Program Protocol

Data-matching between Department of Human Services and the Department of Education and Training

Family Day Care (FDC)

July 2017

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1. Description of the Program Protocol
   1. **Purpose**

The purpose of the program protocol is to:

* identify the matching agency and the source agency
* detail the direct relationship of the program to the performance of the lawful functions or activities of the matching agency
* set out the legal basis for any collection, use or disclosure of personal information involved in the program
* outline the objectives of the program, the procedures to be employed, the nature and frequency of the matching covered by the program and the justifications for it
* explain what methods, other than data-matching, were available and why they were rejected
* detail any cost/benefit analysis or other measures of effectiveness, which were taken into account in deciding to initiate the program
* outline the technical controls proposed to ensure data quality, integrity and security in the conduct of the program
* outline the nature of the action proposed to be taken in relation to the results of the program, including any letters to be used by the agency involved
* indicate what form of notice is to be given, or is intended to be given to individuals whose privacy is affected by the program, and
* specify any time limits on the conduct of the program.
  1. **Requirement for a Program Protocol**

The Information Commissioner’s *Guidelines on* *Data-matching in Australian Government Administration* specify that a program protocol be prepared by agencies conducting certain data-matching programs. These guidelines are voluntary, but represent the Information Commissioner’s view of best practice. The Department of Human Services (DHS) complies with these guidelines.

* 1. **Definition of Data-Matching**

Data-matching is the comparison of two or more sets of data to identify similarities or discrepancies. In the context of this protocol, the term data-matching is used to denote the use of computer techniques to compare data found in two or more computer files to identify cases where there is a risk of incorrect payment.

DHS observes the *Australian Privacy Principles* (APP) as provided in Schedule 1 of the *Privacy Act 1988* (Privacy Act). Individuals who consider that an agency has interfered with their privacy may complain to the Office of the Australian Information Commissioner.

1. Description of the Program
   1. **Summary of the Program**

DHS delivers a range of programs for payments and services on behalf of the Commonwealth. These payments and services are delivered in accordance with Business Partnership Agreements with client departments.

To maintain the integrity of these payments and services, DHS undertakes compliance activities to ensure ongoing entitlement and eligibility.

As part of an ongoing focus on the detection of recipients failing to declare income, an initiative was introduced from December 2014 to match DHS payment recipients with Department of Education and Training (DET) Family Day Care (FDC) educators and operators.

Data from DET is used to initiate FDC interventions that target customers who are not declaring or are under-declaring income from self-employment as a family day care educator and operators. This income is considered and reviewed as business income. Matching compares the income from family day care against earnings or business income declared to the department.

This program assists DHS to assess an income support recipient’s ongoing eligibility for a benefit by identifying those recipients who may not have correctly disclosed income and/or assets.

The first program protocol for this matching was lodged with the Office of the Australian Information Commissioner along with a public notice published in the Commonwealth Gazette in December 2014. This program protocol has been updated to reflect the current activity.

* 1. **Objectives**

The objectives of this matching program are to:

* ensure that income support payments are only made to those individuals who are entitled to receive them
* detect and address non-compliance
* provide net savings by detecting overpayments and recovering debt.

1. Agencies Involved
   1. **Source Agency**

The source agencies that supply data for the purposes of this program are:

* DET
* DHS
  1. **Matching Agency**

The key matching agency involved in this program is DHS.

* 1. **Primary User Agency**

DHS is the agency that makes the most substantial use of the program’s results. It receives the data from DET to identify potential non-compliance.

1. Data Issues
   1. **Data Quality**

Poor quality data is of limited value in data-matching. DHS verifies the integrity of the data received from DET for such things as correct format and ensures data is present in all mandatory fields.

Data quality mechanisms include:

* An identity validation process. If there is any discrepancy in data the selection will be parked and will be individually examined against all related identity data holdings, including Historical Family, Australian Electoral Commission, Immigration entry data and Medicare records.
* Any DET payment, child benefit, allowance or service data that may be of relevance to welfare eligibility will be validated through originating sources i.e. Family Day Care educators and operators themselves or through further validation with the DET.
* Quality control for accuracy and reliability of data will occur at 2 levels before customers are contacted. This will involve high level scrutiny of the data against current reported activity on individual DET and department records. Secondly, all preliminary matches will be examined by departmental analysts and validated against the most recent DET FDC and Jobs, Education, Training Child Care Fee Assistance (JETCCFA) payment files.
  1. **Data Integrity**

DHS maintains a high level of data integrity. Measures taken to maintain integrity levels include designing systems that will not accept records that are incomplete, and identifying and correcting records that have data items that are inadequate or corrupt.

DHS’ data, or more specifically those data items used in the matching process, are standardised. Standardisation is the process whereby data items such as name, address and date of birth are converted in such a way as to ensure that these items are consistent across both organisations’ files.

* 1. **Data Security**

The DET provide regular files to DHS using the Fedlink email enclave. This is an encrypted mechanism, which provides secure and trusted communications across government jurisdictions. DHS’ receiving mailbox is also a restricted mailbox which can only be accessed by authorised personnel.

DHS staff are subject to existing security controls and confidentiality provisions of the *Social Security (Administration) Act 1999*. Access to DHS’ computer centres is strictly controlled and entry properly authorised. DHS’ security system provides protection and control of dataset access, system entry and program integrity. Security features include logon identification codes, passwords and security groupings to ensure that access to information is on a needs only basis.

DET is responsible for its own security with respect to its staff and access to the data provided to DHS. Existing security arrangements in DHS automatically log user access to data files.

1. The Matching Process

This data matching program identifies customers, who may have income that has not been correctly declared to DHS. Customers who appear on both the DET and DHS’ files are considered to be 'matches'.

The matching process will use various elements and/or combinations of the following fields:

* standardised first name
* standardised surname
* date of birth, and
* address.

DET also provide information that relates to their specific records, which relate to the following fields:

* Child Care Benefit Paid (CCB)
* Jobs, Education, Training Child Care Fee Assistance (JETCCFA)
* Total Fees Charged.

A technical standards report can be found at Appendix A.

1. Action Resulting from the Program

Following the provision of matched records from the DET to DHS, DHS applies compliance risk rules whereupon a recipient may be asked via letter for a response to explain any income discrepancy.

Where DHS has determined that administrative action is necessary to recover an amount paid to a recipient on the basis of incorrect information, the recipient is able to request an internal review of this decision. There is no time limit applicable to a recipient’s right to internal review. If not satisfied with the outcome of an internal review, a recipient can also seek independent review by applying to the Administrative Appeals Tribunal (AAT).

1. Time Limits Applying to the Program

Since July 2015 FDC data has been provided monthly and the matching is conducted on a monthly basis.

DHS does not create a permanent register or database on matched or non-matched selections as part of this protocol.

All external data received from DET that is no longer required is destroyed in line with Guideline 7 of the *Guidelines on Data-matching in Australian Government Administration.*

1. Reasons for Conducting the Program
   1. **Relationship with the Agencies Lawful Functions**

The program is related to DHS’ lawful function of limiting payments to those eligible under relevant legislation. The *Social Security Act 1991* and the *Social Security (Administration) Act 1999* provide eligibility criteria that must be met to enable payments to be made. These requirements are given to payment recipients through written advice authorised under different sections of these Acts for different payment types.

The *Child Support (Registration and Collection) Act 1988* and the *Child Support (Assessment) Act 1989* provide that customers are required to advise correct financial status to enable accurate assessment and collection rates.

* 1. **Social Considerations**

Welfare is often topical and of interest to the media and the general public. There are some key social issues associated with the measure:

* That only persons entitled to receive payments from DHS do so and receive correct entitlements.
* The desire of taxpayers for the income support system to ensure integrity in its payments and services.
* The protection of an individual’s right to privacy.

In particular, there is strong support in the community for an income support system that directs available funds only to those who are eligible for assistance. The program helps to achieve this in two ways:

* through strengthening controls in DHS’ payment systems, it reduces government outlays from DHS’ programs
* the existence of effective controls in payment systems soon become evident to the community and rapidly increases voluntary compliance.

Suitable safeguards against unreasonable intrusion into the privacy of individuals are built into the data-matching arrangements. Matching is conducted in accordance with the Privacy Commissioner’s *Guidelines on Data-matching in Australian Government Administration.*

1. Legal Authority
   1. **DHS**

The disclosure of information to the DET is authorised by the social security law, as is the collection of matched information returned by the DET. This is because it is necessary for the proper administration of payments and services under the social security law. Specifically subsection 202(2)(d) of the *Social Security (Administration) Act 1999* authorises DHS’ involvement in the data matching as it is necessary for the purposes of the social security law.

Similarly, subsection 16(2A) of the *Child Support (Registration and Collection) Act 1988* and the subsection 150(2A) of the *Child Support (Assessment) Act 1989* provide for the collection, use and disclosure of protected information where necessary for the administration of the child support legislation.

APP 6 does not limit the disclosure of personal information by an agency where that disclosure is required or authorised by or under law. As the DET information involved in this data matching program is obtained by DHS under sections 192 and 195 of the *Social Security (Administration) Act 1999*, APP 6 does not limit its disclosure to DHS.

* 1. **DET**

DET legislation authorises the Secretary to disclose DET information to eligible Commonwealth government agencies that have a legal right to the information as specified by section 162 of theA New Tax System (Family Assistance) (Administration) Act 1999. This provision allows for the disclosure of such information for the purposes of administrating family assistance or social security law.

1. Disclosure of Information Provisions

DET only releases sufficient information to DHS to allow it to determine whether there is a discrepancy between the information reported by the recipient to DHS and whether administrative action needs to be considered.

1. Alternative Methods

In 2013 DHS conducted review processes from tip offs. This work formed part of a broader compliance operation prior to the data exchange for FDC data being established.

1. Prior Data Match Programs

This program commenced in December 2014. There were no FDC data matching programs prior to this.

1. Costs and Benefits

Prior to the program commencing, the 2013/14 operation conducted 107 reviews with attributable annualised savings of approximately $1.8 million. Following this operation the program commenced in December 2014 and raised $1.5 million in annualised savings over the remainder of the 2014/15 financial year. In 2015/16 the program raised approximately $55 million in annualised savings.

Appendix A – Technical Standards report

**Description of Data**

**Data from DET to DHS**

The DETprovide the following information to DHS:

| **Field Name** | **Description** |
| --- | --- |
| ORG\_ID | Organisation ID |
| CCB\_ID | Child Care Benefit ID |
| FY | Financial Year |
| CARER\_ID | Carer ID |
| NAME\_TITLE | Customer Title (e.g. Mr, Mrs, Dr etc.) |
| FIRST\_NAME | Customer First Name |
| LAST\_NAME | Customer Surname |
| STREET | Customer Address (Street and Number) |
| SUBURB | Customer Address Suburb |
| STATE | Customer Address State |
| POST\_CODE | Customer Address Postcode |
| DOB | Customer Date of Birth (YYYYMMDD) |
| START\_DATE | Date commenced working in the organisation |
| END\_DATE | Date ceased working in organisation (null if still currently working) |
| EFFECTIVE\_DATE | Date of notification from service |
| FEES\_CHARGED | Total Child Care Fees charged by Customer |
| CCB\_PAID | Child Care Benefit paid to Customer for children they look after in the service |
| JET\_PAID | JET paid to Customer for children they look after in the service |
| SERVICE | Business Name of the Child Care service |
| ABN | ABN of the Child Care Service |

**Matching Techniques**

**Identify Matching**

The identity data matching of the two information sources is conducted by DHS. DHS target recipients where there is a discrepancy between payments received from DET and income declared to DHS.

**Income Matching**

Information is extracted from the DHS Enterprise Data Warehouse for both current and the target financial years including:

* demographic data as required
* payment type and history
* disclosed income, and
* disclosed assets.

Business rules are applied to this data to check if there is a difference in the income reported to DHS compared to the income reported by DET.

Where a recipient is identified as having a difference, the selected case will then be loaded into DHS core systems for compliance action.

**Risks**

**Incorrect identity matches**

DHS uses sophisticated identity matching techniques to ensure the correct customer is identified from data provided by DET. This technique uses multiple details to obtain an identity match. For example, where a Customer Reference Number (CRN), name, address and date of birth are available all items are used in the identity matching process.

Very high confidence matches will occur where all fields are matched to a customer in DET systems. Additional manual processes may be undertaken where high confidence identity matches do not occur.

**Data quality controls and audit**

When compliance action is proposed, additional checks will take place to ensure the correct DHS recipient has been identified. DHS recipients will be provided with the opportunity to verify the accuracy of the information before any compliance action is taken.

**Security and confidentiality**

All DHS computer systems are strictly controlled with features including:

* system access controls and security groupings
* log in identification codes and password protection
* full audit trails of data files and system accesses.