

WELFARE REFORM ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 5: Social security: General

Section 116: Civil penalties for incorrect statements and failures to disclose information

115D Failure to disclose information

593. New *section 115D* allows for a penalty to be imposed where a person, without reasonable excuse, fails to provide information required either in relation to a claim or an award or to notify relevant changes of circumstances (defined in new *section 115D* (6)) that affect their claim, and the person does not take reasonable steps to correct the error. Both situations must result in an overpayment being made before the penalty would be imposed. The act or omission must have resulted in an overpayment of benefit which is not being dealt with through fraud action.
594. *Subsections (1) and (2)* of new *section 115D* set out the circumstances in which a penalty under section 115D may be imposed.
595. New *section 115D(3)* provides that in the case of a joint claim where both members of the joint claim couple fail to meet requirements described in new sections 115D(1) and (2), only one penalty will be imposed for the failure.
596. New *section 115D(4)* provides that the penalty is recoverable from the person on whom it was imposed. New *section 115D(5)* has the effect that the methods by which this can be done include, as with new *section 115C*, deduction from benefit, deduction from earnings and court action.