agency <https://www.humanservices.gov.au/sites/default/files/documents/co050-200710-1105en.pdf> (January 2011) at p 14, accessed 6 March 2017.



activities as a means of safeguarding welfare payment integrity. We would be concerned if this figure was significantly higher under the OCI than under the previous manual process. However, this does not appear to be the case.

3.5 DHS makes a decision about whether a debt exists based on the information it has available within the OCI system. This relies on a person being both willing and able to accurately verify their earnings for the review period. If the information available to DHS is incomplete, the amount of the debt may be affected. The case studies in the next section illustrate this.<sup>15</sup> We asked DHS whether it had done modelling on how many debts were likely to be over-calculated as opposed to under-calculated. DHS advised no such modelling was done.<sup>16</sup> In our view the absence of modelling means DHS cannot say how many debts may be under-calculated or over-calculated and by what margin.

3.6 The risk of over-recovering debts from social security recipients and the potential impact this may have on this relatively vulnerable group of people, warrants further consideration by DHS. We suggest DHS test a sizeable sample of debts raised by the OCI. The samples should include people who did not respond to the initial letter, as well as people who went online and people who contacted DHS via other channels. We also suggest DHS re-evaluate where the risk for debts calculated on incomplete information should properly lie and investigate whether there are ways to mitigate this risk.

## Ten per cent recovery fee

3.7 The *Social Security Act 1991* states that a ten per cent recovery fee is applied where an individual refuses or fails to provide information resulting in a debt, and does not have a reasonable excuse for doing so.<sup>17</sup> In the OCI, the automatic application of the ten per cent recovery fee occurs when there is no contact from the customer, or the customer specifically indicates they did not have personal factors which affected their ability to accurately declare their income.

3.8 This raised concerns for customers who may not have had an adequate opportunity to provide a reasonable excuse, for example if they did not receive the initial letter, or did not understand the connection between reasonable excuse and the recovery fee.

3.9 In the initial letters used from July 2016, customers were warned a recovery fee may be applied, however there was no information in the letter about the 'reasonable excuse' exception. DHS advises that an explanation of 'reasonable excuse' was added from August 2016. However, reminder letters and debt notification letters did not include this information. A copy of these letters can be found at Appendix D.

3.10 In response to concerns raised by our office, DHS will no longer apply the fee automatically where there is no contact from the customer, or the customer responds that they had personal factors which affected their ability to accurately declare their

---

<sup>15</sup> For example: Ms D's debt was reduced from \$2 203.24 to \$332.21, Mr S's debt from \$3777.43 to zero, Ms H's debt from \$5,874.53 to zero, Ms G's debt from \$2914.20 to \$610.07 and Ms B's debt from \$1441.64 to \$267.51.

<sup>16</sup> Information provided by DHS to the Ombudsman's office on 17 February 2017 – Averaging in the OCI model (Action item 03.02.2017\_04)

<sup>17</sup> Section 1228B *Social Security Act 1991*



income. DHS has taken steps to ensure that customers receive the initial letter, including the use of registered post.

3.11 It has also made enhancements in the OCI to make it easier for customers who have a reasonable excuse to notify the department so they will not be charged the fee. It now provides clearer information, and a further invitation to provide a reasonable excuse, in debt notification letters. A copy of these letters can be found at Appendix E.

3.12 Given our concerns about DHS' initial lack of clear communication and information about reasonable excuse, we recommend DHS, in certain cases, review those debts where the recovery fee was previously applied:

- customers who may not have received the initial letter or notices of debt (for example, because they are no longer at the same address)
- customers whose initial letter did not explain that the recovery fee may not apply if they had a reasonable excuse.<sup>18</sup>

3.13 Where a customer contacts DHS or a mercantile agent to raise a concern, seek information, or seek a re-assessment in relation to an OCI debt which includes a debt recovery fee (whether or not the debt has been repaid), DHS should manually reassess whether the application of the recovery fee was appropriate, taking into account the customer's personal circumstances, including the existence of a reasonable excuse.

### ***Transparency and usability of the OCI system***

3.14 Good public administration requires a transparent and open decision making process that clearly sets out the issues the person needs to address to challenge a decision and the findings of fact on which the decision is based. This principle continues to apply when decision making is automated.

3.15 Our investigation revealed the letters DHS sent to customers before 20 January 2017 to alert them about the income discrepancy were unclear and deficient in many respects. The letter did not include the 1800 telephone number for the compliance helpline. It did not explain that a person could ask for an extension of time or be assisted by a compliance officer if they had problems. It asked the person to 'confirm' their income information, possibly giving the impression that, if the figure was the correct annual figure, merely confirming the information would suffice. The letter did not provide a clear explanation that applying ATO income to the person's record may negatively affect the amount of any debt. Copies of these letters are at Appendix D.

### ***Customers who did not receive the initial contact letter***

3.16 Several complainants to our office stated they did not receive the initial contact letter and reminder letters as these were sent to their last known address, not their current address. The first time they may have heard about the debt was when they received a demand from a debt collection agency. In some cases, complainants did not check their myGov accounts in time to respond, due to other circumstances. As the complaints made by Ms G and Ms B show, these customers missed their opportunity to respond to the ATO information prior to the debt being raised. When

---

<sup>18</sup> We understand that reference to 'reasonable excuse' was not inserted into the initial letters until August 2016



the person failed to go online within the timeframe, the ATO income data was automatically applied to their record which resulted in a debt.

#### **Ms G's complaint**

In October 2016 Ms G received an SMS and letter from DHS and an SMS from a debt collection agency seeking payment for a debt. She told us she checked her myGov account (set up for Medicare use only) and noticed letters dated 29 September 2016 and 24 October 2016 from Centrelink. The letters explained the earnings she reported to Centrelink in 2010-2011 were different to her ATO income for the same period and she had a debt \$2914.20. It is possible a letter was sent to an old address, but she had moved house multiple times since 2011.

In a complaint letter Ms G wrote to DHS in December 2016, she states she received the debt notice a few days before she gave birth to her child. She said she then had a sick newborn baby in hospital and was only able to start dealing with the debt five weeks later. In the meantime, it had already been referred to debt collectors.

#### **Investigation outcome**

We investigated Ms G's complaint. DHS advised us it sent all letters to Ms G through her myGov account, as she had nominated emails and text messages as her preferred communication channel when she set up the account. As Ms G did not confirm or update her employment income by the due date she had a debt. Ms G emailed DHS on 14 November 2016 seeking an explanation of the debt. A customer service officer unsuccessfully attempted to contact her once. On 2 December 2016 DHS automatically referred Ms G's debt to a collection agency as she had not made a payment arrangement. After Ms G provided payslips and had a manual assessment her debt was reduced to \$610.07.

#### **Ms B's complaint**

Ms B received newstart allowance in 2010-2011 after returning from overseas. Her payments stopped after six weeks because she started full time employment.

In October 2016, Centrelink sent Ms B a letter advising there was a discrepancy between ATO records and earnings she had reported to Centrelink. She was also sent a follow-up letter advising she had a debt of \$1 441.64. She told us she did not receive either letter as they were sent to her parents' address where she had not lived for a number of years. She was also overseas at the time they were sent.

When Ms B returned to Australia, she contacted Centrelink and asked for a reassessment and more time to provide payment summaries and other documents. Her request was granted but a debt collection agency still contacted her with requests to repay the debt.

#### **Investigation outcome**

We investigated Ms B's complaint. DHS advised that Ms B was sent an initial contact letter and reminder letters to her last known address and a text message. As she did not confirm or update her employment income details by the due date, she had a debt of \$1 441. Ms B asked for a reassessment of the debt. DHS advised us Ms B contacted the department on 19 December 2016 to ask for an explanation of the debt decision and to inquire about notices she had received for three different debt amounts. On 22 December 2016 a compliance officer manually reassessed Ms B's debt and reduced it to \$267.51. The amount included a ten per cent recovery fee.

3.17 We acknowledge DHS is now taking additional steps to ensure people are aware of the income discrepancy. This includes sending the initial contact letter and first reminder letter by registered mail and sending a further reminder letter and attempting to contact the person by phone if they do not complete the OCI.



### ***Usability of the online system***

3.18 Our office received several complaints from people who were willing to engage online, but had difficulty using the OCI system. Many complainants had not realised they could enter their fortnightly income information into the system and the importance of doing so, until they received a debt notice and contacted DHS for an explanation. Ms D's complaint illustrates this issue.

#### **Ms D's complaint**

On 29 September 2016, Ms D received a letter telling her there was a discrepancy between her earnings reported to Centrelink and her ATO income for the 2014-2015 financial year. She had worked for three different employers on a casual basis and received varying rates of newstart allowance during this period.

Ms D complained to our office on 5 January 2017. She told us she considered herself to be reasonably well-educated, but found it difficult and confusing to navigate the OCI system and was unsure of the reasons for the overpayment. Although she had payslips, a diary with her hours and her tax return, she said she did not know how to provide information about her actual fortnightly earnings within the OCI system. She said she found the questions in the system too narrow, as they only asked her to confirm her employers and her group certificate amount.

After Ms D completed the OCI process, the system advised her she owed a debt of \$2203.24.

On 3 November 2016, Ms D asked for a reassessment of the debt decision while online. She was concerned DHS had 'averaged' her total income across 26 fortnights. She states she received a text message at 2am the next morning telling her the debt had been reviewed and the original decision had been affirmed (upheld). Ms D told us she contacted DHS Complaints and Feedback and asked for a review.

On 9 November 2016, she handed in her payslips at a Centrelink Customer Service Centre and they were scanned to her record. She states she was walked through the website, but the process was still not clear to her.

On 14 November 2016 Ms D asked for another review of the decision. A Subject Matter Expert (SME) recalculated the debt and reduced it to \$332.21, based on Ms D's actual earnings as indicated in her payslips. On 8 December 2016 an authorised review officer (ARO) agreed with the SME's decision, but Ms D said she was still unclear about the reasons why the debt had been reduced.

#### ***Investigation outcome***

We investigated Ms D's complaint. DHS told us that if Ms D had provided a breakdown of her earnings for her periods of employment in the OCI system, this information would have been used to calculate her entitlement. As she had accepted the ATO information while online, DHS averaged her gross income across the full period of her employment. Once Ms D was given the assessment outcome, there was information available to her which would have explained the decision. DHS states it adequately explained the debt decision to Ms D. For example, a compliance officer contacted her on 31 October 2016 to explain the debt. DHS states it had no record of Ms D lodging a formal complaint.

3.19 In Ms D's case, she tried to provide a breakdown of her fortnightly earnings through the OCI system, and had payslips and other evidence available to do this, but she still found the system difficult and confusing to navigate and the questions too narrow. She was unable to provide more detailed information about her earnings to avoid her income being averaged. Despite DHS' assurances that the system contained an explanation of how the debt was calculated, this was not apparent to



Ms D when she tried to use it. When she complained to our office, Ms D was still confused about how the debt arose.

3.20 There is a risk that if a person does not understand how debts are calculated, they may not engage with the OCI system in the intended way. This occurred in Mr S's case below.

#### **Mr S's complaint**

On 23 October 2016, Mr S received a letter from Centrelink telling him he owed a Newstart Allowance debt of \$3 777.43 for the 2011-2012 financial year. The debt arose due to a discrepancy between earnings he had reported to Centrelink and income information from the ATO for the period.

In 2011-2012, Mr S told us he worked on a casual basis as a security guard and his income changed each fortnight depending on the shifts he worked. He stated he only claimed newstart allowance during periods he did not work. He was concerned Centrelink incorrectly averaged his income across his period of employment.

Mr S complained to us on 21 December 2016. He told us Centrelink had told him if he wished to dispute the debt, he needed to provide copies of his payslips. He did not have these and the employer he worked for was no longer in business. He reports that Centrelink told him it would not accept copies of his bank statements as evidence.<sup>19</sup> On 4 January 2017, after Mr S asked for a reassessment and provided further updates to his employment income, his debt was reduced to zero.

#### **Investigation outcome**

We investigated Mr S's complaint. DHS told us it had averaged his income over the period of employment, as Mr S confirmed his information online on 22 October 2016. If he had provided a breakdown for the periods of employment, this information would have been used to assess his entitlement.

3.21 In Mr S's case, he did not realise a debt based on ATO income data may be higher due to averaging. He 'accepted' the ATO data online, because it was the correct *annual* figure. Most people receiving income support payments would not have a detailed understanding of social security income tests or the debt calculation process, nor should they be expected to. In our view, the OCI system does not clearly state it uses the averaging method or explain this may be inaccurate in some cases.

### **Problems gathering employment income evidence**

3.22 Many complaints to our office were from people who had problems collecting evidence about their employment to challenge the ATO data and ensure DHS had accurate earnings information.<sup>20</sup> Under the OCI, DHS does not use its powers to collect information directly from employers to verify the customer's earnings. The effect in practice, is to place greater emphasis on the customer's responsibility to either accept the debt or provide further information.

3.23 In our view, this is not reasonable or fair in situations where customers have to collect evidence from several years ago, or where the customer does not have the capacity to obtain the evidence. Customers do not have the same information

<sup>19</sup> An online document on Mr S's record indicates he spoke to Centrelink on 3 November 2016 and advised he did not have supporting evidence as two of the businesses were no longer operating. There is no direct record that he was asked to provide payslips.

<sup>20</sup> For example, in the case studies of Ms H, Mr S, Ms C and Ms M (below)



gathering powers as DHS. DHS has advised that under the OCI, the requirement for documentary evidence has been reduced substantially. However, even those people who are not formally required to provide documentary evidence will generally need to collect income information to enter correct data into the system.

3.24 The ATO only requires individuals with simplified tax affairs to retain records for two years.<sup>21</sup> In the OCI context, it may be reasonable for customers to retain their employment and payroll records for a similar period, but not for six or seven years, particularly where they have not been forewarned about this requirement.<sup>22</sup> Some customers may face challenges collecting this information where their employer no longer exists, is being unco-operative or has not retained payroll records.<sup>23</sup>

3.25 This is illustrated by Ms H's case below.

#### **Ms H's complaint**

On 30 September 2016, Centrelink sent Ms H a letter indicating there was a discrepancy between her reported earnings to Centrelink and her ATO records from two different employers for the 2010 to 2012 financial years. As Ms H did not respond to the initial letter, the ATO income was applied to her record and she received a debt notice for \$5 874.53.

The ATO information showed Ms H had worked for business M for the entire 2010-2011 financial year and the OCI system had averaged her income across the year. Ms H told our office she stopped working for business M in November 2010 when she relocated for personal reasons. She claimed newstart allowance after the move and told Centrelink she had stopped working with business M at the time of her claim.

On 3 November 2016 Ms H told us she initiated an online reassessment, declaring she had stopped working for business M and uploaded bank statements and an employment contract to her record. Ms H told us at Centrelink's request, she tried to get payslips and a separation certificate from her former employer, but was unsuccessful as the business had since changed ownership multiple times.

On 23 November a compliance officer (CO) decided Ms H had worked for business M for the entire year and completed the reassessment. DHS accepts this was done in error. On 24 November 2016, she received a letter advising that her 'employment income review has been completed' and she did not 'need to take any further action at this time.' DHS accepts this letter was sent in error.

On 2 December 2016, Ms H received a letter from a debt collection agency, asking her to pay \$5874.53 immediately.

On 8 December 2016, Ms H called Centrelink and advised she had provided bank statements and other documents. At this point, she was directed back online.

Ms H spoke to a CO on 13 December 2016. She explained the only documents she could provide as evidence were bank statements. She reported she was advised that without payslips and a separation certificate, there was 'nothing (she) can do'. She asked whether Centrelink could contact her former employer directly, but was told this was her responsibility and she should complain to the ATO about the wrong information provided by her employer.

<sup>21</sup> Australian Taxation Office, SDR 2006/1, <https://www.ato.gov.au/individuals/income-and-deductions/in-detail/keeping-your-tax-records/>, accessed 6 February 2017

<sup>22</sup> When the OCI was initially rolled out, the DHS website stated that people only had to keep employment records for six months. DHS has since amended its website advice to tell people to keep their records indefinitely.

<sup>23</sup> Other examples include: where the employer has changed payroll systems and no longer has historical records; where the person was paid in cash; the employer cannot be located; the employer is a former family member, partner or friend and that relationship has broken down or involved violence.



An online document confirms the CO advised her to get a letter of employment or final payslips as evidence of her employment.

Ms H's case was then referred for manual reassessment which was completed on 18 January 2017. Her debt was reduced to zero.

#### **Investigation outcome**

We investigated Ms H's complaint. DHS acknowledged a number of errors had been made in Ms H's case. When a customer advises they do not work for an employer, the online process stops and requires a CO to contact the customer and undertake a manual intervention if required. There were several points in Ms H's case where this should have occurred, but her case was directed back to the online system. DHS also accepted Ms H was directed online to provide bank statements she had already given to Centrelink on 3 November 2016. A document on Ms H's record shows Centrelink had already contacted business M on 6 December 2010 and confirmed Ms H had stopped working there from 26 November 2010.

3.26 We received other complaints<sup>24</sup> where people were told by DHS staff that payslips were the only acceptable form of evidence and bank statements would not be accepted. In our view, DHS should have more clearly communicated to customers the evidence they needed to provide, and what they could do if they had problems obtaining this evidence. In particular, DHS should have given customers a clearer and more consistent message that it would accept alternative forms of evidence, such as bank statements, where a customer was having difficulty gathering payslips or other evidence directly from the employer. As illustrated by Ms H's complaint, in some cases, DHS can consult its own records for employment information it may have previously verified.

3.27 DHS has always accepted bank statements as reasonable evidence of historical income where other evidence is unavailable. As customers do not have the same information gathering powers as DHS, it is critical for DHS to give some customers additional support and assistance to obtain this evidence when they have made genuine and reasonable attempts and other available information is not sufficient. The accuracy of debts relies on the customer's ability to obtain and input historical income information into the OCI. DHS should take into account the potential cost to customers to obtain bank statements. We suggest that where a customer cannot obtain the information despite genuine and reasonable attempts, DHS should use its information gathering powers to request the information directly from the employer or the financial institution. We suggest the Department of Social Services should include guidelines about the process for obtaining employment income evidence in the *Guide to Social Security Law*.<sup>25</sup>

#### **Adequate time to respond**

3.28 When the OCI system was first rolled out, customers had 21 days to respond to the initial letter. They could ask for two further extensions online and additional extensions if required by contacting DHS, but the process of asking for an extension was unclear. Given the complexity of collecting historical employment information or the possibility that the customer may not have received the initial letter, we consider the 21 day timeframe was not reasonable or fair in all circumstances. We acknowledge DHS has now extended the timeframe to respond to 28 days from receipt of the letter, with options to ask for an extension.

<sup>24</sup> For example, from Ms C, Mr S and Ms M (below)

<sup>25</sup> The *Guide to Social Security Law* contains departmental guidelines for decision makers on how to administer social security legislation. The Department of Social Services has overall responsibility for the Guide.



## Service delivery - the adequacy of DHS' communication to customers and staff

### *Communication to customers*

3.29 Poor service delivery was a recurring theme in many of the complaints made to our office about the OCI system. Key problems customers experienced were:

- the compliance helpline number was excluded from letters<sup>26</sup> and hard to find within the OCI system itself, meaning customers called the general customer service lines resulting in longer wait times than the compliance line
- not getting a clear explanation about the debt decision and the reasoning behind it
- being required to go online to resolve their situation when they had already indicated they were having difficulties
- instances where there should have been a more thorough manual intervention by a compliance officer but the customer was still referred back online
- difficulties getting information and assistance from service centre staff, either on the phone or in person, or when they tried to go online to use the system
- staff not having sufficient knowledge about how the OCI system works.

3.30 The case studies of Ms M and Ms H are examples of where DHS' service delivery fell short. In Ms H's case, there were several points where she was referred back online despite explaining to DHS she had stopped working for the employer in question and she was having difficulty getting evidence as the employer had changed ownership. Her complaint also highlights that some DHS staff were not fully trained in how the OCI works.<sup>27</sup> DHS accepted there were several human errors made in Ms H's case. She should have had a manual intervention at an earlier stage and should not have received letters asking her to repay a debt until her reassessment was complete. Even when a manual assessment was done, staff did not initially check earlier records which showed that DHS had verified her employment six years ago.

3.31 Ms M's case is another example where a manual intervention by a trained compliance officer in the first instance would have been more efficient and avoided the situation where the complainant had to contact Centrelink multiple times to resolve her situation.

#### **Ms M's complaint**

On 12 October 2016, Ms M received an SMS from Centrelink telling her a letter had been sent to her old postal address and to her myGov account. She said she tried to log onto myGov and was not able to add her Centrelink profile. She called Centrelink and was told there was a discrepancy between her reported earnings to Centrelink and her ATO income for the 2012-2013 financial year and she would need to resolve this matter online.

<sup>26</sup> For letters sent before 20 January 2017 only. After this date, the initial letters included the telephone number.

<sup>27</sup> See also Mr J's complaint (below)



Ms M worked for two employers in the 2012-2013 financial year. She received newstart allowance for two separate periods – once when she was unemployed and again when she had to stop work due to injury. Ms M told us she believed Centrelink 'averaged' her employment income fortnightly across the financial year (including during her periods of unemployment). She also believed Centrelink had incorrectly assumed she had worked for a third employer during the relevant period, but this issue was later resolved.

Between 24 October 2016 and 24 January 2017, Ms M had at least eight contacts with Centrelink to resolve her issues:

- On 24 October 2016 Ms M accessed her online account and indicated she did not work for the third employer in the relevant period. She also visited her local Centrelink office and submitted documents.
- On 3 November 2016 a compliance officer (CO) advised Ms M they had reviewed the documents and she would need to go back online to update the ATO information and complete the review.
- On 11 November 2016 Ms M called Centrelink. A CO assisted her to complete the OCI, resulting in a debt of \$533.33.
- Ms M told us she tried to call Centrelink on 29 November 2016 and 6 December 2016 to ask for a reassessment. The calls cut out or there were system issues and staff could only collect some of the information she wished to provide.
- Ms M told us that on 9 December 2016, she spoke to a CO who told her she needed to provide more information. Ms M reports the officer asked her to read out the information on her payslips over the phone and manually uploaded these figures. DHS states it has no record of this contact.
- Ms M told us that on 4 January 2017, she spoke to a CO, who advised her DHS had 'lost' all the information she had provided. She was walked through the OCI system and provided detailed fortnightly income details for the relevant periods. At the end, she was told she still owed a debt. DHS states it has no record of this contact.
- On 24 January 2017 a CO contacted Ms M to discuss her reassessment. She was told she would need to provide her payslips from one employer. Ms M states Centrelink told her the debt had already been reviewed twice and it would not review her circumstances again until she provided her payslips. She has not been able to take them to her local Centrelink office due to her demanding work schedule.
- As at 10 February 2017, Ms M had appealed the decision and was awaiting an outcome of a review by from an Authorised Review Officer.

#### **Investigation outcome**

Ms M approached our office on 13 December 2016 and we investigated her complaint. In relation to the calculation of the debt, DHS told us that it did not average her income across the entire 2012-2013 financial year. However, where she did not provide additional information, it averaged her income across the period of her employment.

DHS told us that when a customer declares they did not work for a particular employer, the online process stops, a CO calls the customer to investigate, then resumes the online intervention for the customer to complete. Due to an apparent discrepancy in Ms M's employment commencement date, DHS is waiting for her to provide further evidence (payslips), before it completes her reassessment. DHS states it will accept documents through the online document lodgement service, by post or in person.

#### ***Directing customers online and assistance to customers to use the OCI***

3.32 In the initial stages of the OCI system rollout, many complainants told us they were redirected back to their online accounts and were not referred to a compliance officer in a timely manner, despite explaining they needed assistance. As DHS



excluded the compliance helpline number from letters it sent before 20 January 2017, this is likely to have caused more people to attend customer service centres and call Centrelink's general numbers where there were long wait times.<sup>28</sup> As most people simply required instruction in what information to collect and how to enter it into the OCI, this would have been better handled by direct access to staff who were trained in the OCI system. This is illustrated by Mr R's case below.

#### **Mr R's complaint**

Mr R had not received Centrelink payments for six months. He checked his myGov account on 2 January 2017 after seeing news coverage about compliance letters. He had received two letters in his Centrelink online account advising of a discrepancy between his reported earnings to Centrelink and his ATO income for the 2011-2012 financial year. The time limit for responding to the letters had already expired. He told us he could not understand why Centrelink did not post the letters, given that he has not moved since 2011-2012. Centrelink told him it had sent an SMS, but he could not recall receiving this.

Mr R worked casually for one employer in 2011-2012 and received newstart allowance during periods when he worked fewer hours. Based on the ATO data, he told us he believed Centrelink incorrectly assumed he had worked for two different employers, but this issue was later resolved.

Mr R told us he called DHS Feedback and Complaints on 3 January 2017. He said the customer service officer (CSO) recognised the issue with his employers' names, but advised Mr R he would need to personally verify his employer's details using the OCI system. Mr R stated he did not know how to do this. He asked the CSO whether he would be able to attend a Centrelink office in person to seek assistance. He was told he could not be offered an appointment. If he attended an office, he would be directed to use a computer unassisted. During this call, Mr R told us he was asked to obtain payslips from his employment, but he did not know what to do with this information if and when he was able to obtain it. He said he asked DHS to contact his former employer directly but was told this was his responsibility.

#### **Investigation outcome**

Mr R complained to our office on 4 January 2017 and we investigated his complaint.

DHS states there was no record of Mr R contacting the department on 3 January 2017. There is a record he contacted on 10 January 2017 for an assisted OCI. He provided verbal updates which were applied to the system and meant he did not have a debt.

DHS told us the OCI system identified Mr R's employer names as having the same ABN and the employer information was not duplicated. DHS considered Mr R was adequately notified of a potential overpayment as he received letters through his online Centrelink account and text message reminders.

DHS states all recipients can get assistance to complete their OCI by calling the dedicated compliance telephone line. This number is included in the help section on the OCI screens and is now incorporated into the letters, although it was not included in the letters to Mr R, which were from an earlier release.

3.33 In Mr R's case, he states he was referred back online, despite making it clear he was confused and would not know how to use the system.<sup>29</sup> While it was true that customer service staff were told to direct people back to the OCI in the first instance, staff were also instructed to refer customers seeking further assistance or having

<sup>28</sup> This has been acknowledged by DHS as a major area of complaint – see DHS Summary of customer complaints (Document 2.7).

<sup>29</sup> DHS says that it does not have a record of this conversation, however, based on the information Mr R reported from that conversation, we are satisfied it took place, but was not recorded.



difficulties to the 1800 compliance helpline number.<sup>30</sup> However, as demonstrated by the case studies in this report, this message may not have been consistently communicated to customers in all cases. Like many complaints we investigated, Mr R also had an entry on his record stating '*if customer contacts please refer them to their online account*'. This may have prompted staff to refer him online initially without further consideration of his circumstances.

3.34 While we understand the business case for directing customers online to use the OCI, this must be balanced against providing adequate support for people who are not 'digital ready' (for example, those who do not have access to the internet or a computer, are not confident or familiar in using computer systems and are not computer literate). In our view, customers who are not 'digital ready' need to be assisted through the OCI process or be offered alternative ways of responding to the ATO information, such as by speaking with a compliance officer. It is in the interests of both DHS and its customers, for DHS to help customers transition to a digital system. This includes making alternative pathways (such as intervention by a person) accessible and adequately resourced. This was highlighted in earlier reports by this office on Centrelink's service delivery.<sup>31</sup>

### **Communication and training for staff**

3.35 Complaints to our office<sup>32</sup> demonstrate that DHS did not adequately prepare its call centre and local service centre staff to respond to OCI enquiries. In our follow-up report on Centrelink's service delivery we warned that 'the transition to self-service and online service delivery often generates further contacts with Centrelink, as people attempt to gain the requisite online access permission, resolve online problems, or ascertain the status of an online claim.'<sup>33</sup>

3.36 Despite this, in our view, DHS underestimated the difficulties people would have using the OCI system and the demand for its call centre and in-person services this would generate. We understand that while new staff were recruited and staff diverted from other areas to support the OCI system rollout, in our view, there were insufficient resources directed to telephone services.

3.37 In our view, DHS' communication and training strategy for staff was not adequate. DHS' messaging and instructions to front line staff did not have the visual and process detail that may have helped them better understand the customer experience of the OCI system. The role of service delivery staff was to 'respond to general enquiries', assist customers with registering their online accounts and transfer or direct customers to the dedicated compliance telephone line.<sup>34</sup> More

---

<sup>30</sup> DHS, 'Good Morning Smart Centres', internal message to staff, 9 September 2016 (Document 1.5d)

<sup>31</sup> Commonwealth Ombudsman, *Investigation into Service Delivery Complaints about Centrelink* (April 2014), [http://www.ombudsman.gov.au/\\_data/assets/pdf\\_file/0021/25851/April-2014-Department-of-Human-Services.pdf](http://www.ombudsman.gov.au/_data/assets/pdf_file/0021/25851/April-2014-Department-of-Human-Services.pdf); *One year on from the Centrelink Service Delivery Report*, 04/2015 (September 2015), [http://www.ombudsman.gov.au/\\_data/assets/pdf\\_file/0020/24527/September-2015-One-year-on-from-the-Centrelink-Service-Delivery-Report.pdf](http://www.ombudsman.gov.au/_data/assets/pdf_file/0020/24527/September-2015-One-year-on-from-the-Centrelink-Service-Delivery-Report.pdf)

<sup>32</sup> For example, those made by Ms M, Ms H and Ms C (see below)

<sup>33</sup> Commonwealth Ombudsman, *One year on from the Centrelink Service Delivery Report*, op cit, p 12

<sup>34</sup> The instruction stated 'the preferred method to undertake these interventions is via the online channel': 'Good Morning Smart Centres', DHS internal message to staff, 9 September 2016 (Document 1.5d); DHS Communication Plan, June 2016 (Document 1.5).



detailed training plans were focused on the specialist compliance teams who were directly assisting customers with their OCI reviews.<sup>35</sup>

3.38 The result was confusing and inconsistent messages to customers when they tried to contact Centrelink to seek assistance, which in turn led to frustration for customers and staff. In some instances, staff referred customers online and did not fully assist them.<sup>36</sup> In other instances they attempted to help but lacked sufficient knowledge to fully advise the customer, as illustrated by Mr J's case.

#### **Mr J's complaint**

Mr J complained to our office after receiving a debt of \$92.28, following a data match between his employment income and ATO information for the 2011-2012 financial year.

Mr J told us he had contacted Centrelink several times but was not able to get an explanation of how the debt was calculated.

On 5 December 2016 Mr J contacted Centrelink to discuss the possible overpayment. After a long period waiting on hold, a staff member attended to his call. After some investigation the staff member explained there appeared to be an error with the overpayment calculation and Mr J he did not need to take any further action. This phone call was over 47 minutes long.

Later that day, Mr J contacted the compliance helpline again to ensure that he did not need to take any action. After a twenty minute phone call, he was not able to clarify this with the staff member.

On 7 December 2016 Mr J received a letter asking him to repay the debt before December 22 2016. Mr J contacted the compliance team on the same day to ask why this debt was raised. After 30 minutes the staff member suggested he go into a Centrelink service centre to obtain his myGov login details.

Mr J told us he attended his local Centrelink service centre and tried to resolve the matter online a number of times, but stated the system kept 'crashing'.

DHS states the debt was removed after Mr J verbally provided his earnings for the debt period.

#### **Outcome**

Mr J lodged a claim for Compensation for Detriment caused by Defective Administration (CDDA) claiming compensation for the financial loss and stress he suffered as a result of the debt being raised. DHS rejected Mr J's CDDA claim, finding that he had not suffered a financial detriment. Our office did not investigate Mr J's complaint, but Mr J gave us a copy of DHS' CDDA decision statement where DHS acknowledged that:

*'Mr [J] was unable to receive consistent information regarding the debt or how it was calculated...A lack of ability by various service officers to explain how the debt was arrived at indicates a knowledge gap. His communications with the department may have been inconsistent, frustrating and confusing but did not lead to a financial detriment.'*

#### **Assistance for vulnerable customers**

3.39 This office has a particular focus on the way government policies and programs are administered for vulnerable and/or disadvantaged people. In our experience, people who face challenges such as remoteness, a lack of literacy, lack of English, disability, or homelessness are more likely to have problems accessing government services through mainstream channels. In developing new systems and programs there is a tendency for government agencies with limited resources to

<sup>35</sup> DHS, Compliance Learning Team Training Plan (Document 2.9)

<sup>36</sup> For example, in the case studies of Ms H and Ms M



focus their attention towards solutions for the greatest number. This means that disadvantaged and vulnerable people, who require more intensive servicing, often fall through the cracks.

3.40 DHS has told our office the fully automated system will not be rolled out to vulnerable people.<sup>37</sup> DHS' policy is to send vulnerable customers a letter asking them to call the compliance team telephone number. Depending on the customer's choice, DHS can complete the review for them or help them to use the system.

3.41 Vulnerable customers for OCI purposes include those with a 'vulnerability indicator' (VI) on their record,<sup>38</sup> customers in remote or very remote Australia, and customers who are recorded as needing an interpreter.

3.42 A VI is a flag attached to the record of a jobseeker who has certain identified vulnerabilities that may impact on their ability to comply with their mutual obligation requirements and may put them at higher risk of non-compliance.<sup>39</sup> These VIs are: psychiatric problem or illness, cognitive or neurological impairment illness or injury requiring frequent treatment, drug/alcohol dependency, homeless, recent traumatic relationship breakdown, significant lack of literacy and language skills or a nationally approved vulnerability.<sup>40</sup>

3.43 In our view, the use of existing VIs and geographical and language data to identify customers for staff assisted intervention is sensible and appropriate. However, we are concerned the existing vulnerability data may not cover all vulnerable people for the purposes of the OCI. We also note there are limitations to using VIs as a tool for identifying vulnerable groups:

- the VI assessment process is lengthy and complex
- as the VI is a tool designed for jobseeker compliance purposes, the assessment of risk may focus more on the impact of vulnerability on the person's ability to look for and find work, which may be quite different to their ability to engage with an online system for debt raising and recovery
- people who become vulnerable after they cease receiving income support payments may not have a VI on their record
- staff may not recognise situations where the application of VIs should be considered.

3.44 We recommend the group of people identified as 'vulnerable' should be expanded to include:

---

<sup>37</sup> There are two groups of vulnerable customers DHS has identified as requiring different treatment under the OCI: those who are excluded from the OCI altogether (including those who are deceased, in a bereavement period, affected by a natural disaster, legally blind or have had an update to their circumstances) and those vulnerable people who will still fall under the OCI but will receive a 'staff assisted' service offer: Documents 3.2 and 3.3-Case selection exclusion rules and assisted compliance rules.

<sup>38</sup> For current customers, this includes those who currently have a VI currently on their record and for non-current customers, those who had a VI at the time the debt accrued: Information obtained from DHS site visit, 19-20 January 2017.

<sup>39</sup> DHS, Operational Blueprint: Vulnerability Indicators 001-10050000

<sup>40</sup> DHS, Assisted compliance rules (Document 3.3)



- certain customers with nominee arrangements, for example, current and former customers with a payment nominee who is either court appointed or an organisation
- customers with a current homelessness flag.<sup>41</sup>

3.45 In some instances, customers may become vulnerable because of the debt raising and recovery process itself, as illustrated by Ms C's case.

#### **Ms C's complaint**

On 14 October 2016, Ms C received a letter advising her of a discrepancy between her reported earnings to Centrelink and her ATO income for 2013.

In 2013, Ms C was studying and working part time and receiving Austudy and newstart allowance. She worked casually for several different employers. Each pay period fluctuated, but she states she reported her income as required.

Ms C logged into the OCI system, but told us she found it difficult to navigate. She said she agreed with the total amounts that had been recorded, but believed Centrelink had averaged her annual income across the entire financial year. She told us she did not know how to update or correct inaccurate fortnightly information. After going through the OCI system, she received a debt of \$4386.09.

She believes Centrelink did not properly explain the debt to her. She said she was asked to provide payslips for the relevant period, but found this difficult, as one employer was no longer operational and documents held by another employer had been archived.

Ms C asked for a reassessment of the debt on 2 November 2016, after speaking to a customer service officer. She later provided payslips and other evidence to support the reassessment.

On 9 December 2016 a debt collection agency sent her a demand for immediate payment of \$4386.09. Ms C eventually agreed to pay a lump sum of \$500 and ongoing payments of \$80 per week.

DHS advised us a compliance officer incorrectly changed the online assessment to 'completed' on 12 December 2016. This resulted in Ms C receiving an incorrect letter advising she owed \$0. She attended a Centrelink office and tried to clarify, but was told the letter was incorrect and she still owed a debt.

On 4 January 2017 Ms C wrote an email to the Minister for Social Services, where she stated that the stress of the situation had caused her to miss shifts at work due to spending hours on the phone to Centrelink. She reported she was unable to cope and lost her job due to stress and inability to cope with pressure and she had been having suicidal thoughts and had to take medication. Ms C told our office she had stopped engaging with Centrelink due to stress and anxiety and had cried and screamed during her phone calls with Centrelink.

#### **Investigation Outcome**

We investigated Ms C's complaint. DHS advised us that after a manual reassessment, Ms C's debt was reduced to \$507.55 on 17 January 2017. Ms C spoke to a customer service officer on 23 January 2017 and the officer referred her to a social worker, after noting Ms C's email to the Minister. Ms C later declined to go ahead with the social worker assessment and it appears no VI was placed on her record. It also appears her email to the Minister was not treated as a complaint.

<sup>41</sup> A homelessness flag is separate to a VI for homelessness. The homelessness flag can apply to all customers and payment types and only be viewed by DHS staff. The VI for homelessness can only be applied to jobseekers and can be viewed by employment services providers.



3.46 In Ms C's case, she did not have a VI on her record and was selected for an online compliance intervention under DHS' normal processes. However, her reported stress and anxiety of dealing with a potential debt may have made her vulnerable. It appears Ms C was not referred to a social worker before her matter was referred to a debt collection agency. Her complaint raises concerns about whether DHS staff have received adequate training and instruction on identifying and dealing with potentially vulnerable customers in relation to the OCI system.

3.47 We have concerns that letters may not always be an effective method of contacting vulnerable customers, for example, where the recipient is illiterate, or has other vulnerabilities that affects their ability to understand the letter. We recommend DHS consider making outbound calls to vulnerable customers where they do not respond to the initial contact or reminder letters.

### ***DHS' response to complaints and feedback***

3.48 DHS told us the number of OCI complaints it received in the initial rollout increased between December 2016 and February 2017, but at the end of February represented less than one per cent of OCI letters sent. At the same time, however, complaints to our office about the OCI increased significantly.<sup>42</sup> The complaints we received showed some customers who had concerns about the OCI did not make official complaints to DHS' complaints and feedback service or have their concerns recorded as complaints.<sup>43</sup> In our view, the low number of complaints to DHS may be explained by the effective reassessment process which resolved customers' issues in many cases, but which DHS did not record as complaints.

3.49 In January 2017, DHS analysed complaints about the OCI and identified where improvements could be made.<sup>44</sup> This analysis found the main complaint themes were: confusing content in the initial letter, customers not being clear on what action they needed to take, and customers calling the Customer Relations Unit instead of the compliance team, causing a high volume of calls. In response to these complaints DHS undertook further testing and made enhancements to the OCI after the initial rollout.

3.50 This process of capturing complaint themes and using them to make improvements demonstrate that complaints should not be viewed negatively. Complaints about the OCI are an important window into the customer's experience of the system and how effectively the program is being implemented.<sup>45</sup> DHS should view complaints about the OCI as a free and valuable resource for informing service improvements. In this context, 'complaints/feedback' is a broad concept which should include any information about how the OCI is working, particularly from the customer's perspective. In our view, DHS should continue to capture information about the OCI from internal reviews and complaints and feed this back to its business and service delivery areas to continuously improve the system and its delivery.

---

<sup>42</sup> See footnote 4

<sup>43</sup> For example, in Ms D's case, she told this office she asked for a review by contacting DHS's complaints and feedback area, but the contact itself was not recorded as an official complaint.

<sup>44</sup> DHS Summary of customer complaint (Document 2.7)

<sup>45</sup> Commonwealth Ombudsman, *Complaint management by government agencies: An investigation into the management of complaints by Commonwealth and ACT government*, Report 02/2014, October 2014, [http://www.ombudsman.gov.au/data/assets/pdf\\_file/0011/30017/October-2014-Complaint-management-by-government-agencies.pdf](http://www.ombudsman.gov.au/data/assets/pdf_file/0011/30017/October-2014-Complaint-management-by-government-agencies.pdf)



### ***Governance and risk management***

3.51 DHS established a project management board and project management team to oversee the development and implementation of the OCI.<sup>46</sup> We are satisfied the business rules to develop the OCI are clear, the system is auditable and is capable of raising accurate debts if the information fed into it is correct. While we had initial concerns about the high threshold applied to determine which cases fell out of the OCI system for manual intervention, recent changes mean more complex cases now also trigger manual intervention.<sup>47</sup>

3.52 We recognise that many risks are more easily identified with the benefit of hindsight. However, in our view, there were several areas where DHS' planning to support the rollout of the OCI system fell short. In our view, this could have been addressed by better project planning at the outset, including: more rigorous testing with customers and service delivery staff prior to the rollout of the OCI system; a slower, more incremental rollout; better communication to staff and stakeholders; and supporting staff through an effective and incremental change management process.

3.53 In our view, the project management team failed to ensure that key external stakeholders were effectively consulted during key planning stages. It also failed to effectively communicate with stakeholders after the full rollout of the OCI in September 2016, resulting in confusion and inaccuracy in public statements made by key non-government organisation (NGO) stakeholders, journalists and individuals. Proper communication with key NGO stakeholders, who are an effective conduit for information to their members servicing Centrelink customers, could have ensured that better information about the OCI was more effectively communicated.<sup>48</sup>

3.54 The OCI project effectively shifted complex fact finding and data entry functions from the department to the individual and its success relied on its usability. In our view, DHS underestimated the level of customer need for assisted compliance interventions and access to telephone channels and the extent to which some customers would have difficulty using the system.<sup>49</sup> To address this risk, more thorough and intensive user testing was required. In our view, DHS should have

---

<sup>46</sup> There was also an Improving Compliance Program Board and a Compliance Measures Implementation Committee to advise the Compliance Risk Branch and relevant business areas.

<sup>47</sup> Information provided by DHS to the Ombudsman's office on 24 February 2017 – Summary advice of changes made to OCI since 1 July 2016 (Action Item Response 3.02.2017\_12)

<sup>48</sup> The risk management plan recognised the need for a strong stakeholder strategy to mitigate the risk that insufficient communication with appropriate key stakeholders may result in failure to realise expected program savings: DHS, Employment Income Matching Risk Management Plan, 6 August 2015 at p 8 (Document 0.4).

<sup>49</sup> We believe the project management team failed to recognise the significance of some of the key differences between the interim system and the OCI, namely that:

- all customers who responded under the interim measure had spoken to a compliance officer capable of listening to explanations, making judgements, guiding the customer on what they needed to do and entering the relevant data provided
- the 100 000 interventions were generally 'higher risk' debts than the remaining interventions used in final rollout – it follows that the final rollout may have included a greater proportion of discrepancies that may not turn out to be debts.



given more regard to the risks associated with usability issues. These should have been documented<sup>50</sup> and should have included the potential for:

- higher than expected call volumes to DHS non-compliance numbers
- higher than expected call volumes to compliance and debt recovery numbers
- customer anxiety, stress and, for some customers with unidentified vulnerability, crisis
- loss of public confidence in the OCI system
- loss of public confidence in all DHS debts.<sup>51</sup>

3.55 These risks could also have been mitigated by a slower rollout of the project; the development of supporting resources which were envisaged, but not initially delivered;<sup>52</sup> and consultation with the former Digital Transformation Office<sup>53</sup> in the early design and user testing phases of the project.<sup>54</sup> We note that after DHS worked with the now Digital Transformation Agency (DTA) in February 2017 to review and re-design the OCI and undertook comprehensive user testing,<sup>55</sup> this resulted in a more user-friendly system.

3.56 DHS recognised the risk that staff would not support the change and the media may misrepresent its key messages. It identified the need to develop a Programme Communication Plan<sup>56</sup> and Programme Stakeholder Engagement and Communication Plan. However, as the press coverage reflects, the strategy was not effectively implemented.

3.57 A key lesson for government agencies and policy makers when proposing to rollout large scale measures which require people to engage in a new way with new digital channels, is for agencies to engage with stakeholders and provide resources for adequate manual support during transition periods. This may mean increasing

---

<sup>50</sup> The risk management plan identifies the risk of insufficient resources. However, the list of possible causes of this risk does not note higher than expected demands on resources arising from usability issues. Nor does it recognise in the 'risk consequence' column, the potential impact on service delivery, customer experience or reputational damage: DHS, Risk Management Plan, op cit, p 11 (Document 0.4).

<sup>51</sup> While OCI debts comprise only eight per cent of all DHS debts, our office has received high volumes of complaints from people who incorrectly believe they have an OCI debt. A similar level of confusion has been found in the media.

<sup>52</sup> DHS's Communication Plan (op cit at p 4) refers to the development of tutorials and pictorials (Document 1.5).

<sup>53</sup> The former Digital Transformation Office (DTO) was responsible for digital service delivery across government and to assist agencies with their 'digital transformations': <https://www.malcolmturnbull.com.au/policy-faqs/faqs-the-digital-transformation-office> accessed 10 March 2017. In October 2016 the Government announced the new Digital Transformation Agency to replace the DTO with an expanded role to guide, oversee and drive the Government's digital transformation agenda: <http://ministers.dpmc.gov.au/taylor/2016/new-digital-agency-establishes-agenda> accessed 10 March 2017.

<sup>54</sup> DHS advised our office it did not consult with the DTO in the development and testing of the OCI – information obtained from DHS site visit, 19-20 January 2017.

<sup>55</sup> Information provided by DHS to the Ombudsman's office on 17 February 2017 – Customer testing narrative (Action Item Response 17.02.2017\_4). The redesign team undertook user testing with 26 customers and analysed feedback from help desk staff.

<sup>56</sup> DHS, *Risk Management Plan-Strengthening the Integrity of Welfare Payments*, p 3 of 30 (Document 1.0)



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

resources for staffing, or ensuring that timeframes for rolling out the new program are realistic relative to existing resources.



## PART 4 – CONCLUSIONS AND RECOMMENDATIONS

4.1 The OCI is a complex automated system that was rolled out on a large scale within a relatively short timeframe. There will inevitably be problems with the rollout of a system of this scale. In our view the risks could have been mitigated through better planning and risk management arrangements at the outset that involved customers and other external stakeholders in the design and testing phases.

4.2 Key considerations in developing automated decision making systems are whether the system is consistent with administrative law values of lawfulness, fairness, rationality, openness/transparency and efficiency.<sup>57</sup> Customers need to understand how the system works, have the opportunity to present their information in a considered way and be supported in the transition from a manual to an automated system. Clear and comprehensive information to customers and staff is important. As discussed in this report, DHS did not clearly communicate aspects of the system to its customers and staff which led to confusion and misunderstanding.

4.3 In February 2017, DHS made changes to the OCI process, partly in response to feedback from this office and complaints made to DHS itself. The changes have been positive and have improved the usability and accessibility of the system. The changes were developed after more comprehensive user testing involving customers and after seeking input from the Digital Transformation Agency. Full details of the February 2017 changes are set out in Appendix A.

4.4 In our view, these changes go some way to addressing the problems identified in this report that occurred in the initial rollout of the OCI. However, we consider there are several areas where further improvements could be made and we have made a number of recommendations to address these. We consider it is important for DHS to address these issues before the OCI is rolled out further, particularly to vulnerable customers.

### ***Recommendations regarding the ten per cent recovery fee***

4.5 We welcome DHS' advice that it has now removed the automatic application of the ten per cent recovery fee for customers who engage with DHS.<sup>58</sup> We recommend DHS review those debts already raised by the OCI where the recovery fee has been automatically applied.

#### **Recommendation 1 – Ten per cent recovery fee**

**We recommend that in certain circumstances DHS should reassess those debts already raised by the OCI where the recovery fee was applied automatically, including, where a customer contacts DHS or a mercantile agent to raise a concern, seek information, or seek a re-assessment in relation to an OCI debt which includes a debt recovery fee (whether or not the debt has been repaid). DHS should manually reassess whether the application of the recovery**

<sup>57</sup> Australian Government, *Better Practice Guide on Automated Assistance in Administrative Decision-Making* (February 2007)

[http://www.ombudsman.gov.au/data/assets/pdf\\_file/0032/29399/Automated-Assistance-in-Administrative-Decision-Making.pdf](http://www.ombudsman.gov.au/data/assets/pdf_file/0032/29399/Automated-Assistance-in-Administrative-Decision-Making.pdf) accessed 30 January 2017

<sup>58</sup> DHS briefing to the Ombudsman's office, 17 February 2017



**fee was appropriate, taking into account the customer's personal circumstances, including the existence of a reasonable excuse.**

***Recommendations regarding initial contact letters***

4.6 We acknowledge the improvements DHS has made to its initial contact letters since 20 January 2017. The current letters now contain the dedicated 1800 compliance helpline number, although this appears on the second page of the letter and is not obvious to the reader. The letter asks the person to either 'confirm or update' their information which clarifies they can make changes. It tells the person they may need payslips or bank statements to check their employment information. Customers no longer need a myGov account to access the system. Copies of letters used from February 2017 are at Appendix E.

4.7 In our view, DHS could make further improvements to improve the clarity of the initial letters and give customers better information so they understand the information and can properly respond to it.

**Recommendation 2 – Initial contact letters**

**The initial contact letters to customers should:**

- (a) place the compliance helpline number on the first page**
- (b) mention the possibility of a debt earlier**
- (c) clearly explain the concept of averaging. In particular, letters should explain that if the customer does not go online or if they accept the ATO data, their income will be averaged over periods for which income has not been verified and debts based on averaged ATO income may be less accurate, especially if the customer's income was fluctuating or intermittent.**
- (d) advise people they can ask for an extension of time online or by calling the compliance helpline number.**

***Recommendations to further improve clarity of messaging within the OCI system***

4.8 The February 2017 changes which include improvements to the help functions, explanations and overall usability of the OCI go some way to addressing our concerns about usability of the system. However, in our view, the messaging within the system itself should give a clearer explanation of what it means if the total ATO income is 'averaged' across the employment period. It should explain this will occur if the customer does not provide fortnightly earnings information, if the customer does not respond, or provides incomplete information. Copies of the OCI screenshots prior to February 2017 are at Appendix F. Copies of the OCI screen shots after February 2017 are at Appendix G.

**Recommendation 3 – Messaging within the OCI**

**DHS should include a message within the OCI system to clarify that if the customer does not enter their income information, their ATO income will be averaged evenly across the relevant period and this may result in a debt. The message should advise that debts based on averaged ATO income may be less**



accurate than debts based on actual income, especially if the customer's income was fluctuating or intermittent.

***Recommendations to further assist customers to gather evidence to effectively use the OCI system***

4.9 We have made the following recommendations to further assist customers gather evidence to effectively use the OCI system.

**Recommendation 4 – Obtaining employment income evidence**

- (a) DHS should take into account the potential cost to some customers of obtaining bank statements. Where this cost would cause financial hardship to the person, DHS should use its powers to request the evidence directly from the financial institution.
- (b) Where a person contacts DHS for assistance in relation to the OCI, DHS should use its information gathering powers to assist the person to obtain income information from a third party, such as a former employer or bank, if:
  - despite genuine and reasonable attempts to do so, the person has been unable to obtain income information; or
  - it would be unreasonable, in the circumstances of their case, to expect them to obtain such information
- (c) Where customers advise they had stopped working for a particular employer, DHS should consult its own records to confirm if that information had previously been verified with the employer and/or if the customer had notified DHS at the time.
- (d) The Department of Social Services should include clear guidelines about the process for obtaining employment income evidence in the *Guide to Social Security Law*.

***Recommendations to further improve service delivery***

4.10 We accept DHS has now implemented a number of changes to improve its service delivery to customers in relation to the OCI system. Customers can more easily get assistance by contacting the dedicated 1800 compliance helpline number. This number is now prominently displayed within the OCI system, although less prominently in the letters to customers. Customers can also ask for a reassessment or internal review by calling the compliance helpline. More cases will be assessed manually if they are complex or if the person disputes any aspect of the assessment. In addition to these changes, we consider DHS should implement the following measures to further improve its service delivery in relation to the OCI system.

**Recommendation 5 – Communication to customers and staff**

**DHS should:**

- (a) ensure its 1800 compliance helpline number continues to be adequately resourced
- (b) produce comprehensive publicly available information for customers on how to use the OCI system, which includes the compliance helpline



- telephone number and how to obtain relevant employment income evidence. This information may include video on demand (VOD) resources and fact sheets
- (c) modify the standard message in customer records to refer them to their online account, to reflect that customers can be referred for assistance if required
  - (d) continue to provide comprehensive training as required to specialist compliance staff and regular messaging to all service delivery staff on the OCI system, in particular, ensuring customers are directed to, and assisted by, the specialist compliance staff
  - (e) systematically capture and record information obtained from complaints and internal reviews and use this information to continuously improve the OCI system from the customer's perspective.

***Recommendations regarding vulnerable customers***

4.11 We recognise that customers identified as vulnerable will be 'staff-assisted'. We consider that before the OCI is rolled out further, DHS should consider expanding the group of customers identified for a staff assisted intervention and provide them with additional assistance and support.

**Recommendation 6 – Expansion of customers who are offered a staff assisted intervention**

Before the OCI system is rolled out further, the following groups should be included in the current vulnerable (staff assisted) cohort for OCI purposes:

- a) current and former customers with a payment nominee who is either court appointed or an organisation
- b) customers with a current homelessness flag on their record who are not already captured under the Vulnerability Indicators

**Recommendation 7 – Assistance to vulnerable customers**

DHS should provide additional assistance and support to vulnerable people to engage with the OCI system. In particular:

- (a) DHS should consider making outbound calls to vulnerable customers where they do not respond to the initial or reminder letters, to explain what is required and start the staff assisted service offer.
- (b) DHS should consult with relevant stakeholders about the difficulties vulnerable groups may face when engaging with the OCI.

***Future implementation of the OCI***

4.12 In our view, it is critical DHS monitors and evaluates the effectiveness of recent and future changes to the OCI. This should include capturing information about the OCI obtained from complaints, feedback and internal reviews and using this information to inform continuous improvements to the system and DHS' service delivery. It also includes evaluating how to mitigate the risk of over-recovery of debts.



**Recommendation 8 – Future implementation of the OCI**

**Before further expansion of the OCI, DHS should:**

- (a) undertake a comprehensive evaluation of the OCI in its current form**
- (b) give further consideration as to how to mitigate the risk of possible over-recovery of debts.**

**Further rollout of the OCI should be done incrementally.**



## APPENDIX A – UNDERSTANDING THE OCI

1.6 Many of the processes for investigating, raising and recovering debts discussed in this report have been in place for a long time.<sup>59</sup> While some of these manual processes have been automated within the OCI, debts raised by the OCI account for eight per cent of all debt notices issued to customers.<sup>60</sup> Manual processes continue to operate for debts raised outside of the OCI.

1.7 This appendix provides detailed analysis of the treatment of PAYG income discrepancies under the OCI as well as the manual debt raising systems and pilot programs that preceded it, and the improvements made to the OCI since February 2017.

### The previous manual process

1.8 Under the manual process, when a debt was identified for investigation it was allocated to a DHS compliance officer who would contact the customer, if necessary, to ask for information. Where it appeared an overpayment may exist, the customer was asked to provide payslips or other supporting documentation to verify their income. This would be done by sending a legal notice under the *Social Security (Administration) Act 1999* (the Administration Act), that required the customer to produce the information.<sup>61</sup>

1.9 If the information requested was not forthcoming or did not adequately address the request, the compliance officer wrote to the customer's employer using DHS' information gathering powers<sup>62</sup> to obtain payroll records showing fortnightly income information.<sup>63</sup> The compliance officer entered the fortnightly earnings information into a DHS debt calculation system<sup>64</sup> to work out whether there had been an overpayment. If an overpayment had occurred, the compliance officer raised a debt and could apply a ten per cent recovery fee if they were satisfied the customer had refused or failed to provide information about their income or had recklessly or knowingly failed to declare their income without reasonable excuse.<sup>65</sup>

1.10 If fortnightly earnings information still could not be obtained, DHS guidelines permitted compliance officers to apportion ATO annual earnings over the debt period,

---

<sup>59</sup> For example manual processes for, data matching, investigations, application of 10 per cent recovery fee and debt recovery.

<sup>60</sup> See footnote 5

<sup>61</sup> For current social security recipients, the notice was sent out under s 63 or section 80 of the Administration Act, and the consequence for non-compliance was suspension or cancellation of payment. For former social security recipients, the notice was sent out under the department's broader information gathering powers under Part 5, Division 1 sections 192-197 of the Administration Act, the penalty being up to 12 months imprisonment (unless the customer was unable to comply or had a reasonable excuse).

<sup>62</sup> Part 5, Division 1 sections 192-197, Administration Act

<sup>63</sup> If employer information was unavailable, DHS would seek information from other third parties, as appropriate.

<sup>64</sup> This system is known as Multical.

<sup>65</sup> Section 1228B *Social Security Act 1991*. Until recently, DHS had automatically applied a 10 per cent recovery fee to all debts unless the customer has a vulnerability indicator, a special circumstances exemption, is part of an exempt cohort (age and carer pensioners) or indicates that there were personal reasons affecting their ability to declare their income.



but only 'if every possible means of obtaining the actual income information has been attempted.'<sup>66</sup>

1.11 Once the debt was raised, the customer was sent an account payable notice and the debt recovery processes would commence.

## The 2015 Pilot

1.12 DHS conducted a two stage pilot in 2015<sup>67</sup> to inform the design of the online compliance system.<sup>68</sup> One of its aims<sup>69</sup> was to test options for pre-calculating any debt (prior to customer contact) and post-calculating any debt (once the customer was contacted). The results of the pilot included:

- 69.6 per cent of interventions resulted in a debt <sup>70</sup>
- the average debt value was \$2546.21
- 40 per cent of customers contacted DHS after receiving the initial letter notifying them of a potential discrepancy
- 50 per cent of customers that contacted DHS decided to proceed using the ATO data match
- irrespective of whether the customer had contacted DHS beforehand, ten per cent of customers contacted to discuss the outcome
- appeals were below normal appeal rates<sup>71</sup>

---

<sup>66</sup> DHS Operational Blueprint 107-02040020 - *Acceptable documents for verifying income when investigating debts*

<sup>67</sup> The pilot involved two phases. Phase one involved 1 000 customers selected from a random sample of customers who had debts for the 2010-2011 year. The pilot took place in two sites. Interventions undertaken in Site 1 were 'pre-calculated' which meant the earnings apportionment was undertaken prior to initiation and stored for staff to access during the customer call. Interventions in Site 2 were 'post-calculation' which meant earnings were apportioned and the debt calculated during the call. Phase two involved 1600 customers from a random sample of risk categories across the three years 2010-2011 to 2012-2013. In that pilot, a 'contact centre model' was tested whereby debts were calculated by contact centre staff during the customer call, and debts identified as needing a 'multical' calculation were referred to a processing team for action: *Pilot PAYG Interventions* op cit, pp 4-5 (Document 1.8).

<sup>68</sup> DHS, *Strengthening the Integrity of the Welfare System: Pilot PAYG Interventions: Manual Process Final Report*, 25 August 2015 (Document 1.8)

<sup>69</sup> It also aimed to test the new behavioural insights initiation letter and customer acceptance of the data provided by the ATO: *Pilot PAYG Interventions*, op cit, p 4 (Document 1.8).

<sup>70</sup> This figure was 76.8 per cent for targeted risk categories.

<sup>71</sup> There were a total of 45 appeals lodged, of which nine were withdrawn following further explanation. This represented a two per cent appeal rate. At the time of the report eight cases had been finalised by Administrative Review Officers, with five being varied and two set aside due to new information being supplied. Most related to slight miscalculations, although in two cases the debt period was modified due to information already coded or previously supplied prior to the intervention: *Pilot PAYG Interventions*, op cit, p 13 (Document 1.8).



## The interim process

1.13 DHS commenced an interim rollout of a new compliance approach from 1 July 2015. DHS identified 100 000 discrepancy cases for manual assessment. However, this process differed from the previous process in several ways.

1.14 First, it placed greater emphasis on the obligation for customers to provide DHS with current and accurate information about their circumstances, including changes to earnings. DHS staff would no longer seek this information from employers for the purposes of calculating a debt.

1.15 Second, DHS no longer sent legal notices requiring people to provide information.<sup>72</sup> Rather, DHS sent a letter which:

- alerted the customer to the possible discrepancy
- asked the customer to call DHS on the 1800 number for the compliance team
- warned that if the customer did not contact DHS within 21 days it would use the ATO information to make a decision.

1.16 Third, if there was no response from the customer, or the response was incomplete, the compliance officer would manually calculate the debt but would do so by averaging the ATO income data.

## The OCI process July 2016 to January 2017

1.17 In July 2016 DHS launched the OCI. The initial group of customers selected for the 'online compliance intervention' included those who received income support payments in the 2010 to 2014 financial years, many of whom were no longer Centrelink customers. The OCI began with a limited rollout to approximately 1000 customers from July 2016 and progressed to a wider rollout in September 2016. Copies of OCI letters and screenshots from December 2016 are attached at Appendices D and F.

### The initial letter

1.18 Once records with discrepancies were released into the OCI it sent a letter to the customer's myGov account (and an SMS if the customer was registered for SMS notifications) or a letter to their last-known address<sup>73</sup> telling them about the discrepancy.

1.19 The letter<sup>74</sup> attached details of the ATO information obtained by DHS and gave customers 21 days to respond to the letter by going online to myGov to 'confirm' their employment income information in the online compliance system.<sup>75</sup> If

---

<sup>72</sup> Previously, notices were sent under Part 5, Division 1 sections 192-197 of the Administration Act

<sup>73</sup> Letters have mostly been used for those who do not have a registered Centrelink online account linked to their myGov account. DHS has advised letters were sent via the preferred communication channel the customer had selected.

<sup>74</sup> For customers identified by DHS as 'vulnerable', a separate letter was developed which asked them to call Centrelink and provided a telephone number. However, the OCI was not rolled out to vulnerable customers, except for a small number of people in the pilot and in early July 2016.

<sup>75</sup> DHS, *Chronology of PAYG letters* (Document 1.6, Attachment A)



the customer did not have a myGov account, they would need to set one up before they could view the information.<sup>76</sup> Until 20 January 2017, the letter did not provide telephone contact details.<sup>77</sup>

1.20 The letter warned if the customer did not go online to confirm their income DHS 'will update [their] details using the enclosed employment income information'.

#### **If the customer did not go online**

1.21 If the customer did not go online within 14 days, the OCI sent a reminder letter.

1.22 If the customer still did not go online by the due date in the reminder letter, the OCI apportioned the ATO earnings information evenly over the period the employer told the ATO the customer worked for them, to calculate any debt. Where a debt was calculated, the OCI generated a debt notice (an account payable notice) which was sent to the customer. At this stage, the normal debt recovery processes commenced.

#### **If the customer went online**

1.23 When the customer went into the OCI they worked through several screens displaying the ATO income data and could correct that information or supply more detailed information, including details of their employer, pay amounts and pay periods. The customer had to declare the information was correct and was warned of the risk of criminal penalties for providing false information.

1.24 The OCI assessed whether to accept the updated information and/or any documents provided by the customer. Where the OCI did not accept the evidence, it generated an 'error'.<sup>78</sup> A compliance officer reviewed the 'error' to decide if it required a manual assessment. If the error was fixed, the assessment returned to the OCI. If the error could not be fixed, a compliance officer manually assessed the evidence to decide the outcome.

1.25 Appendix B analyses the debt calculation process used by the OCI, including its ability to accurately assess various kinds of income and exclusions, and its use of 'averaged' ATO income.

#### **The debt notice**

1.26 Once the assessment was completed, the OCI automatically generated a letter which notified the debt amount and any recovery fee. Customers were advised to 'go online to get details of this decision or to provide more information'.

---

<sup>76</sup> Once a customer sets up a myGov account the customer can link their account to Centrelink to access their Centrelink online account or they can continue to access their account via the DHS website.

<sup>77</sup> The inclusion of the compliance team number was recommended by this office during a briefing about the OCI from DHS on 6 January 2017.

<sup>78</sup> DHS business rules developed by a data analyst identify interventions that may have an error: DHS, *OCI: A Customer Journey* flowchart, provided to our office on 20 January 2017.



1.27 Once the OCI calculated the customer's debt, if any, an automatically generated account payable notice was sent to the customer. The debt notice included the 1800 number for the debt recovery unit and the compliance team.

### **Reassessments, reviews and complaints**

1.28 The OCI was designed so that if more information was received at any time (either online, by phone or in person) debts could be reassessed in light of the new information. There were built-in tolerances which defined what information would be automatically accepted by DHS as reasonable, and what would require further verification (for example, payslips and employer information). These are known as 'reassessments'. There was no limit to the number of reassessments that could occur when new information was entered.

1.29 A customer could seek internal review via a link in the OCI, or via other traditional methods (for example, in writing, by phone, and in person). Processes for seeking external review were unchanged.

### **Changes to the OCI since February 2017**

1.30 In January 2017 this office met with DHS on three occasions and provided feedback about the OCI. On 1 February 2017 DHS and the Digital Transformation Agency conducted a heuristic<sup>79</sup> review of the OCI using feedback from customers and help desk staff to redesign, test and review proposed changes to improve the OCI and letters.<sup>80</sup>

1.31 From February 2017 DHS made changes to the original system. Copies of OCI letters and screenshots from February 2017 are attached at Appendices E and F.

### **Logging on**

1.32 Customers no longer need a myGov account to access the OCI system. They can log onto the system using a unique confirmation code and their Customer Reference Number<sup>81</sup> which is provided to them in the initial letter.<sup>82</sup>

### **Letters**

1.33 DHS made changes to the letters it sends customers. The first changes were put in place on 20 January 2017. Further changes followed in February 2017.

1.34 The initial letter now includes the 1800 number for the compliance team. In the 20 January letter this was in bold, halfway down the first page. In the February 2017 version, it is in regular font on the back page.<sup>83</sup> The new letter clearly states the

---

<sup>79</sup> A review using trial and error or by rules that are only loosely defined – Oxford Dictionary accessed 21 February 2017 <https://en.oxforddictionaries.com/definition/heuristic>

<sup>80</sup> DHS briefing to the Ombudsman's office, 17 February 2017

<sup>81</sup> DHS PowerPoint presentation v2.0 *Employment Income Confirmation*, 5 February 2017 pp 2-11 at Appendix G; Employment Income Confirmation: Letter Process Flowchart, provided to the Ombudsman's office on 17 February 2017 (Action Item Response 17.02.2017\_6)

<sup>82</sup> Once they log into the system they are asked to verify their identity using their passport, drivers licence or Medicare card.

<sup>83</sup> Letters deployed on 20 January 2017. These letters included, in bold writing, the 1800 number to call if people required further assistance. There was also more clarity that:



letter is not a debt letter and provides a security code to enable the person to log onto the system directly, without needing to use myGov.

1.35 DHS has also taken steps about non-receipt of mail for people who have moved address since they last received Centrelink payments. Initial letters and the first reminder letter will now be sent by registered mail.<sup>84</sup> If a customer has not completed the OCI after receiving a second reminder letter, DHS will attempt to contact the person by phone.<sup>85</sup> DHS has obtained authorisation to enable it to access more recent address data where it exists within other programs it administers.<sup>86</sup> Where authorised, DHS will also access data from third parties, such as the Australian Electoral Commission. DHS has told us it will now not refer OCI debts to a debt collector where the person has not responded until it is satisfied 'the person has received the notice but is ignoring it'.<sup>87</sup>

### **Time to respond**

1.36 The timeframe to respond to the initial letter has increased. Originally it was 21 days from the date of the letter. The timeframe is now 28 days from the date the customer receives the letter.

1.37 The option to seek an extension of time is now signposted in the OCI which lets people know what information they may need to collect.<sup>88</sup>

### **Increased manual interventions**

1.38 The OCI is now directed to people who have relatively simple employment circumstances. People with more complex circumstances will now fall out for manual intervention.

1.39 Manual intervention by a compliance officer now occurs when:

- the customer disputes any aspect of the assessment (for example where they indicate they did not work for the employer, the period of employment is changed or they do not accept the gross estimated amount)
- they answer 'yes' or 'unsure' to the questions about whether they received allowances for out of pocket expenses, income from superannuation, compensation, income protection, Community Development Program projects or government Paid Parental Leave
- they do not have access to payslips or bank statements, or are requested to provide documented evidence<sup>89</sup>

### **Communication within the OCI**

- 
- both employment income and employment dates should be checked, confirmed or changed by the customer
  - not responding may result in a debt.

<sup>84</sup> Information provided by DHS to the Ombudsman's office on 24 February 2017 – Changes to the OCI since 1 July 2016 (Action Item Response 3.02.2017\_12)

<sup>85</sup> DHS briefing to the Ombudsman's office, 17 February 2017

<sup>86</sup> That is, a Public Interest Certificate to enable the use of address data.


<sup>87</sup> DHS briefing to the Ombudsman's office, 17 February 2017

<sup>88</sup> DHS PowerPoint v2.0, op cit, p 12; DHS briefing to the Ombudsman's office, 17 February 2017 and Changes to OCI since 1 July 2016, op cit (Action Item Response 3.02.2017\_12)

<sup>89</sup> DHS PowerPoint v2.0, op cit, p 22



1.40 Overall, communication within the OCI is improved by greater clarity. In particular, there are more prominent help functions and explanations within the system.<sup>90</sup> For example, on the 'Check your Income Details Breakdown' page, a help icon link is now located in the text of the main instruction:

"If you are unsure what pay amounts to enter into the payment periods displayed, click  for help."<sup>91</sup>

### **The OCI will now accept bank statements**

1.41 To address concerns about people being unable to obtain their payslips to enter their income information into the OCI, DHS has introduced a bank statement net to gross income calculator function.

1.42 Customers will first be asked if they have payslips as these are the most reliable information source. If they do, they are not presented with the bank statement option.

1.43 If the person answers 'no' to the payslip question they will be asked if they have bank statements. Customers can now enter their net income as shown on their bank statements and the system will reverse calculate their gross rate. The system clearly explains that it adds the amount of tax the ATO says they paid to the net amount. It also makes clear that the conversion of net information produces a 'total estimated gross amount'.

### **Revising information and the provisional reassessment**

1.44 Previously a customer could re-enter the system at any time (even after the debt is raised, or during or after internal or external appeal processes) to enter new information.

1.45 The revised OCI gives a person more opportunity to move back and forth within the system before finally accepting the provisional assessment. The provisional assessment screen states:

'The provisional result indicates we over paid you by \$\_\_\_\_\_. We will send you notification of this by letter. If you do not accept this result, you can update your employment details again or call us on 1800 086 400.'<sup>92</sup>

1.46 It also warns the customer that if the result is not accepted within 14 days ATO data will be applied and may result in a debt.

1.47 Unlike the original system, once a provisional reassessment has been accepted the customer cannot re-enter the system. Rather, they will need to contact DHS to have the decision formally assessed or reviewed.

### **Debt recovery and the review process**

---

<sup>90</sup> DHS briefing to the Ombudsman's office, 17 February 2017 and DHS Table of help text provided to the Ombudsman's office on 6 March 2017 (Action Item Response 17.02.2017\_2)

<sup>91</sup> DHS PowerPoint v2.0, op cit, p 25

<sup>92</sup> DHS PowerPoint v2.0, op cit, p 33



1.48 DHS has told this office it will pause recovery action while a matter is under internal review, unless the customer requests to continue paying back the debt. DHS also advised it will not commence debt recovery action and is taking debts back from debt collectors, until it is satisfied that a person is aware of the debt and their appeal rights.

**The ten per cent debt recovery fee is no longer applied automatically**

1.49 DHS no longer applies the fee automatically where there is no contact from the customer, or the customer responds that they had personal factors which affected their ability to accurately declare their income. Enhancements within the OCI make it easier for customers who have a reasonable excuse to notify the department so they will not be charged the fee.

1.50 DHS now provides clearer information, and a further invitation to provide a reasonable excuse, in debt notification letters. A copy of this letter is at Appendix E.



## APPENDIX B – THE OCI IN OPERATION

### Accuracy of debts raised by the OCI

2.10 Good public administration requires that administrative decision making is consistent with the administrative law values of lawfulness, fairness, rationality, transparency and efficiency.<sup>93</sup>

2.11 Concerns raised with this office about the accuracy of debts raised by the OCI included:

- the suitability and reliability of ATO income data
- the ability of the system to accurately assess various types of income and exclusions
- the 'averaging' of ATO income data.

2.12 In this section we have analysed the ATO data match process, the ability of the system to accurately calculate debts, the use of averaged ATO income data and the application of the ten per cent recovery fee to debts. We are satisfied the ATO's role and the information it provides in the data match process has not changed. However, under the OCI the way DHS investigates ATO data discrepancies has changed.

#### ***Suitability and reliability of ATO data***

##### **The data matching process**

2.13 Each financial year, DHS puts together a data file<sup>94</sup> of all customers who received income support payments during that financial year. This data file includes identity information such as names, date of birth and historical addresses. It does not include the customer's tax file number (TFN) because use of the TFN is restricted to data matching under the *Data Matching (Assistance and Tax) Act 1990* (the Data Matching Act).<sup>95</sup>

2.14 The ATO applies confidence ratings to its income data. DHS advised that it uses data which scores in the top three ATO confidence ratings.<sup>96</sup>

2.15 Once the DHS data file is received by the ATO, the ATO uses tax file numbers to extract information it holds about that individual (for example, name, address and date of birth). The ATO provides DHS with:

- income information obtained from the payee (customer)
- income information obtained from the payer (employer)

---

<sup>93</sup> Administrative Review Council, *Automated Assistance in Administrative Decision Making*, Report to the Attorney-General, Report no. 46 (November 2004), p 3

<sup>94</sup> Information obtained from DHS site visit 19 January 2017.

<sup>95</sup> In effect, to use TFNs would limit the data DHS could match against. To enable data match of a wider set of information, DHS uses its broader information gathering powers under the Social Security Act, rather than the Data Matching Act.

<sup>96</sup> This is the ATO's rating of the reliability and accuracy of that data.



2.16 DHS told us it sends approximately 80 million identities to the ATO and receives approximately six million matches back from the ATO.

### **What DHS does with the data**

2.17 Using the matched data from the ATO, DHS begins a process of validation and data cleansing. This process includes cleansing (for example, making sure dates are in the correct format) and 'fuzzy logic' which is a set of rules for ignoring certain discrepancies based on the probability that they are no or low risk. For example, if an employer name is the same except for the omission of 'Pty Ltd', fuzzy logic rules apply to disregard the discrepancy.

2.18 A series of further selection rules are then applied which assess the risk of overpayment. Factors include, but are not limited to, time spent on social security payments during the year, and the size of the discrepancy. There is a minimum discrepancy threshold for selection.<sup>97</sup>

2.19 DHS advised that as a general rule, roughly 300 000 discrepancies are identified as likely overpayments and each carry a risk weighting which indicates the likelihood of a debt outcome.<sup>98</sup>

2.20 DHS has confirmed that, prior to being released into the OCI, historical data match information is 'refreshed', that is, the data match process is re-run (for example, in case customers had lodged amended tax returns in the intervening years that can impact the historical data).

2.21 In the past, approximately 20 000 of the highest risk files underwent manual investigation annually. Under the 'Strengthening the Integrity of Welfare Payments' measure, from 1 July 2015 a further 100 000 of the next highest risk files were released for investigation under the interim measure. From 1 July 2016, all remaining files were released into the OCI.

2.22 DHS told us, and we are satisfied, that the ATO data being used, along with the data matching, fuzzy logic and selection processes, has not changed since the introduction of the OCI. What has changed is how the selected income discrepancies are investigated by DHS.

### **Investigation of discrepancies**

2.23 Aside from averaging the ATO income data, which is discussed separately below, concerns raised with this office have related to situations where debts have been calculated:

- because the OCI was unable to recognise that income had been correctly declared, but the employer name held by the ATO was different to the name the customer gave to DHS (for example, 'MacDonalds' had been declared to Centrelink as 'Maccas' or where a customer uses a trading name instead of a company name)

---

<sup>97</sup> While our office is aware of the dollar figure for this threshold, we do not consider it appropriate to publish, for business integrity reasons.

<sup>98</sup> Risk is assessed using a combination of the time a person has been in receipt of a Centrelink payment for a financial year and the income discrepancy between the person's total earnings declared to DHS, compared to the total earnings declared to the ATO for a financial year: *DHS Case Selection Business Parameters* (Document 3.2).



- dates of employment provided by the ATO were incorrect.

2.24 Prior to 1 July 2016, selected discrepancy files were investigated by a DHS compliance officer who, by conducting an ABN search or after speaking with the customer, could ascertain that income had previously been properly declared under a different employer name or that the dates provided by the employer to the ATO were incorrect. According to the *2007-2010 Data-Matching Program Report on Progress*<sup>99</sup>, the number and proportion of discrepancies which did not proceed to debt recovery action after the customer was contacted ranged from 17.23 per cent in 2007 to 25.5 per cent in 2010.

2.25 The concerns about incorrect ATO data for periods of employment depends on the quality of data provided by the employer to the ATO and highlights the different purpose of the ATO data. For example, a student may work for an employer for two weeks during each holiday break, which the employer may declare as one period beginning on the first day of employment and ending on the last day they were employed (despite the long gaps in employment). The failure to take into account gaps in employment impacts the accuracy of debt calculations by DHS. We understand DHS is discussing with the ATO what steps it could take to improve the quality of employer reported data.<sup>100</sup> At the same time, changes to the OCI now make it clearer to customers that they need to check their dates of employment.

2.26 DHS has conceded that, if restrictions on the use of tax file numbers were removed, it could improve the quality of data-matching. However, only around 20 mismatched identities occur each year.

### ***Ability of the system to accurately assess various kinds of income and exclusions***

2.27 There has been public concern about the ability of the OCI to accurately calculate the various kinds of income a person receives (including leave payments, allowances, lump sums, termination payments and so on) along with income test concessions and incentives (for example working credits and student income bank).

2.28 In our view the business rules in the OCI that support the debt calculation are comprehensive and accurately capture the legislative and policy requirements. The OCI appears to have the capacity to accurately calculate various types of non-standard income including leave payments, termination payments, fringe benefits, allowances and reimbursements, and apply relevant exclusions and credits, such as free areas, income banks and working credits.

2.29 However, the calculation relies on the customer accurately entering the various types of income into the OCI for each previously unverified fortnight of income during the debt period.

2.30 The OCI is also designed so that any entitlement fortnights for which income has been previously verified (for example, if the person provided payslips from time to time during the year), will be excluded from the debt calculation.

---

<sup>99</sup> Based on the last available DHS report on data matching under the Data Matching Act.

<sup>100</sup> Information obtained via DHS site visit 19 January 2017



### ***Use of 'averaged' ATO income data***

2.31 Under the Social Security Act, a fortnightly income test is applied to determine a daily rate of payment, generally paid in fortnightly instalments. A person's entitlement in any given fortnight will therefore be assessed on the income they earned, derived or received that fortnight. This is different to the tax system (including family payments) which is concerned with assessing annual income. ATO data normally provides an aggregate annual employment income figure and does not provide the detail required to accurately assess fortnightly social security entitlements.

2.32 DHS has always had a process for averaging ATO data to calculate debts.<sup>101</sup> The process is set out in its operational guidelines<sup>102</sup> however it was limited to last resort situations: *'If every possible means of obtaining the actual income information has been attempted, it is possible to use any evidence available to raise a debt including an annual figure.'* The guideline also identifies the risks involved in averaging income data and shows DHS was aware that averaging ATO earnings may result in incorrect debts:

'Some of the difficulties:

- If a customer reports fortnightly and has under declared, there may be no evidence to support a finding of false or misleading information for any given fortnight
- If employment is for a part of a year only, averaging over 12 months will not result in a correct result if the customer should have received a full rate at other times of the year
- If income varied greatly during the year, the result may be incorrect

Actual period(s) worked should be obtained so that averaging only occurs for periods worked.

The raising and recovery of debts must satisfy legislative requirements. Evidence is required to support the claim that a legally recoverable debt exists'.<sup>103</sup>

2.33 We asked DHS whether it had done modelling on how many debts were likely to be over-calculated as opposed to under-calculated. DHS advised no such modelling was done.<sup>104</sup> In our view the risk of over-recovering debts from social security recipients should be the subject of more thorough research and analysis.

2.34 Averaging in the OCI occurs when:

- the customer does not respond to DHS' request to go online or contact DHS by the due date
- the customer's response is incomplete – for example, if the person entered the information accounting for some, but not all of the income received over the debt period. In this case, the OCI will average the balance over the remainder of the period/s
- the customer's response is outside certain tolerances as to what is reasonable (in such cases, the OCI requires a compliance officer to consider

---

<sup>101</sup> DHS told this office on 3 February 2017 that it 'uses the concept of averaging income in the absence of detailed information and has been using this methodology since the early 1980's, both in manual and OCI systems'.

<sup>102</sup> DHS Operational Blueprint 107.02040020 *Acceptable documents for verifying income when investigating debts*

<sup>103</sup> DHS Operational Blueprint 107-02040020

<sup>104</sup> DHS briefing to Ombudsman's office, 17 February 2017



the matter and a person may be required to provide payslips. If the response remains unverified and is still considered to be unreasonable, the ATO data will be preferred and used to raise the debt via the OCI).

## Application of the ten per cent recovery fee

2.35 Automated decision making is authorised by section 6A of the *Social Security (Administration) Act 1999* (the Administration Act).<sup>105</sup>

2.36 According to the Administrative Review Council's *Automated Assistance in Administrative Decision Making Better Practice Guide*<sup>106</sup>, a key question in the design of automated decision making systems in administrative law is whether the system is designed 'so that the decision-maker is not fettered in the exercise of any discretion or judgement they may have'.

2.37 The Social Security Act states that a ten per cent penalty is added to a debt if the debt arose wholly or partly because the person had refused or failed to provide information about their income or had knowingly or recklessly provided incorrect information. However, it also states 'this section does not apply if the Secretary is satisfied that the person had a reasonable excuse for refusing or failing to provide the information'.<sup>107</sup>

2.38 The business rules that underpin the application of the reasonable excuse discretion are beneficial if the person engages with the system and indicates there were personal circumstances that impacted their ability to declare their income. This is particularly so in the redesigned system. This means that for people who do engage with the system, the penalty will be manually applied, if at all.

2.39 The penalty will continue to be automatically applied where the department has sought reasonable excuse information, but none has been forthcoming from the customer. If a debt recovery fee is applied, the person will receive a debt notification letter which now provides them with a further opportunity to provide a reasonable excuse and have the fee removed.

2.40 The question of whether these procedural fairness safeguards coupled with the beneficial application of the reasonable excuse provisions are effective in addressing the risk of fettering of the discretion can only be answered by the courts.

2.41 Our observation is that DHS' approach cannot be fair and effective if the department is not effective in its communication to customers about the availability, meaning and importance of reasonable excuse, and the ways of notifying the excuse to the department.

2.42 In the version of the OCI rolled out from 1 July 2016, DHS considered 'reasonable excuse' by asking '*were there any personal factors that affected your ability to correctly declare your income during the above period/s?*'. If a person answered 'yes' to this question, the penalty fee was not automatically applied by the

---

<sup>105</sup> Our office has seen a copy of the delegation in the DHS, Online Compliance Intervention Detailed Requirements Document, p 11 of 176.

<sup>106</sup> Australian Government, *Automated Assistance in Administrative Decision-Making: Better Practice Guide* (February 2007) [http://www.ombudsman.gov.au/data/assets/pdf\\_file/0032/29399/Automated-Assistance-in-Administrative-Decision-Making.pdf](http://www.ombudsman.gov.au/data/assets/pdf_file/0032/29399/Automated-Assistance-in-Administrative-Decision-Making.pdf), accessed 31 January 2017

<sup>107</sup> Section 1228B, *Social Security Act 1991*



OCI. If the person answered 'no' (or if no answer was provided by the date the debt was raised) the recovery fee was applied automatically.

2.43 In our view, the messaging in the OCI lacked clarity and the 'personal circumstances' question may have been insufficient to elicit the necessary reasonable excuse information. In some situations, a person may have answered 'no' to the personal circumstances question in situations where a human decision maker, able to review the person's Centrelink record<sup>108</sup> ask relevant questions and consider all the relevant circumstances of the case, may have decided the penalty fee should not apply, or the discretion not to apply the fee should be exercised. Examples include where:

- income was declared but was not coded into the system because of administrative error
- a customer provided information about fluctuating income on their claim form, but due to administrative error was not placed on fortnightly reporting arrangements
- a customer did not go online or contact DHS (for example, because they thought if the ATO figure was correct they did not need to, or because of vulnerability)
- a customer still believed at the time they answered the question they had declared accurately (note that the question was asked before the customer was notified of the debt) and so did not turn their mind to the question properly
- a customer did not understand what 'personal circumstances' meant, or lacked insight into their circumstances
- other situations where information has been provided prior to the intervention.<sup>109</sup>

---

<sup>108</sup> Such as records of contemporaneous discussions with the department including contact with Social Work Officers, Indigenous Customer Service Officers or other specialist officers

<sup>109</sup> In its evaluation of the 2015 pilot, DHS had finalised eight of 27 cases referred to the ARO network. In two of those cases debts were set aside due to information already coded or previously supplied prior to the intervention: *Pilot PAYG Interventions*, op cit (Document 1.8).



## APPENDIX C –AGENCY RESPONSES



Australian Government  
Department of Human Services

Kathryn Campbell CSC  
Secretary

Ref: EC17-000439

Mr Richard Glenn  
Acting Commonwealth Ombudsman  
GPO Box 442  
CANBERRA ACT 2601

Dear Mr Glenn

Thank you for the opportunity to comment formally on the proposed report titled *Centrelink's automated debt raising and recovery system*.

The Department of Human Services (the department) welcomes your finding that the department's online compliance system was designed appropriately, accurately calculates debts and has undergone a range of enhancements that ensure its long term sustainability. This will provide reassurance that debts raised were consistent with the previous manual debt investigation process.

The department agrees with your assessment about incorrect reporting of 'error' rates. Information discrepancies which do not proceed to debt recovery action are not errors. The oft quoted "20% error rate" is incorrect, as you note.

Digital channels are increasingly the channel of choice for Australians as it allows them to interact at a time of their choosing and at their preferred pace. The department notes your concerns about recipients challenged by moving to an online environment and has worked to improve usability and has made recipient-assisted options available to all those involved in the process.

As you have noted, continuous improvement by the department has already resulted in a series of changes:

- letters are now clearer
- the whole design and layout of the online system has improved
- initial letters are now sent by registered mail, and
- debt recovery is now paused while a review is underway.

PO Box 7788, Canberra Business Centre ACT 2610 • Telephone (02) 6223 4411 • Facsimile (02) 6223 4489  
Internet [www.humanservices.gov.au](http://www.humanservices.gov.au)



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

The department agrees with all of your recommendations.

In most cases implementation is already underway. In relation to recommendation one, the department's response exceeds the recommendation. Further detail is provided at Attachment A.

The department appreciates that you and your office have invested considerable time and effort in conducting this investigation. Your professional approach to considering the evidence and making an independent assessment has been welcome.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'K. Campbell', is written above the printed name.

Kathryn Campbell

5 April 2017



ATTACHMENT A

**OMBUDSMAN OWN MOTION REPORT: CENTRELINK'S AUTOMATED DEBT  
RAISING AND RECOVERY SYSTEM – RECOMMENDATIONS**

**Recommendation 1 – Ten per cent recovery fee**

We recommend that in certain circumstances DHS should reassess those debts already raised by the OCI where the recovery fee was applied automatically, including, where a customer contacts DHS or a mercantile agent to raise a concern, seek information, or seek a re-assessment in relation to an OCI debt which includes a debt recovery fee (whether or not the debt has been repaid). DHS should manually reassess whether the application of the recovery fee was appropriate, taking into account the customer's personal circumstances, including the existence of a reasonable excuse.

**DHS Response: Agree**

Implementation of this recommendation has been underway for some time.

As the Ombudsman notes, the recovery fee was automatically applied in limited circumstances. This was where there was no contact from the recipient or the recipient did not tell the department they had a reasonable excuse for inaccurate reporting.

The department has commenced contacting people who have had the fee applied to remind them of their review rights, including the application of the recovery fee.

In addition, the department will write to all recipients who had an OCI debt to remind them of their review rights, including the application of the recovery fee.

**Recommendation 2 – Initial contact letters**

The initial contact letters to customers should:

- (a) place the compliance helpline number on the first page
- (b) mention the possibility of a debt earlier
- (c) clearly explain the concept of averaging. In particular, letters should explain that if the customer does not go online or if they accept the ATO data, their income will be averaged over periods for which income has not been verified and debts based on averaged ATO income may be less accurate, especially if the customer's income was fluctuating or intermittent.
- (d) advise people they can ask for an extension of time online or by calling the compliance helpline number.

**DHS Response: Agree**

The Ombudsman notes the department has already made significant enhancements to the online compliance letters and system.



The department will make further enhancements as part of its standard continuous improvement process.

Changes to letters will be subject to rigorous user testing ensuring that advice to recipients is as clear as possible while complying with legislative requirements. This will include the Ombudsman's recommendation.

#### **Recommendation 3 – Messaging within the OCI**

DHS should include a message within the OCI system to clarify that if the customer does not enter their income information, their ATO income will be averaged evenly across the relevant period and this may result in a debt. The message should advise that debts based on averaged ATO income may be less accurate than debts based on actual income, especially if the customer's income was fluctuating or intermittent.

#### **DHS Response: Agree**

The Ombudsman has noted the range of enhancements already made to the online system. As part of the department's standard continuous improvement process, further refinements to the messaging in the system will be implemented following user testing. This will include the Ombudsman's recommendation.

#### **Recommendation 4 – Obtaining employment income evidence**

- (a) DHS should take into account the potential cost to some customers of obtaining bank statements. Where this cost would cause financial hardship to the person, DHS should use its powers to request the evidence directly from the financial institution.
- (b) Where a person contacts DHS for assistance in relation to the OCI, DHS should use its information gathering powers to assist the person to obtain income information from a third party, such as a former employer or bank, if:
  - despite genuine and reasonable attempts to do so, the person has been unable to obtain income information; or
  - it would be unreasonable, in the circumstances of their case, to expect them to obtain such information
- (c) Where customers advise they had stopped working for a particular employer, DHS should consult its own records to confirm if that information had previously been verified with the employer and/or if the customer had notified DHS at the time.
- (d) The Department of Social Services should include clear guidelines about the process for obtaining employment income evidence in the *Guide to Social Security Law*.

#### **DHS Response: Agree to recommendation 4(a), 4(b) and 4(c).**

Around 70% of recipients bank with institutions that provide statements online for 7 years free of charge. Banks always have the discretion to waive fees upon request in order to assist their customers.

The department has always provided assistance to recipients who need it in order to update or confirm their information, particularly for complex cases. This includes providing a dedicated



help line, accepting information other than pay slips and giving additional time extensions so that relevant information can be obtained. It will use its powers on a case by case basis to obtain information where other avenues have been exhausted.

**Recommendation 5 – Communication to customers and staff**

DHS should:

- (a) ensure its 1800 compliance helpline number continues to be adequately resourced
- (b) produce comprehensive publicly available information for customers on how to use the OCI system, which includes the compliance helpline telephone number and how to obtain relevant employment income evidence. This information may include video on demand (VOD) resources and fact sheets
- (c) modify the standard message in customer records to refer them to their online account, to reflect that customers can be referred for assistance if required
- (d) continue to provide comprehensive training as required to specialist compliance staff and regular messaging to all service delivery staff on the OCI system, in particular, ensuring customers are directed to, and assisted by, the specialist compliance staff
- (e) systematically capture and record information obtained from complaints and internal reviews and use this information to continuously improve the OCI system from the customer's perspective.

**DHS Response: Agree**

Work on each of these recommendations is already underway.

- (a) The dedicated 1800 compliance helpline number has always had very short wait times and will continue to do so.
- (b) A video on demand (VOD) providing information for customers on how to use the OCI system is already in train. It will be available later this month. Information is already available on the department's website and will continue to be updated.
- (c) Instructions to all service staff have always encouraged staff to either assist recipients to go back online or refer them to the dedicated 1800 compliance helpline number.
- (d) The department always undertakes comprehensive training for staff particularly those who specialise in discrete business activities such as compliance officers working with the OCI system. For example, over 900 staff undertook more than 8,500 hours of facilitated training and workshops in preparation for these compliance measures.
- (e) The department has a comprehensive complaint monitoring system. This is used in making assessments for continuous improvements in all aspects of the department's operations. The process for capturing complaints information for the OCI system will be examined again to further improve it.



**Recommendation 6 – Expansion of customers who are offered a staff assisted intervention**

Before the OCI system is rolled out further, the following groups should be included in the current vulnerable (staff assisted) cohort for OCI purposes:

- current and former customers with a payment nominee who is either court appointed or an organisation
- customers with a current homelessness flag on their record who are not already captured under the Vulnerability Indicators.

**DHS Response: Agree**

Vulnerable people have always been a priority for the department.

As acknowledged by the Ombudsman, the fully automated system was never intended to, nor will it be, rolled out to vulnerable people. The department has agreed to include the categories recommended by the Ombudsman in the cohorts of recipients who will receive staff assistance.

**Recommendation 7 – Assistance to vulnerable customers**

DHS should provide additional assistance and support to vulnerable people to engage with the OCI system. In particular:

- (a) DHS should consider making outbound calls to vulnerable customers where they do not respond to the initial or reminder letters, to explain what is required and start the staff assisted service offer.
- (b) DHS should consult with relevant stakeholders about the difficulties vulnerable groups may face when engaging with the OCI.

**DHS Response: Agree**

Vulnerable people have always been a priority for the department.

As acknowledged by the Ombudsman, the fully automated system was never intended to, nor will it be, rolled out to vulnerable recipients. The department's standard practice is to make outbound calls to vulnerable people to assist them to meet their compliance obligations.

Following recent enhancements, the process will not commence for any recipient unless there is evidence via registered mail that they have received the initial letter.

If people do not respond to these letters, they will receive reminders and the department will call them.

In relation to (b), stakeholder consultation is a part of the department's usual business. The department will consult further with relevant groups about OCI as part of the department's continuous improvement process.



**Recommendation 8 – Future implementation of the OCI**

Before further expansion of the OCI, DHS should:

- (a) undertake a comprehensive evaluation of the OCI in its current form
- (b) give further consideration as to how to mitigate the risk of possible over-recovery of debts.

Further rollout of the OCI should be done incrementally.

**DHS Response: Agree**

This recommendation has been agreed on the basis that PWC has been engaged to work with the department on the implementation of this and future measures.





**Australian Government**  
**Department of Social Services**

Finn Pratt AO PSM  
Secretary

Mr Richard Glenn  
Acting Commonwealth Ombudsman  
GPO Box 442  
CANBERRA ACT 2601

Dear Mr Glenn

**Commonwealth Ombudsman draft investigation report on the  
Department of Human Services Online Compliance Intervention system for debt  
raising and recovery March 2017**

Thank you for your letter of 10 March 2017 and further correspondence from your office on 23 and 29 March 2017, providing the Department of Social Services (the Department) with the opportunity to make comments on the *Commonwealth Ombudsman draft investigation report on the Department of Human Services (DHS) Online Compliance Intervention (OCI) system for debt raising and recovery* (the report) under section 8(5) of the *Ombudsman Act 1976*.

We are committed to strengthening the integrity of Australia's social welfare system to ensure it is targeted to those in genuine need. DHS has responsibility for ensuring that a person who claims a social security payment meets the eligibility requirements for that payment. Regrettably, some Australians do not declare their circumstances correctly or fully to DHS and receive payments to which they are not entitled.

The Department is satisfied the system is operating in line with legislative requirements and there have been no changes to the way in which DHS assesses Pay As You Go employment income. The Department notes your office has consulted extensively with DHS and the revised versions of the report include improvements which acknowledge that the system is accurately identifying and raising debts based on the information available to DHS.

The Department agrees with Recommendation 4(d) that proposes the Department of Social Services, with policy responsibility for the *Guide to Social Security Law* (the Guide), include clear guidelines about the process for obtaining employment income evidence in the Guide. The Department will work with DHS to develop additional guidance on employment income evidence for recipients.

GPO Box 9820 Canberra, ACT 2601

National Relay Service: TTY – 133 677, Speak and listen – 1300 555 727, Internet relay – [www.relayservice.com.au](http://www.relayservice.com.au)  
[www.dss.gov.au](http://www.dss.gov.au)



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

I understand that your officers have met with officers from my Department in developing the findings of the Report and I would like to thank you for providing this opportunity.

If you would like further information on the Department's response, please do not hesitate to contact [REDACTED] Group Manager, Payments Policy Group on [REDACTED] or via email at [REDACTED]

Yours sincerely



Finn Pratt

4 April 2017



## APPENDIX D – LETTERS – OCI OCTOBER 2016

### 1 Initial letter to customers

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610

Your reference: 123456789Z

John Citizen  
123 Canberra Street  
CANBERRA ACT 2900



Australian Government  
Department of Human Services

centrelink

06 August 2016

Dear Mr. Citizen

#### Important information about your employment income

We have received information from the Australian Taxation Office about your employment income. This shows that the amount reported to them is different to the amount you told us. To make sure you have been paid correctly, we need you to confirm your employment income information.

#### What you need to do

1. Please check the enclosed employment income information.
2. Confirm your employment income online **before 26 August 2016**.

You can do this by going to **my.gov.au** and signing in to access your Centrelink online account. If you do not have a myGov account, you can create one and link it to your Centrelink online account.

#### What you need to know

If you do not confirm your employment income online by **26 August 2016**, we will update your details using the enclosed employment income information.

If the employment income you told us is not correct, this may result in a debt that you will need to repay. When confirming your employment income online, there will be an opportunity to provide an explanation if you did not previously tell us the correct amount. If a debt arises and a reasonable excuse is not provided, a 10% recovery fee will be added to the debt amount. If you do not respond, it will be assumed no reasonable excuse applies and the 10% recovery fee will be added to the debt amount. You will be advised of the outcome in writing.

For more information



my.gov.au



ExpressPlus mobile apps



humanservices.gov.au



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**More information**

For more information about employment income, please go to [humanservices.gov.au](https://humanservices.gov.au) and search for 'employment income'.

Yours sincerely

Director, Earned Income  
Customer Compliance



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**Employment income information**

This information has been received from the Australian Taxation Office

Employer	Canberra Property Services Pty Ltd
Period of employment	01.JUL.2010 to 30.JUN.2011
Earnings	\$497.00
Employer	123 Management Services Pty Ltd
Period of employment	01.JUL.2010 to 26.JUN.2011
Earnings	\$35,500,310



## Commonwealth Ombudsman—Department of Human Services: Centrelink's automated debt raising and recovery system

Your customer reference number is **123456789Z**

### Privacy and your personal information

Your personal information is protected by law, including the *Privacy Act 1988*, and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services. This information is required to process your application or claim.

Your information may be used by the department or given to other parties for the purposes of research, investigation or where you have agreed or it is required or authorised by law.

You can get more information about the way in which the Department of Human Services will manage your personal information, including our privacy policy, at [humanservices.gov.au/privacy](http://humanservices.gov.au/privacy) or by requesting a copy from the department.

### Data matching initiatives

The Department of Human Services undertakes regular data-matching activities in line with the *Data-matching Program (Assistance and Tax) Act 1990* and the Office of the Australian Information Commissioner's *Guidelines on Data Matching in Australian Government Administration* and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

### To make a complaint or give us feedback

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on 1800 132 488, or
- go to [humanservices.gov.au/feedback](http://humanservices.gov.au/feedback) for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](http://ombudsman.gov.au) or calling them on 1300 362 072.



## 2 Reminder letter

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610

Reference: 123456789Z

John Citizen  
123 Canberra Street  
CANBERRA ACT 2900



Australian Government  
Department of Human Services

centrelink

19 August 2016

Dear Mr. Citizen,

### REMINDER: Please confirm your employment income

Our records show that you haven't yet confirmed your employment income as requested.

#### What you need to do

1. Check the enclosed employment income information.
2. Confirm your employment income online **before 26 August 2016**.

You can do this by going to [my.gov.au](http://my.gov.au) and signing in to access your Centrelink online account. If you do not have a myGov account, you can create one and link it to your Centrelink online account.

#### What you need to know

If you do not confirm your employment income online by **26 August 2016**, we will update your details using the enclosed employment income information.

If the employment income you previously told us is different, this may result in a debt that you will need to repay. A 10% recovery fee may also be added to the debt amount. You will be advised of the outcome in writing.

For more information

 <a href="http://my.gov.au">my.gov.au</a>	 ExpressPlus mobile apps	 <a href="http://humanservices.gov.au">humanservices.gov.au</a>
--	---	--

1



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**More information**

For more information about employment income, please go to [humanservices.gov.au](http://humanservices.gov.au) and search for 'employment income'.

Yours sincerely

Director, Earned Income  
Customer Compliance



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**Employment income information**

This information has been received from the Australian Taxation Office

Employer	Canberra Property Services Pty Ltd
Period of employment	01.JUL.2010 to 30.JUN.2011
Earnings	\$497.00
Employer	123 Management Services Pty Ltd
Period of employment	01.JUL.2010 to 26.JUN.2011
Earnings	\$35,500,310



### 3 Notice of Decision letter

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610

Reference: **123456789Z**

**John Citizen**  
**123 Canberra Street**  
**CANBERRA ACT 2900**

**27 August 2016**



Dear **Mr. Citizen**

#### **Your employment income review has been completed**

We have completed our review of your employment income details and made a decision to change the amount you were entitled to receive. This means that you have a debt of **\$3,300** which includes a debt recovery fee of \$300.

You will be sent a separate notice about how to pay this debt.

This is a notice of decision under social security law.

#### **What you need to know**

You can go online to get details of this decision or to provide us with more information. Just go to **my.gov.au** and sign in to access your Centrelink online account, then select 'Compliance' from the menu. If you do not have a myGov account, you can create one and link it to your Centrelink online account.

Yours sincerely

Director, Earned Income  
Customer Compliance

---

For more information

<a href="https://my.gov.au">my.gov.au</a>	ExpressPlus mobile apps	<a href="https://humanservices.gov.au">humanservices.gov.au</a>
---	-------------------------	---

1



## Commonwealth Ombudsman—Department of Human Services: Centrelink's automated debt raising and recovery system

### If you do not agree with a decision we have made

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to [aat.gov.au](http://aat.gov.au)

All of the above are free of charge.

If you do not agree with a decision we have made, contact us as soon as possible. It is important to ask for a review **within 13 weeks** of being notified about the decision. If your request for a review is more than 13 weeks after being notified and the decision can be changed, you may only receive your entitlement from the date you requested the review.

There is no time limit for a review of a decision about money you owe us. However you may have to pay back the money while the decision is being reviewed.

### Data matching initiatives

The Department of Human Services undertakes regular data-matching activities in line with the *Data-matching Program (Assistance and Tax) Act 1990* and the Office of the Australian Information Commissioner's *Guidelines on Data Matching in Australian Government Administration* and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

### To give us feedback or make a complaint

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**, or
- [go to humanservices.gov.au/feedback](http://go.humanservices.gov.au/feedback) for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](http://ombudsman.gov.au) or calling them on **1300 362 072**.



## APPENDIX E – LETTERS – OCI FEBRUARY 2017

### 1 Initial letter to customers

A\_EIC Initial Contact letter\_1.4\_100217

If not delivered: Locked Bag 8900 CANBERRA ACT 2601

{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}

<{NOMINEE.TITLE.FULLNAME}  
{NOMINEE.POSTAL.ADDRESS}  
{NOMINEE.POSTAL.ADDRESS}  
!  
{CLIENT.TITLE.FULLNAME}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}>



Australian Government

Department of Human Services

centrelink

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
{CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
{CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

#### Employment income confirmation

We have information from the Australian Taxation Office (ATO) that we need your help to confirm or update. The employment dates or income details are different to what you told us when getting a payment. We use your employment information so you get paid the right payment.

This is not a debt letter. Please check the ATO information with this letter carefully.

You must confirm or update the information **within 28 days** of receiving this letter.

#### Go online and check today

The easiest way is to sign in to your Centrelink online account linked to your myGov account.

You can also go to [humanservices.gov.au/confirmincome](https://humanservices.gov.au/confirmincome) and register:

1. Enter the reference number at the top of this letter and your confirmation code: {CODE}.  
The confirmation code will expire after 28 days.
2. Enter details from your current Australian driver licence or passport, and your Medicare card.
3. Provide an email address or mobile number so we can send you a security code to log on.

Please note, if you don't confirm or update the information within 28 days, we may apply the employment dates and income from the ATO to your record. This may result in a debt you will need to repay.

After you have confirmed or updated the details, we will write to you to let you know the outcome and what you need to do next.

For more information

[my.gov.au](https://my.gov.au)

ExpressPlus mobile apps

[humanservices.gov.au](https://humanservices.gov.au)



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**If you need help**

If you don't have internet access or need help to sign in, go into any of our service centres. If you need help with the employment information provided, call us on 1800 086 400.

Yours sincerely

Director, Earned Income  
Customer Compliance

DRAFT



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**Employment information statement**

Check this employment information from the Australian Taxation Office against your records. Make sure you check the dates you worked for each employer.

Go to [humanservices.gov.au/confirmincome](http://humanservices.gov.au/confirmincome) to confirm or update these details. You may need payslips or bank statements to check this information.

Employer	Super Sparkle Cleaning
Dates of Employment	10 JUL 2015 to 13 AUL 2015
Earnings	\$400.00
Employer	Joe Bloggs Tree Cutting
Dates of Employment	5 DEC 2015 - 20 FEB 2016
Earnings	\$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	\$1022.00



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

Your Customer Reference Number is {REFERENCE.NUMBER}

**If you do not agree with a decision we have made**

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to [aat.gov.au](http://aat.gov.au)

All of the above are free of charge.

There is no time limit for a review of a decision about money you owe us. You can choose to pay back the money while the decision is being reviewed.

**Privacy and your personal information**

Your personal information is protected by law (including the *Privacy Act 1988*) and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services.

Your information may be used by the department, or given to other parties where you have agreed to that, or where it is required or authorised by law (including for the purpose of research or conducting investigations).

You can get more information about the way in which the department will manage your personal information, including our privacy policy, at [humanservices.gov.au/privacy](http://humanservices.gov.au/privacy)

**Data matching initiatives**

The Department of Human Services undertakes regular data-matching activities in line with the Data-matching Program (Assistance and Tax) Act 1990 and the Office of the Australian Information Commissioner's Guidelines on Data Matching in Australian Government Administration and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

**If you need help**

If you need help or you do not have internet access, you can go to any of our service centres. You can also call us directly on 1800 086 400.

**To give us feedback or make a complaint**

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on 1800 132 468, or



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

- go to [humanservices.gov.au/feedback](https://humanservices.gov.au/feedback) for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](https://ombudsman.gov.au) or calling them on 1300 362 072.

DRAFT



## 2 Reminder letter - first

B\_EIC Reminder letter1\_1.4\_100217  
If not delivered: Locked Bag 8900 CANBERRA ACT 2601  
{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}

<{NOMINEE.TITLE.FULLNAME}  
{NOMINEE.POSTAL.ADDRESS}  
{NOMINEE.POSTAL.ADDRESS}  
!  
{CLIENT.TITLE.FULLNAME}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}>

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
{CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
{CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

**Reminder – Employment income confirmation**

We wrote to you on {DATE OF INITIAL LETTER} asking you to confirm or update the employment information we have from the Australian Taxation Office (ATO). This is a reminder that you are running out of time.

This is not a debt letter. Please check the ATO information with this letter carefully.

You must confirm or update the information by {28 DAYS FROM RECEIPT OF INITIAL LETTER}.

**Go online and check today**  
The easiest way is to sign in to your Centrelink online account linked to your myGov account.

You can also go to [humanservices.gov.au/confirmincome](https://humanservices.gov.au/confirmincome) and register:




1. Enter the reference number at the top of this letter and your confirmation code: {CODE}. The confirmation code will expire on {28 DAYS FROM RECEIPT OF INITIAL LETTER}.
2. Enter details from your current Australian driver licence or passport, and your Medicare card.
3. Provide an email address or mobile number so we can send you a security code to log on.

Please note, if you don't confirm or update the information by {28 DAYS FROM RECEIPT OF INITIAL LETTER}, we may apply the employment dates and income from the ATO to your record. This may result in a debt you will need to repay.

After you have confirmed or updated the details, we will write to you to let you know the outcome and what you need to do next.

---

For more information

 <a href="https://my.gov.au">my.gov.au</a>	 ExpressPlus mobile apps	 <a href="https://humanservices.gov.au">humanservices.gov.au</a>
---	---	---



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**If you need help**

If you don't have internet access or need help to sign in, go into any of our service centres. If you need help with the employment information provided, call us on 1800 086 400.

Yours sincerely

Director, Earned Income  
Customer Compliance

DRAFT



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**Employment information statement**

Check this employment information from the Australian Taxation Office against your records. Make sure you check the dates you worked for each employer.

Go to [humanservices.gov.au/confirmincome](http://humanservices.gov.au/confirmincome) to confirm or update these details. You may need payslips or bank statements to check this information.

Employer	Super Sparkle Cleaning
Dates of Employment	10 JUL 2015 to 13 AUL 2015
Earnings	\$400.00
Employer	Joe Bloggs Tree Cutting
Dates of Employment	5 DEC 2015 - 20 FEB 2016
Earnings	\$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	\$1022.00



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

Your Customer Reference Number is {REFERENCE.NUMBER}

**If you do not agree with a decision we have made**

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to [aat.gov.au](http://aat.gov.au)

All of the above are free of charge.

There is no time limit for a review of a decision about money you owe us. You can choose to pay back the money while the decision is being reviewed.

**Privacy and your personal information**

Your personal information is protected by law (including the *Privacy Act 1988*) and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services.

Your information may be used by the department, or given to other parties where you have agreed to that, or where it is required or authorised by law (including for the purpose of research or conducting investigations).

You can get more information about the way in which the department will manage your personal information, including our privacy policy, at [humanservices.gov.au/privacy](http://humanservices.gov.au/privacy)

**Data matching initiatives**

The Department of Human Services undertakes regular data-matching activities in line with the Data-matching Program (Assistance and Tax) Act 1990 and the Office of the Australian Information Commissioner's Guidelines on Data Matching in Australian Government Administration and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

**If you need help**

If you need help or you do not have internet access, you can go to any of our service centres. You can also call us directly on 1800 086 400.

**To give us feedback or make a complaint**

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on 1800 132 468, or
- go to [humanservices.gov.au/feedback](http://humanservices.gov.au/feedback) for other options.



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](http://ombudsman.gov.au) or calling them on 1300 362 072.

DRAFT



### 3 Notice of Decision Letter – debt

H\_EIC Confirmation letter\_contact\_debt\_1.4\_132017

If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610  
{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}

<{NOMINEE.TITLE.FULLNAME}  
{NOMINEE.POSTAL.ADDRESS}  
{NOMINEE.POSTAL.ADDRESS}  
!  
{CLIENT.TITLE.FULLNAME}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}>



Australian Government  
Department of Human Services

centrelink

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
{CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
{CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

#### Your employment income review has been completed

Thank you for taking the time to confirm or update your employment information.

Based on the employment information you have provided, you have a debt of \${TOTAL DEBT  
FOR THIS ASSESSMENT}.

This is a notice of decision under social security law.

We will write to you separately about how to pay this debt.

#### If you do not agree with our decision

You can ask to have this decision reviewed and give us updated information by:

- using your Centrelink online account linked to myGov, or
- calling 1800 086 400.

Yours sincerely

Director, Earned Income  
Customer Compliance

For more information

my.gov.au

ExpressPlus mobile apps

humanservices.gov.au



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

Your Customer Reference Number is {REFERENCE.NUMBER}

**If you do not agree with a decision we have made**

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to [aat.gov.au](http://aat.gov.au)

All of the above are free of charge.

There is no time limit for a review of a decision about money you owe us. You can choose to pay back the money while the decision is being reviewed.

**Data matching initiatives**

The Department of Human Services undertakes regular data-matching activities in line with the Data-matching Program (Assistance and Tax) Act 1990 and the Office of the Australian Information Commissioner's Guidelines on Data Matching in Australian Government Administration and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

**If you need help**

If you need help or you do not have internet access, you can go to any of our service centres. You can also call us directly on 1800 086 400.

**To give us feedback or make a complaint**

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**, or
- go to [humanservices.gov.au/feedback](http://humanservices.gov.au/feedback) for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](http://ombudsman.gov.au) or calling them on **1300 362 072**.



## 4 Notice of Decision Letter – debt (no customer contact)

J\_EIC Confirmation letter\_no contact\_debt\_1.3\_100217

| If not delivered: Locked Bag 7834 CANBERRA BC ACT 2610

{RETURNADDRESSBARCODE}

Customer Reference Number: {REFERENCE.NUMBER}

<{NOMINEE.TITLE.FULLNAME}  
{NOMINEE.POSTAL.ADDRESS}  
{NOMINEE.POSTAL.ADDRESS}  
!  
{CLIENT.TITLE.FULLNAME}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}  
{CLIENT.POST.ADD}>



Australian Government

Department of Human Services

centrelink

{PRINT.DATE}

<APPLY EXISTING NOMINEE RULE: This is a copy of the letter we have sent to  
{CLIENT.FULLNAME} for whom you are the nominee. | This letter provides information about  
{CLIENT.FULLNAME} for whom you are the nominee. | >

Dear {CLIENT.TITLE.SURNAME}

### Employment income review outcome

We wrote to you on {DATE OF INITIAL LETTER} asking you to confirm or update the employment information we have from the Australian Taxation Office (ATO) by {28 DAYS FROM RECEIPT OF INITIAL LETTER}.

We sent you a reminder on {DATE OF FIRST REMINDER} and wrote to you again on {DATE OF SECOND reminder}. We asked you to call us if you needed more time or help with the request. Because we did not hear from you, we have applied the ATO employment dates and income included with this letter to your record.

This has resulted in a debt of \${TOTAL DEBT FOR THIS ASSESSMENT}. The amount owing includes a 10% recovery fee because we do not have an explanation for why the employment details were different. However, if there were personal factors that affected your ability to correctly declare your income during the relevant periods, please call us to discuss.

This is a notice of decision under social security law.

We will write to you separately about how to pay this debt.

### If you do not agree with our decision

You can ask to have this decision reviewed and give us updated information by:

- using your Centrelink online account linked to myGov, or
- calling 1800 086 400.

Yours sincerely

Director, Earned Income  
Customer Compliance

For more information



my.gov.au



ExpressPlus mobile apps



humanservices.gov.au



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

**Employment information statement**

Employer	Super Sparkle Cleaning
Dates of Employment	10 JUL 2015 to 13 AUL 2015
Earnings	\$400.00
Employer	Joe Bloggs Tree Cutting
Dates of Employment	5 DEC 2015 - 20 FEB 2016
Earnings	\$3,255.00
Employer	Glassy Clothes
Dates of Employment	15 MAR 2016 to 22 APR 2016
Earnings	\$1022.00



**Commonwealth Ombudsman—Department of Human Services:  
Centrelink's automated debt raising and recovery system**

Your Customer Reference Number is **{REFERENCE.NUMBER}**

**If you do not agree with a decision we have made**

- Contact us so we can check the details and explain the decision.
- Contact us and ask for a review of the decision. We will change it if it is wrong.
- Contact the Administrative Appeals Tribunal (AAT) if you do not agree with the review officer's decision.
- If you do not agree with the decision of the AAT you may be able to appeal further. For more information about the AAT, please go to [aat.gov.au](http://aat.gov.au)

All of the above are free of charge.

There is no time limit for a review of a decision about money you owe us. You can choose to pay back the money while the decision is being reviewed.

**Data matching initiatives**

The Department of Human Services undertakes regular data-matching activities in line with the Data-matching Program (Assistance and Tax) Act 1990 and the Office of the Australian Information Commissioner's Guidelines on Data Matching in Australian Government Administration and social security law.

This includes matching with the:

- Australian Securities and Investments Commission
- Australian Taxation Office
- ComSuper
- Department of Employment
- Department of Health
- Department of Social Services
- Department of Immigration and Border Protection
- Defence Housing Authority
- Department of Corrective Services in each state and territory
- Registrar of Births, Deaths and Marriages in each state and territory
- Public and Private education providers in each state and territory.

**If you need help**

If you need help or you do not have internet access, you can go to any of our service centres. You can also call us directly on 1800 086 400.

**To give us feedback or make a complaint**

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**, or
- go to [humanservices.gov.au/feedback](http://humanservices.gov.au/feedback) for other options.

If we are not able to resolve your complaint to your satisfaction, you can contact the Commonwealth Ombudsman by going to their website [ombudsman.gov.au](http://ombudsman.gov.au) or calling them on **1300 362 072**.




## APPENDIX F – SCREENSHOTS – OCI DECEMBER 2016



### Online Compliance Intervention – EIM/NEIDM

1 December 2016


Online Services Landing page PAGE 2

MENU  centrelink online account LOG OUT

Customer can navigate to the High Level Landing page from the reminders hyperlink

**\$0.00**

Next payment




**\$1000.00**


11 February 2011


Last payment


**Reminders**


- You need to check and confirm your employment income before 11 Sep 2015.
- Remember to notify us of changes in your circumstances.





 My profile




 Letters

 Advance Payment

 Request a document

 Online Claims

 Document Lodgement Service



## Commonwealth Ombudsman—Department of Human Services: Centrelink's automated debt raising and recovery system

Landing page PAGE 3

centrelink online account Client Name: CRN 123 456 789A LOG OUT

Home >

### High Level Landing Page

Review and complete all 3 assessments

**Employment income assessment**  
New

**Investment income assessment**  
In progress

**Employment income assessment**  
Pending outcome

#### Employment Income Assessment

Reference number - 9921587122

We have received income information from the Australian Taxation Office (ATO) that is different to what you have told us. We want to check with you if this is correct.

To do this:

- Use the 'Get started' button.
- Review and update your income details.
- Add employers if you have not listed them with Centrelink.

Please note unless otherwise mentioned, answers are required for all questions.

[Get started](#)

[More Information](#)

**Confirm or update your investment income before 30 Jul 2016**

If you do not complete it in time, the information that has been reported from the Australian Taxation Office will be applied to your Centrelink record.

**Only X days left to act.**

The customer can commence the intervention by selecting Get Started

The customer can access any past assessments and seek a further explanation or reassessment

#### Historic assessment(s)

Use the 'View' icon in the action column to view the assessment outcome and the information you provided.

Assessment type	Reference number	Status	Date	Action
Employment income	6785684541	Completed	21 Jun 2016	
Employment income	5645654354	Completed	09 May 2016	
Employment income	5462626236	Completed	04 Apr 2016	
Employment income	3462575637	Cancelled	25 Feb 2016	

Declaration PAGE 4

centrelink online account LOG OUT

### Employment Income Update

#### Declaration

Please read and accept the below declaration.

☐ Declare that the information I provide will be true and correct.

☐ Understand that the Department of Human Services regularly checks customer payments.

☐ Understand that if I provide false or misleading information, I may be charged with a criminal offence and prosecuted under the *Criminal Code Act 1995*.

The customer must check all 3 boxes prior to proceeding

[Cancel](#) [Next](#)



## Commonwealth Ombudsman—Department of Human Services: Centrelink's automated debt raising and recovery system

Knockout question PAGE 5

centrelink online account

Client Name  
CRN 123 456 789A

LOG OUT

### Check Your Details

The customer is displayed the details provided by the Australian Taxation Office

The customer cannot proceed without responding for all employers

#### Employer information

The Employment Income details have been reported to us from the Australian Taxation Office (ATO).  
For each employer listed, review the information and answer the corresponding question(s).

**Financial year 2013/2014** (01 Jul 2013 to 30 Jun 2014)

Employer	ABN	Period of employment
<b>Joe Blogs Tree Cutting</b>	12 345 678 910	01 Apr 2013 to 16 Feb 2014
Did you work for this employer? <input type="radio"/> Yes <input type="radio"/> No		
<b>Super Sparkle Cleaning</b>	12 345 678 815	15 Mar 2014 to 30 Apr 2014
Did you work for this employer? <input type="radio"/> Yes <input type="radio"/> No		
<b>Bethyl's Bakehouse</b>	12345 678 512	14 Apr 2014 to 20 Jun 2014
Did you work for this employer? <input type="radio"/> Yes <input type="radio"/> No		

Did you declare **\$40,751.66** to the ATO for the financial year of 2013/2014? ☐ Yes ☐ No

**Financial year 2014/2015** (01 Jul 2014 to 30 Jun 2015)

Employer	ABN	Period of employment
<b>Joe Blogs Tree Cutting</b>	12 345 678 450	01 Jul 2014 to 15 Jun 2015
Did you work for this employer? <input type="radio"/> Yes <input type="radio"/> No		

Did you declare **\$12,684.50** to the ATO for the financial year of 2014/2015? ☐ Yes ☐ No

Gross payment and Attributed Personal Services Income PAGE 7

centrelink online account

Client Name  
CRN 123 456 789A

LOG OUT

### Check Your Details

The customer can select the Pencil icon against each line and provide as little of as much detail

If the customer selects "Next" without making any updates, they are presented with a message advising that they accept the ATO data

#### Update details for Super Sparkle Cleaning



Please provide any updates you might have against the information provided. If the information is correct, please use the "Next" button to continue.

Employment Income details for Super Sparkle Cleaning	Action
<b>Period of employment</b> 15 Mar 2014 to 30 Apr 2014	
<b>Gross payments</b> Amounts received as salary and Attributed Personal Services Income.	\$1,300.20
<b>Leave and redundancy payments</b> Amounts received upon ceasing employment, such as annual leave, long service leave, redundancy, Eligible Termination Payments (ETP).	\$0.00
<b>Allowances</b> Amounts received for reimbursement of expenses, such as laundry, meal, fuel.	\$0.00
<b>Fringe benefits</b> Amounts received in addition to your regular wage, e.g. company car, health insurance.	\$0.00
<b>Lump sums</b> Amounts received as a lump sum, such as commission, royalties, bonuses, arrears.	\$0.00
<b>Compensation</b> Amounts received for personal injury, illness or condition.	\$0.00
<b>Superannuation</b> Amounts received from your nominated superannuation fund.	\$0.00



## Commonwealth Ombudsman—Department of Human Services: Centrelink's automated debt raising and recovery system

Gross payment and Attributed Personal Services Income - expanded PAGE 8


 **centrelink online account** Cinet Name CRN 123 456 789A  LOG OUT


### Check Your Details

**Update details for Super Sparkle Cleaning**

Please provide any updates you might have against the information provided. If the information is correct, please use the "Next" button to continue.

Employment income details for Super Sparkle Cleaning Action

**Period of employment** 15 Mar 2014 to 30 Apr 2014 

**Gross payments** \$1,300.20   
Amounts received as salary and Attributed Personal Services Income.


**Update record**  
Update total gross payment amount.


Gross payment amount




Or

Provide gross payment details for individual payment periods.

Did your payment frequency remain the same during the employment period? ☐ Yes ☐ No



 Select 'No' if you want to provide details for multiple payment periods (Eg. During the employment period if you started with a fortnightly payment, which later changed to monthly)

**Leave and redundancy payments** \$0.00   
Amounts received upon ceasing employment, such as annual leave, long service leave, redundancy, Eligible Termination


The customer can provide updates to the totals


Gross payment and Attributed Personal Services Income – same frequency PAGE 9

 **centrelink online account** Cinet Name CRN 123 456 789A  LOG OUT

Please provide any updates you might have against the information provided. If the information is correct, please use the "Next" button to continue.

Employment income details for Super Sparkle Cleaning Action

**Period of employment** 15 Mar 2014 to 30 Apr 2014 

**Gross payments** \$1,300.20   
Amounts received as salary and Attributed Personal Services Income.


**Update record**  
Update total gross payment amount.


Gross payment amount **\$1,300.20**

Or

Provide gross payment details for individual payment periods.

Did your payment frequency remain the same during the employment period? ☒ Yes ☐ No

 Select 'No' if you want to provide details for multiple payment periods (Eg. During the employment period if you started with a fortnightly payment, which later changed to monthly)

End date of first payslip  

Frequency

Did you work weekends? ☐ Yes ☐ No

The customer can provide each pay period if they chose too. This is not mandatory



# Commonwealth Ombudsman—Department of Human Services: Centrelink's automated debt raising and recovery system

Gross payment and Attributed Personal Services Income – new updated tag

PAGE 10

**centrelink online account**

Client Name  
CRN 123 456 789A

LOG OUT

## Check Your Details

Update details for Super Sparkle Cleaning

Please provide any updates you might have against the information provided. If the information is correct, please use the "Next" button to continue.

Employment income details for Super Sparkle Cleaning	Action
<b>Period of employment</b> 15 Mar 2014 to 30 Apr 2014	
<b>Gross payments</b> <span>Updated</span> Amounts received as salary and Attributed Personal Services Income.	\$1,300.20
<b>Leave and redundancy payments</b> Amounts received upon ceasing employment, such as annual leave, long service leave, redundancy, Eligible Termination Payments (ETP).	\$0.00
<b>Allowances</b> Amounts received for reimbursement of expenses, such as laundry, meal, fuel.	\$0.00
<b>Fringe benefits</b> Amounts received in addition to your regular wage, e.g. company car, health insurance.	\$0.00
<b>Lump sums</b> Amounts received as a lump sum, such as commission, royalties, bonuses, arrears.	\$0.00
<b>Compensation</b> Amounts received for personal injury, illness or condition.	\$0.00
<b>Superannuation</b> Amounts received from your nominated superannuation fund.	\$0.00

Where updates have been made, the updated icon appears

Check your details – Verified (with updated new tag)

PAGE 11

**centrelink online account**

Client Name  
CRN 123 456 789A

LOG OUT

## Check Your Details

Review employment details

The Employment income details below have been reported to us from the Australian Taxation Office (ATO).

For each employer listed, please use the edit icon in the Action column, to review, make changes or confirm your information to proceed further.

Financial year 2013/2014 (01 Jul 2013 to 30 Jun 2014)

Employer	ABN	Period of employment	Total income	Action
✓ Joe Blogs Tree Cutting	12 345 678 910	01 Jul 2013 to 16 Feb 2014	\$17,800.56	
✓ Super Sparkle Cleaning	12 345 678 815	15 Mar 2014 to 20 Apr 2014	\$1,400.20	
✓ Betty's Bakehouse <span>New</span>	12 345 678 512	14 Apr 2014 to 20 Jun 2014	\$15,300.40	

Total income amount \$40,751.66

Financial year 2014/2015 (01 Jul 2014 to 30 Jun 2015)

Employer	ABN	Period of employment	Total income	Action
✓ Joe Blogs Tree Cutting	12 345 678 910	01 Aug 2014 to 20 Jan 2015	\$5,680.00	
✓ Super Sparkle Cleaning	12 345 678 815	15 Mar 2015 to 30 Jun 2015	\$2,405.00	

Total income amount \$12,584.60


Were there any personal factors that affected your ability to correctly declare your income during the above period/s? ☐ Yes ☐ No

The customer must provide a response to the personal factors questions prior to proceeding



## Commonwealth Ombudsman—Department of Human Services: Centrelink's automated debt raising and recovery system

Summary page – default PAGE 12

 centrelink online account Client Name: CRN 123 456 789A [LOG OUT](#)

### Summary

**Review and submit** ⊖ Collapse

Please check that the information you have provided to us is correct.

Financial year 2014/2015 (01 Jul 2014 to 30 Jun 2015)

Employer information

Unspecified income information Update

Employment income details you provided	Employment income details that were provided from the Australian Taxation Office
Salary <b>\$2,200.00</b>	Salary <b>\$2,200.00</b>
Allowances <b>\$900.00</b>	Allowances <b>\$900.00</b>
Lump sums <b>\$3,150.50</b>	Lump sums <b>\$3,150.50</b>
Fringe Benefits <b>\$0.00</b>	Fringe Benefits <b>\$0.00</b>
Eligible Termination payments (ETP) <b>\$0.00</b>	Eligible Termination payments (ETP) <b>\$0.00</b>
Attribute Personal Services Income <b>\$0.00</b>	Attribute Personal Services Income <b>\$0.00</b>
<b>Total \$4,050.50</b>	<b>Total \$6,250.50</b>

Are you sure you want to continue without providing details for all of the unspecified employment income?




If you continue we will apply the remaining unspecified employment income for the financial year which may result in debt which you will need to repay.

• \$1,000.00 for financial year 2013/2014.


Your response: **Yes**

The customer must accept a secondary declaration that confirms that the detail provided is true and correct prior to submission

The customer is provided a summary of all their responses as compared to the ATO details. This is provided for each match employer

Receipt page – Arranged by financial year PAGE 13

 centrelink online account Client Name: CRN 123 456 789A [LOG OUT](#)

### Employment Income Update

Assessment Outcome **Debt Explanation** **Payment History** **Employment Income**

This page is the final result

**Your assessment outcome**

Reference number - 9921587122

Receipt ID:  
Full name:  
CRN:  
Date and time:

Thank you for completing your non-employment income update. You have indicated that the information that was provided from the Australian Taxation Office (ATO) is correct. As a result your Centrelink record was updated with this information.

As the information that was provided from the ATO was different to what you previously declared to Centrelink you have been overpaid. You will be required to repay the debt.

The amount you owe Centrelink is **\$10,150.42**. A recovery fee of \$1,115.00 has been included in this amount.

More information about how your debt was calculated:

Period details	Resulting debt
23 Aug 2013 to 25 Jun 2014	\$7,900.22
12 Jul 2014 to 24 Jun 2015	\$1,235.20
Recovery fee	\$1,115.00
<b>Amount you owe Centrelink as a result of this assessment</b>	<b>\$10,150.42</b>

We will send you a notification of this information in the mail.




If you would like more information about this outcome, you are able to [request a further explanation](#).

**Next steps**

- The total amount you owe Centrelink is **\$10,150.42**
- Can you pay this debt in full today? ☐ Yes ☐ No

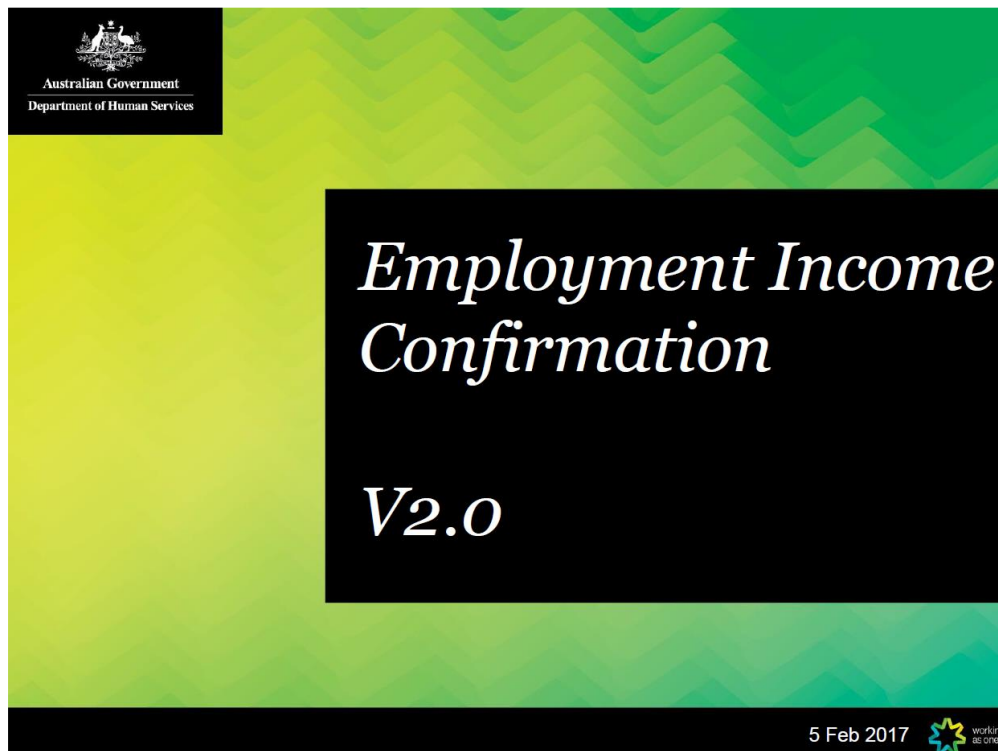
The Debt Explanation, Payment History & Employment Income tabs provide the customer further information about the assessment. This includes all payments made in the period and what was previously declared.

The icons within the debt information, provide further details about the assessment.



## APPENDIX G – SCREENSHOTS – OCI FEBRUARY 2017





Welcome

We recently sent you a letter asking you to confirm your employment income as we have received information from the Australian Taxation Office.

If you are a first time user

Start here

If you have already registered

Log in



Registration

Back

Next

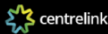
You recently received a letter with your Customer Reference Number (CRN) and Confirmation Code, please enter these details:


CRN

Confirmation Code







Client Name  
CRN 123 456 789A  LOG OUT

### Getting started

[Back](#)

[Next](#)

To confirm or update your employment income information, we need to verify two identity documents.

Please choose which documents you will provide details for:

- ☐ Medicare card and Australian driver licence  
☐ Medicare card and Australian passport

By clicking 'Next' you:


- > agree for us to verify your documents with the authorities that issue them.
- > confirm that you can be contacted by email or mobile phone.

If you do not have the identity documents, please call 1800 086 400 within 14 days.

For more information expand the topics below:

- > How it works
- > Your right to privacy



Client Name  
CRN 123 456 789A  LOG OUT

### Medicare card

[Back](#)


[Next](#)

Medicare card number

Expiry date

 / 

Card colour

Select a sample

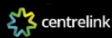


Medicare card green

[Show all available samples](#)







Client Name  
CRN 123 456 789A



LOG OUT

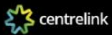
### Australian driver licence

Back

Next

In which state or territory was your Australian driver licence issued?

- ☐ Australian Capital Territory
- ☐ New South Wales
- ☐ Northern Territory
- ☐ Queensland
- ☐ South Australia
- ☐ Tasmania
- ☐ Victoria
- ☐ Western Australia



Client Name  
CRN 123 456 789A



LOG OUT

### ACT driver licence

Back

Next

We do not accept suspended or cancelled licences.

Enter information exactly as it appears on your driver licence.

First name

☐ I don't have a first name on my driver licence

Middle name

☐ I don't have a middle name on my driver licence

Last name

Date of birth

 DD /  MM /  YYYY

Licence number

Sample ACT driver licence





Australian passport

Back

Next

Enter information exactly as it appears on your passport.

Passport number

Given name(s)

☐ I don't have a middle name on my passport

Last name

Date of birth

 /  / 

Gender

Please select 

Expiry date

 /  / 

Sample Australian passport



Contact information

Back

Next

 Your documents have been verified.

You need to provide either your email address or mobile phone number.

We will send a security code to your email address or mobile phone number.

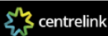
Email address

OR

Mobile phone number







Client Name  
CRN 123 456 789A



LOG OUT

### Security Code Sent

Back

Next

A security code ending in "A9Z" has been sent to the email or mobile number you provided.

If you did not receive a code, click the back button to review your contact details.

Please enter the code



Client Name  
CRN 123 456 789A



LOG OUT

### Login

Customer Reference Number (CRN)

Security Code

Enter the Security Code that was sent to your email or mobile number.

Login


[I Have Forgotten My Security Code](#)


If you require help throughout the online process please call 1800 086 400.





MENU

 centrelink


Client Name  
CRN 123 456 789A  LOG OUT

Employment Income Confirmation

Start

Information from the Australian Taxation Office (ATO) shows different employer dates or amounts from what we recorded while you were receiving payments from us. There may be a good reason for this.

You have 18 days left to confirm or change your information. [Need more time?](#)



If you do not confirm this information before 23 Feb 2017, we will apply the information from the ATO to your record and this may result in a debt.


Before you start


It is likely you will need documents such as:

- payslips
- bank statements (you can access these through your financial provider for up to five years)
- separation certificates
- group certificate or payment summary.



MENU

 centrelink

Client Name  
CRN 123 456 789A  LOG OUT


Employment Income Confirmation

Previous

Start

Information from the Australian Taxation Office (ATO) shows different employer dates or amounts from what we recorded while you were receiving payments from us. There may be a good reason for this.

You have 18 days left to confirm or change your information. [Need more time?](#)



If you do not confirm this information before 23 Feb 2017, we will apply the information from the ATO to your record and this may result in a debt.

Before you

It is likely you will need documents such as:

- pay
- bank
- sep
- gro

Ask for more time

Do you need more time?

If yes, you will have an extra 14 days. Your new date will be 21 Feb 2017.

You can only do this twice.


No

Yes


Page 90 of 110



MENU

centrelink

Client Name  
CRN 123 456 789A


LOG OUT

Employment Income Confirmation

PreviousStart

Information from the Australian Taxation Office (ATO) shows different employer dates or amounts from what we recorded while you were receiving payments from us. There may be a good reason for this.

You have 18 days left to confirm or change your information. [Need more time?](#)



If you do not confirm this information before 23 Feb 2017, we will apply the information from the ATO to your record and this may result in a debt.

Before you

It is likely you will

- pay
- bank
- super
- gro




Ask for more time

Do you need more time?

If yes, you will have an extra 14 days. Your new date will be **7 Mar 2017**.


This is your second request for more time. If you still require more time please call us on 1800 086 400.

NoYes




Page 15

MENU

centrelink

Client Name  
CRN 123 456 789A


LOG OUT

Employment Income Confirmation

PreviousStart

Information from the Australian Taxation Office (ATO) shows different employer dates or amounts from what we recorded while you were receiving payments from us. There may be a good reason for this.

You have 18 days left to confirm or change your information. [Need more time?](#)



If you do not confirm this information before 23 Feb 2017, we will apply the information from the ATO to your record and this may result in a debt.

Before you


It is likely you will

- pay
- bank
- super
- gro

Ask for more time

Your request for more time has been successful




Your new due date is **21 Feb 2017**.



If you do not confirm or change your information by **21 Feb 2017**, we will use the details from the ATO to check we paid you the right amount.

You may also request more time.

Close




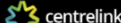
Page 91 of 110




# Commonwealth Ombudsman—Department of Human Services: Centrelink's automated debt raising and recovery system

## Alternative – historical assessment information

Page 16


 

Client Name  
CRN 123 456 789A  LOG OUT

### Employment Income Confirmation Start

Information from the Australian Taxation Office (ATO) shows different employer dates or amounts from what we recorded while you were receiving payments from us. There may be a good reason for this.

You have 18 days left to confirm or change your information. [Need more time?](#)

 If you do not confirm this information before 23 Feb 2017, we will apply the information from the ATO to your record and this may result in a debt.



**Before you start**





It is likely you will need documents such as:

- payslips
- bank statements (you can access these through your financial provider for up to five years)
- separation certificates
- group certificate or payment summary.

**Historical assessment(s)**


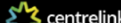
Use the 'View icon' in the action column to view your previous assessment information.


Assessment type	Reference number	Status	Date	Action
Employment Income	6785684541	Completed	21 Jun 2016	
Employment Income	5645654354	Completed	09 May 2016	

Show 5 per page 5 of x records Page 1    

Page 17




 

Client Name  
CRN 123 456 789A  LOG OUT

### Check your Employment Details Save and Close Back Next

Confirm each employer listed.

Employer	Trading name	ABN
<b>Super Sparkle Cleaning</b> <input type="radio"/> Yes - I worked for this employer <input type="radio"/> No - I never worked for this employer	Super cleaning Pty Ltd	12 345 678 815
<b>Joe Bloggs Tree Cutting</b> <input type="radio"/> Yes - I worked for this employer <input type="radio"/> No - I never worked for this employer	Joe Bloggs Cuts Pty Ltd	12 345 678 456



## Check your Employment Details

Save and Close

Back

Next

For each employer listed, confirm or change as needed.

Financial year 2014 to 2015

Employer information	Dates of employment	Total income	Action
 <b>Super Sparkle Cleaning</b> Trading name: Sparkle Cleaning Pty Ltd	10 Aug 2014 to 30 Jun 2015	\$3,050.00	 <a href="#">Confirm or change</a>
 <b>Joe Bloggs Tree Cutting</b> Trading name: Joe Bloggs Cut Pty LTD	6 Nov 2014 to 30 Jun 2015	\$3,650.00	 <a href="#">Confirm or change</a>

 You may find this information on your payslips, bank statements, payment summary or directly from your employer.



## Alternative – 'yes' scenario

## Check your Dates of Employment

Save and Close

Back

Next


The dates your employer advised the ATO that you worked for **Super Sparkle Cleaning** were **15 Mar 2014 to 30 Apr 2014**. To confirm dates select 'Yes'. If you need to change the dates, you can select 'No' to change.

The ATO advised that you started work for **Super Sparkle Cleaning** in this financial year on the **15 Mar 2014**. ☒ Yes ☐ No


The ATO advised that you finished work for **Super Sparkle Cleaning** in this financial year on the **30 Apr 2014**. ☒ Yes ☐ No








MENU

centrelink

Client Name  
CRN 123 456 789A

LOG OUT

Check your Dates of Employment


Save and CloseBackNext

The dates your employer advised the ATO that you worked for **Super Sparkle Cleaning** were **15 Mar 2014 to 30 Apr 2014**. To confirm dates select 'Yes'. If you need to change the dates, you can select 'No' to change.

The ATO advised that you started work for **Super Sparkle Cleaning** in this financial year on the **15 Mar 2014**.

Please provide start date


dd/mm/yyyy






The ATO advised that you finished work for **Super Sparkle Cleaning** in this financial year on the **30 Mar 2014**.

Please provide end date


dd/mm/yyyy






Page 94 of 110





Client Name  
CRN 123 456 789A

 LOG OUT

### Check your Dates of Employment

Save and CloseBackNext


The dates your employer advised the ATO that you worked for **Super Sparkle Cleaning** were **15 Mar 2014 to 30 Apr 2014**. To confirm dates select 'Yes'. If you need to change the dates, you can select 'No' to change.

The ATO advised that you started work for **Super Sparkle Cleaning** in this financial year the **15 Mar 2014**. ☒ Yes ☐ No




The ATO advised that you finished work for **Super Sparkle Cleaning** in this financial year on the **30 Apr 2014**. ☒ Yes ☐ No


Please confirm

You agreed you worked for Super Sparkle Cleaning from **15 Mar 2014 to 30 Apr 2014**.


 By confirming "Yes" we will use the dates of employment provided. It is important that the dates you worked for this employer are correct as these dates directly affect the assessment of your payments.

NoYes





Client Name  
CRN 123 456 789A

 LOG OUT

### Check your Allowances, Lump Sums and Other Income

Save and CloseBackNext

For Super Sparkle Cleaning between the dates of 10 Aug 2014 to 30 Jun 2015:




Did you receive any allowances which compensated you for out of pocket expenses (eg car, meal, tool, phone or laundry allowance)? ☐ Yes ☐ No ☐ Unsure

Did you receive any other form of income as a lump sum other than your employment income, such as: ☐ Yes ☐ No ☐ Unsure

- Income from superannuation,
- Income from compensation payments or income protection.

Did you receive any income other than your employment income, such as: ☐ Yes ☐ No ☐ Unsure

- Income from superannuation,
- Income from compensation payments or income protection,
- Income from Community Development Employment Projects,
- Government Paid Parental Leave.






Check your Income Details

[Save and Close](#) [Back](#) [Next](#)


The ATO has advised us you earned \$3,050.00 while working for Super Sparkle Cleaning for 10 Aug 2014 to 30 Jun 2015.


Do you have your payslips? ☐ Yes ☒ No

Do you have your bank statements? ☒ Yes ☐ No

What was the date of your first payment into your bank account?  






Client Name  
CRN 123 456 789A  LOG OUT




Check your Income Details


Save and Close Back Next


The ATO has advised us you earned \$3,050.00 while working for Super Sparkle Cleaning for 10 Aug 2014 to 30 Jun 2015.

Do you have your payslips? ☒ Yes ☐ No

What was the end date of your first payslip?  


  




Client Name  
CRN 123 456 789A  LOG OUT




Check your Income Details Breakdown

Save and Close Back Next

Enter the amounts paid into your bank account for Super Sparkle Cleaning for each of the date periods displayed. If you are unsure what pay amounts to enter into the payment periods displayed, click  for help.

10 Aug 2014 to 24 Aug 2014	<input type="text" value="2,162.50"/>	25 Aug 2014 to 8 Sep 2014	<input type="text" value="1,762.50"/>
9 Sep 2014 to 22 Sep 2014	<input type="text" value="1,762.50"/>	23 Sep 2014 to 6 Oct 2014	<input type="text" value="2,162.50"/>
7 Oct 2014 to 20 Oct 2014	<input type="text" value="2,162.50"/>	21 Oct 2014 to 3 Nov 2014	<input type="text" value="1,962.50"/>
10 Aug 2014 to 24 Aug 2014	<input type="text" value="1,762.50"/>	25 Aug 2014 to 8 Sep 2014	<input type="text" value="1,962.50"/>
9 Sep 2014 to 22 Sep 2014	<input type="text" value="1,962.50"/>	23 Sep 2014 to 6 Oct 2014	<input type="text" value="1,762.50"/>

 The amounts you just entered are net income. We use gross income (before tax) to calculate our payments so we will convert your net amounts based on information from the ATO (tax you paid). Click next to proceed.



Commonwealth Ombudsman—Department of Human Services:  
Centrelink’s automated debt raising and recovery system

Alternative – Net scenario help text

Page 26

centrelink

Client Name  
CRN 123 456 789A

LOG OUT

Check your Income Details Breakdown

?

Help for Check you Employment Details

Gross Income

Net Income

Payment periods

Calculating the amount to enter into the payment periods

Conversion of net income to gross income

Enter the amounts paid into your bank account for Super Sparkle Cleaning for each of the date periods displayed. amounts to enter into the payment periods displayed, click 

?

 for help.

10 Aug 2014 to 24 Aug 2014

2,162.50

25 Aug 2014 to 8 Sep 2014

9 Sep 2014 to 22 Sep 2014

1,762.50

23 Sep 2014 to 6 Oct 2014

7 Oct 2014 to 20 Oct 2014

2,162.50

21 Oct 2014 to 3 Nov 2014

10 Aug 2014 to 24 Aug 2014

1,762.50

25 Aug 2014 to 8 Sep 2014

9 Sep 2014 to 22 Sep 2014

1,962.50

23 Sep 2014 to 6 Oct 2014

The amounts you just entered are net income. We use gross income (before tax) to calculate our payments so we have converted your net amounts based on information from the ATO (tax you paid). Click next to proceed.

Net scenario

Page 27

centrelink

Client Name  
CRN 123 456 789A

LOG OUT

Check your Income Details Breakdown

Save and Close

Back

Next

Accept

The amounts you just entered are net income. We use gross income (before tax) to calculate our payments so have converted your net amounts based on information from the ATO (tax you paid). Please see the following calculations.

Super Sparkle Cleaning

Total Net amount

\$23,550.00

Total estimated gross amount

\$25,650.00

ATO provided

\$26,350.00

As you have provided net information it was converted to a gross amount based on the tax that you paid for the financial year. The gross amount is used to calculate your assessment.

If you do not accept the total estimated gross payment amount of \$25,650 to be used in calculating your assessment please contact us on 1800 086 400 to discuss with a compliance officer.

If you agree with the use of this total estimated gross amount, then click 'Yes' in order to complete your assessment.

☐ Yes, I Client Name accept this total estimated gross amount.

☐ No, I Client Name do not accept this total estimated gross amount.

Next

Page 98 of 110




Check your Income Details Breakdown

Save and Close

Back

Next

Enter the amounts paid by Super Sparkle Cleaning for the date periods displayed. These amounts can be found on your payslips. If you are unsure what pay amounts to enter into the payment periods displayed, click  for help.

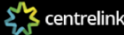
10 Aug 2014 to 24 Aug 2014	<input type="text"/>
9 Sep 2014 to 22 Sep 2014	<input type="text"/>
7 Oct 2014 to 20 Oct 2014	<input type="text"/>

25 Aug 2014 to 8 Sep 2014	<input type="text"/>
23 Sep 2014 to 6 Oct 2014	<input type="text"/>
21 Oct 2014 to 3 Nov 2014	<input type="text"/>




Gross scenario

MENU




Client Name  
CRN 123 456 789A

 Log out

Check your Income Details Breakdown

Save and CloseBackNext

Enter the amounts paid by Super Sparkle Cleaning for the date periods displayed. These amounts can be found on your payslips. If you are unsure what pay amounts to enter into the payment periods displayed, click  for help.

10 Aug 2014 to 24 Aug 2014

\$

25 Aug 2014 to 8 Sep 2014




\$

Accept

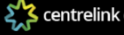
The following amounts are what you have just entered for Super Sparkle Cleaning. Please click 'Next' to continue.

Super Sparkle Cleaning	Total gross amount	\$25,650.00
	ATO provided	\$26,350.00


Next



MENU



Client Name  
CRN 123 456 789A





 Log out




Check your Employment Details

Save and CloseBackNext

For each employer listed, confirm or change as needed.

Financial year 2014 to 2015

Employer information	Dates of employment	Total income	Action
 <b>Super Sparkle Cleaning</b> Trading name: Sparkle Cleaning Pty Ltd	10 Aug 2014 to 30 Jun 2014	\$3,050.00	 <a href="#">Confirm or change</a>
 <b>Joe Bloggs Tree Cutting</b> Trading name: Joe Bloggs Cut Pty LTD	6 Nov 2014 to 30 Jun 2015	\$3,650.00	 <a href="#">Confirm or change</a>





Confirm the Information you Provided

Save and CloseBackNext

Thank you for confirming your employment information. We will use this to do your assessment, so make sure it's correct. Review the information carefully before moving to the final steps.

Employer: Super Sparkle Cleaning

ABN: 12 345 678 815

	Details you provided	Details provided by the ATO
Dates of employment	10 Aug 2014	30 Jun 2015
Gross payments	\$3,050.00	\$2,080.00



Provisional Assessment Outcome

Save and Close

Back

Accept



By accepting this result you are declaring that the information you provided or confirmed is correct, and if your information changed from what you told us previously, there was a good reason. Therefore, no 10% recovery fee will apply.

If you do not accept or review your result within 14 days, the information from the Australian Taxation Office will be automatically applied to your record and may result in a debt.

Thank you for completing your employment income confirmation. The provisional result indicates we over paid you by **\$150.00**. We will send you notification of this by letter.

If you do not accept this result, you can update your employment details again or call us on 1800 086 400.

Do you accept the provisional debt of **\$150.00**? If so, click 'Accept'.



Provisional Assessment Outcome

Save and Close

Back

Accept

Accept

Thank you for assisting to confirm your employment income details. Please accept the following declaration and click 'Submit' to finalise your assessment.

Declaration

I declare that the information I have updated or confirmed is correct.

I understand that:

- I may need to provide further information if requested.
- Not providing information or providing false or misleading information is an offence and can result in serious penalties.

☐ I Client Name accept this declaration.

Back

Submit







Commonwealth Ombudsman—Department of Human Services:  
Centrelink’s automated debt raising and recovery system

Alternative – debt scenario

Page 34



Client Name  
CRN 123 456 789A

 LOG OUT

Assessment Result

Exit

Assessment outcome

Debt explanation

Centrelink payment history

You reported to Centrelink

What you just told us

Assessment outcome

Receipt ID: 9000011288  
Full name: Client Name  
CRN: 123 456 789A  
Date and time: 30 JAN 2017 at 6:25:23 PM AUSACT




Thank you for confirming your employment income. We have completed your assessment and the total amount you owe is **\$150.00**.

We will send you a letter with information about what you owe, how to pay and your review rights.

If you want to see our calculation details please see tabs.


If you believe the assessment result is incorrect or you have made a mistake, please call us on 1800 086 400.

We will send you a letter to confirm the amount owing and your repayment options.




Alternative – no debt scenario

Page 35



Client Name  
CRN 123 456 789A

 LOG OUT

Assessment Result

Exit

Assessment outcome

Debt explanation

Centrelink payment history

You reported to Centrelink

What you just told us




Assessment outcome

Receipt ID: 9000011288  
Full name: Client Name  
CRN: 123 456 789A  
Date and time: 30 JAN 2017 at 6:25:23 PM AUSACT

Thank you for confirming your employment income. We have completed your assessment and have paid you correctly.

We will send you a letter with this information. If you want to see our calculation details please see tabs.

If you believe the assessment result is incorrect or you have made a mistake, please call us on 1800 086 400.





 MENU



Client Name  
CRN 123 456 789A  LOG OUT

Please Contact Us

[Return to home](#)

As this information was provided to us by the Australian Taxation Office, we need to talk to you to progress this review.  
Please contact us on 1800 086 400 within 14 days.  
If you do not contact us we will apply the ATO information to your record and this may result in a debt.



 MENU



Client Name  
CRN 123 456 789A  LOG OUT

Please Contact Us

[Return to home](#)

We need to talk to you to progress this review. Please contact us on 1800 086 400 within 14 days.  
If you do not contact us we will apply the ATO information to your record and this may result in a debt.

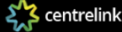






Commonwealth Ombudsman—Department of Human Services:  
Centrelink’s automated debt raising and recovery system

Alternative - Manual handoff scenario – Do not accept the estimated gross amount

Page 38



Client Name  
CRN 123 456 789A

 LOG OUT




Please Contact Us

[Return to home](#)

As you do not accept the gross payment amount we have calculated we need to talk to you to progress this review.

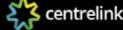

Please contact us on 1800 086 400 within 14 days.

If you do not contact us we will apply the ATO information to your record and this may result in a debt.




Alternative - Manual handoff scenario – No to payslips and bank statements

Page 39



Client Name  
CRN 123 456 789A

 LOG OUT




Please Contact Us

[Return to home](#)

As you have advised you do not have access to payslips or bank statements we need to talk to you to progress this review.

Please contact us on 1800 086 400 within 14 days.

If you do not contact us we will apply the ATO information to your record and this may result in a debt.





  
MENU

 centrelink

Client Name  
CRN 123 456 789A

  
LOG OUT

Please Contact Us

[Return to home](#)

Because you have received an allowance, lump sum or other income we need to talk to you to progress this review.

Please contact us on 1800 086 400 within 14 days.

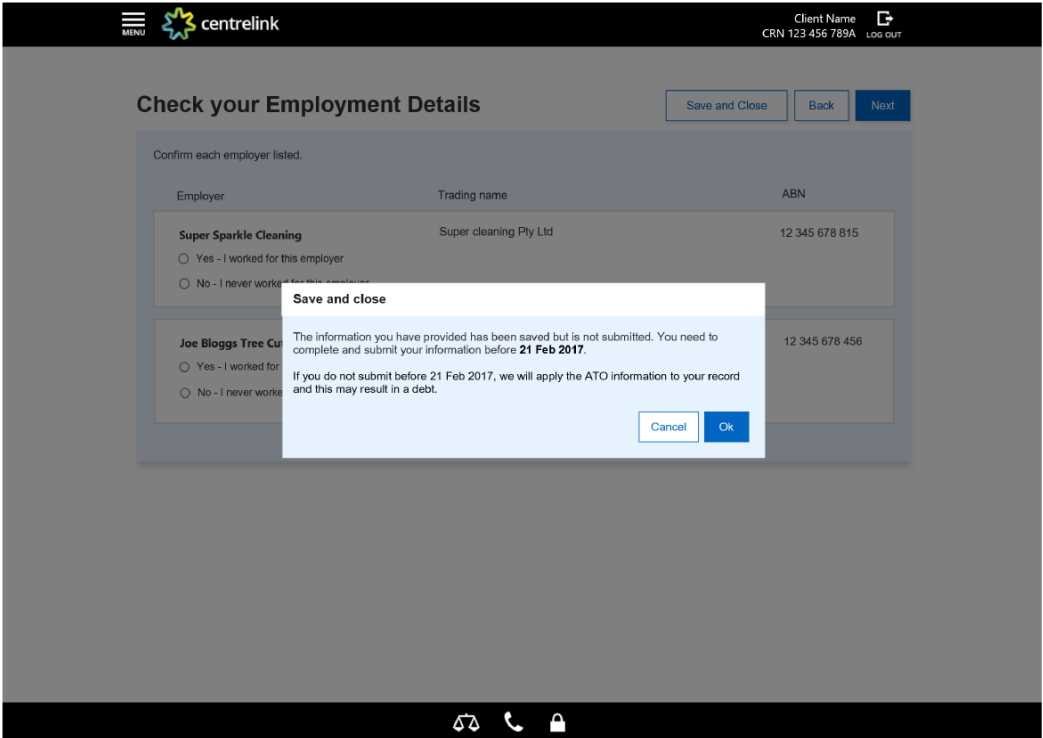
If you do not contact us we will apply the ATO information to your record and this may result in a debt.



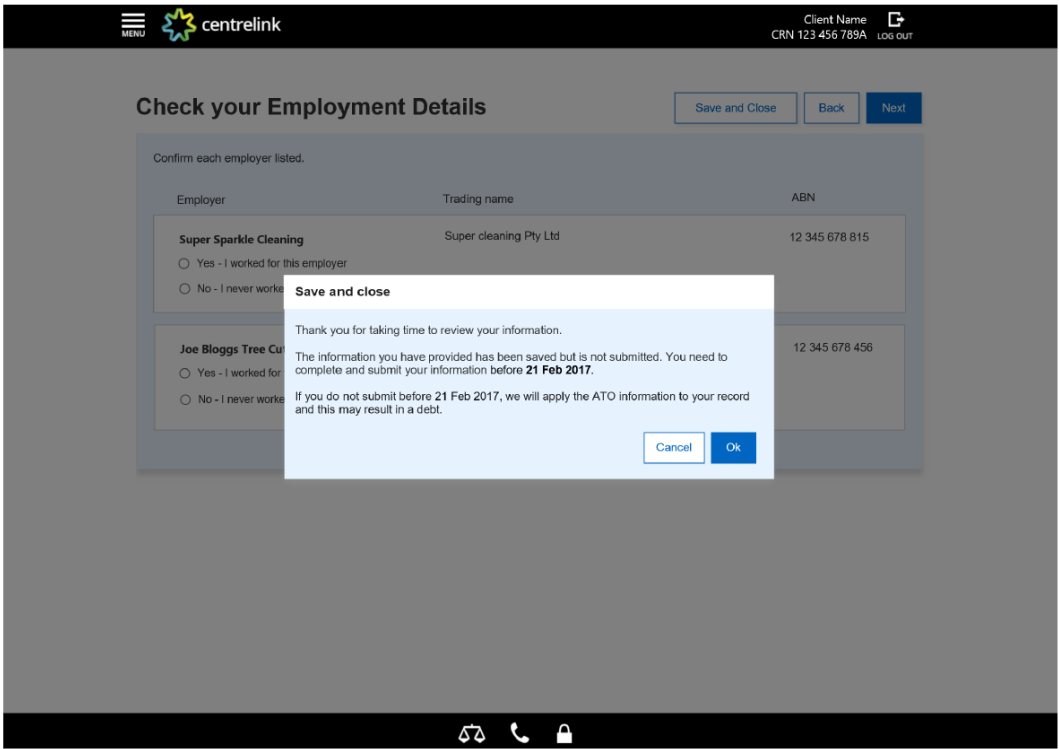


Commonwealth Ombudsman—Department of Human Services:  
Centrelink’s automated debt raising and recovery system

Alternative – Save and close modal – current customer



Alternative – Save and close modal – non-current customer





Commonwealth Ombudsman—Department of Human Services:  
Centrelink’s automated debt raising and recovery system

Assessment results

Return to home

Assessment outcome

Debt explanation

Centrelink payment history

You reported to Centrelink

What you just told us

**Debt explanation**

Please see details of the income declared, amount paid, amount you are entitled and the actual income for this assessment.

More information about how your debt was calculated:

Period details	Resulting debt
» 22 Sep 2012 to 28 Jun 2013 (Debt number: [REDACTED])	[REDACTED]
Amount you owe Centrelink as a result of this assessment	[REDACTED]

Debt period

22 Sep 2012 to 28 Jun 2013 ☒

Entitlement period	Declared income What you previously told Centrelink	Updated income What you have just told Centrelink	Amount originally paid by Centrelink	Amount entitled to based on updated information	Amount overpaid based on updated information
<b>Total</b>	<b>\$20,037.14</b>	<b>\$21,943.82</b>	<b>\$8,587.48</b>	<b>\$8,172.85</b>	<b>\$414.63</b>
» 15 Jun 2013 to 28 Jun 2013	\$2,064.39	\$1,109.03	\$160.30	\$399.14	-\$238.84
» 01 Jun 2013 to 14 Jun 2013	\$1,602.00	\$1,109.03	\$275.90	\$399.14	-\$123.24
» 18 May 2013 to 31 May 2013	\$1,904.07	\$1,109.03	\$200.38	\$399.14	-\$198.76
» 04 May 2013 to 17 May 2013	\$1,150.32	\$1,109.03	\$388.82	\$399.14	-\$10.32
» 20 Apr 2013 to 03 May 2013	\$2,342.00	\$1,109.03	\$90.90	\$399.14	-\$308.24
» 06 Apr 2013 to 19 Apr 2013	\$1,518.65	\$1,109.03	\$296.74	\$399.14	-\$102.40
» 23 Mar 2013 to 05 Apr 2013	\$644.07	\$1,109.03	\$515.38	\$399.14	\$116.24
» 09 Mar 2013 to 22 Mar 2013	\$815.63	\$1,109.03	\$475.28	\$377.93	\$97.35
» 23 Feb 2013 to 08 Mar 2013	\$0.00	\$1,109.03	\$582.40	\$372.14	\$210.26
» 09 Feb 2013 to 22 Feb 2013	\$1,060.88	\$1,109.03	\$384.18	\$372.14	\$12.04

Show  per page10 of 20 recordsPage



Commonwealth Ombudsman—Department of Human Services:  
Centrelink’s automated debt raising and recovery system

Assessment results

[Return to home](#)

[Assessment outcome](#)[Debt explanation](#)[Centrelink payment history](#)[You reported to Centrelink](#)[What you just told us](#)

### Centrelink payment history

Please select a debt period to view your payment history for that period.

More information about how your debt was calculated:

Period details	Resulting debt
» 22 Sep 2012 to 28 Jun 2013 (Debt number: [REDACTED])	[REDACTED]
<b>Amount you owe Centrelink as a result of this assessment</b>	[REDACTED]

Debt period

22 Sep 2012 to 28 Jun 2013 ▾

Entitlement period	Delivery date	Payment	Payment less deductions
» 15 Jun 2013 to 28 Jun 2013	02 Jul 2013	\$160.30	\$10.20
» 01 Jun 2013 to 14 Jun 2013	18 Jun 2013	\$275.90	\$10.20
» 18 May 2013 to 31 May 2013	04 Jun 2013	\$200.38	\$10.20
» 04 May 2013 to 17 May 2013	22 May 2013	\$388.82	\$34.82
» 20 Apr 2013 to 03 May 2013	07 May 2013	\$90.90	\$10.20
» 06 Apr 2013 to 19 Apr 2013	23 Apr 2013	\$296.74	\$10.20
» 23 Mar 2013 to 05 Apr 2013	09 Apr 2013	\$515.38	\$161.38
» 09 Mar 2013 to 22 Mar 2013	26 Mar 2013	\$475.28	\$121.28
» 23 Feb 2013 to 08 Mar 2013	12 Mar 2013	\$582.40	\$228.40
» 25 Feb 2013 to 25 Feb 2013	27 Feb 2013	\$701.37	\$701.37

Show 10 ▾ per page10 of 22 recordsPage 1 ▾⏪⏩⏴⏵



Commonwealth Ombudsman—Department of Human Services:  
Centrelink’s automated debt raising and recovery system

Assessment results

[Return to home](#)

[Assessment outcome](#)[Debt explanation](#)[Centrelink payment history](#)[You reported to Centrelink](#)[What you just told us](#)

### You reported to Centrelink

Please select a debt period and employer to view your declared employment income for that period.

More information about how your debt was calculated:

Period details	Resulting debt
22 Sep 2012 to 28 Jun 2013 (Debt number: [REDACTED])	[REDACTED]
Amount you owe Centrelink as a result of this assessment	

Debt period

Employer/s

22 Sep 2012 to 28 Jun 2013

TWEED SUMMER LAND KERBINH

Employer	ABN	Entitlement period	Employment status	Hours	Declared amount
TWEED SUMMER LAND KERBINH		15 Jun 2013 to 28 Jun 2013	Part time or casual	0	\$2,064.39
TWEED SUMMER LAND KERBINH		01 Jun 2013 to 14 Jun 2013	Part time or casual	0	\$1,602.00
TWEED SUMMER LAND KERBINH		18 May 2013 to 31 May 2013	Part time or casual	0	\$1,904.07
TWEED SUMMER LAND KERBINH		04 May 2013 to 17 May 2013	Part time or casual	0	\$1,150.32
TWEED SUMMER LAND KERBINH		20 Apr 2013 to 03 May 2013	Part time or casual	0	\$2,342.00
TWEED SUMMER LAND KERBINH		06 Apr 2013 to 19 Apr 2013	Part time or casual	0	\$1,518.65
TWEED SUMMER LAND KERBINH		23 Mar 2013 to 05 Apr 2013	Part time or casual	0	\$644.07
TWEED SUMMER LAND KERBINH		09 Mar 2013 to 22 Mar 2013	Part time or casual	0	\$815.63
TWEED SUMMER LAND KERBINH		09 Feb 2013 to 22 Feb 2013	Part time or casual	0	\$1,060.88
TWEED SUMMER LAND KERBINH		26 Jan 2013 to 08 Feb 2013	Part time or casual	0	\$280.00

Show10per page

10 of 18 records

Page1

Assessment results

[Return to home](#)

[Assessment outcome](#)[Debt explanation](#)[Centrelink payment history](#)[You reported to Centrelink](#)[What you just told us](#)

### What you just told us

Financial year 2012 to 2013

Employer

ABN:

	Details you provided	Details provided by the ATO
Dates of employment	19 Sep 2012 to 30 Jun 2013	19 Sep 2012 to 30 Jun 2013
Gross payments	\$22,466.00	\$22,466.00