Australian Government
Department of Human Services

Budget 2018-19

Social Welfare Debt Recovery

The Government is committed to safeguarding the integrity of the welfare system. That is why the Government is extending two programs that recover welfare debt and reduce overpayment.

Expanding Social Welfare Debt Recovery

This component seeks to continue the expansion of the Department of Human Services’ (the department’s) debt recovery activities. It will allow the Government to pursue and recover debt owed by former customers.

The current program was originally agreed at the Mid-Year Fiscal and Economic Outlook (MYEFO) 2015–16 and ends on 30 June 2019. This measure will continue these activities from 1 July 2019.

There is currently approximately $1.2 billion in outstanding debt for former customers not under a repayment arrangement.

The department has a range of options to recover these debts. These include garnishee of wages, bank accounts and tax returns, and litigation and seizure of assets. These tools enable the department to target high value debts owed by people who have the means to pay them, for example from those who are now employed.

Who is eligible?
This will affect people who have high value debts, are no longer receiving social payment/s and who have been identified as having the capacity to repay their debt.

The department will also continue to target former customers who have significant debts that are lower than the high value threshold of $10,000. This will be done if former customers are found to be able to repay more quickly than the withholdings previously applied to them.

Customers who are fully or partially reliant on social welfare will not be impacted by this proposal.

The date this will start and finish
This will start on 1 July 2019 and end on 30 June 2022.
Strengthening the Integrity of Welfare Payments – Income data matching compliance additional reviews (2018–19 data year): Pay As You Go (PAYG), Income Tax Return (ITR), and Income Other Sources

This component extends the department’s current income data matching compliance work to June 2022.

This extended work will use existing and future ICT development to enhance compliance work undertaken by the department.

This component may impact past, present and future payment recipients.

Any identified overpayments will have to be repaid.

Who is eligible?
This may impact past, present and future payment recipients.

The date this will start and finish
This is a further expansion of programs announced in the 2015–16 Budget, 2015–16 MYEFO and 2016–17 MYEFO. It will start on 1 July 2021 and end on 30 June 2022.