

Other investigations currently underway by the Ombudsman relate to debt recovery procedures. For example, one complaint raised an issue as to the reasonableness of Telecom seeking to recover a statute-barred (and disputed) debt through the threat of cancellation of a current telephone service. Issues had also arisen concerning the ethics and reasonableness of Telecom taking legal action to recover disputed debts when in reality Telecom no longer possessed the documentary evidence supporting the debt.

A remedy in view

In the Ombudsman's 1985-86 Annual Report to the parliament, he discussed (at p.9) the problem of lump sum payments of arrears of income support benefits such as pensions. A typical situation might arise through delays in determining workers' compensation, social welfare or veterans' entitlements, which can cause arrears covering a number of years to be paid in a lump sum. For the purposes of the Income Tax Assessment Act such income is treated as having been derived in the year in which the lump sum is received. The effect of this is that tax payers who, if they had received their payments progressively, would have been due to pay little or no income tax on that income, find themselves facing a large tax bill, not infrequently at the higher marginal rates of tax. The Ombudsman had suggested to the tax office that such late payments should be attributed not to the year in which the lump sum was received, but to the years to which the lump sum related. The Ombudsman reported to the Council that he had recently learned that the Australian Taxation Office has proposed legislation designed to achieve this end.

A D M I N I S T R A T I V E L A W W A T C H

AAT filing fees

From 1 March 1987 a fee of \$200 is payable on the lodging with the Tribunal of applications for review of decisions other than income maintenance decisions. Income maintenance decisions include, for example, decisions under the Social Security Act 1947, the Student Assistance Act 1973, the Veterans' Entitlements Act 1986, the Compensation (Commonwealth Government Employees) Act 1971, and the First Home Owners Act 1983. The \$200 fee is refunded in whole to the applicant where the proceeding before the Tribunal terminates in a manner favourable to the applicant. The filing fee has been introduced by way of amendment to the AAT Regulations.

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The Council is concerned to monitor the effect of the introduction of this filing fee on the AAT and on the system of administrative review generally. A comparison of the numbers of applications lodged in March 1986 with those lodged in March 1987 seems to indicate that the filing fee has greatly reduced the numbers of applications lodged. A summary of the non income maintenance figures appears below.

	SA	QLD	ACT	VIC	WA	NSW	TAS	TOTAL
March 1986	3	3	6	14	2	17	-	45
March 1987	-	-	-	8	8	2	1	19

Social security appeals statistics

Mr Derek Volker, Secretary of the Department of Social Security, visited the April Council meeting (see [1987] Admin Review 29) and, among other things, spoke about the appeal system in the social security area. He provided the Council with statistics to illustrate the points he made at the meeting. Some of these statistics are set out below.

Number of clients of Department of Social Security (at 30 June 1986)

Pensioners	2 052 433
Beneficiaries	641 020
Family allowance recipients (number of families)	<u>2 153 670</u>
TOTAL	<u>4 847 123</u>