

<b>Title:</b> Delivering a compliance opportunity Child Support Agency clients  <b>IA No:</b> DWP2016_08  <b>Lead department or agency:</b> Department for Work and Pensions  <b>Other departments or agencies:</b> n/a	<b>Impact Assessment (IA)</b>
	<b>Date:</b> 23/02/2016
	<b>Stage:</b> Validation Stage
	<b>Source of intervention:</b> Domestic
	<b>Type of measure:</b> Secondary Legislation
	<b>Contact for enquiries:</b> Paul Steere, paul.steere@dwp.gsi.gov.uk
<b>Summary: Intervention and Options</b>	<b>RPC Opinion:</b> Green

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2014 prices)	In scope of OITO?	Measure qualifies as
£-0.06	£-0.06m	£0.02m	Yes	IN

**What is the problem under consideration? Why is government intervention necessary?** A program to close all existing cases on the Child Support Agency's 1993 and 2003 schemes (the 'legacy schemes'), is currently on-going. As part of this process clients are given an opportunity to make a new child maintenance arrangement, including applying to a new scheme (the '2012 scheme'). To limit the risk of payment disruption in these cases where maintenance payments were made in legacy schemes as a result of enforcement action a 'compliance opportunity' is being introduced. This will give paying parents a chance to demonstrate compliant behaviour by paying a portion of the child maintenance liability due by a voluntary method for 6 months. The rest of the liability would be collected by an enforced method to act as a 'payment safeguard' for the receiving parent. The outcome would inform whether the paying parent is able to access a voluntary arrangement on their 2012 scheme case. Intervention is required to ensure these payment safeguards are implemented in a way which removes potentially unnecessary burden on business and delivers better value for money to the tax-payer.

**What are the policy objectives and the intended effects?**

The intended effect of this compliance opportunity is to minimise payment disruption by ensuring paying parents have shown they can act compliantly before being put into a voluntary arrangement in the 2012 scheme. This will also contribute to maximising the total number of effective maintenance arrangements in place on the 2012 scheme.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

The coalition government's response to the consultation on CSA case closure in 2013 stated the compliance opportunity would take place in the final 6 months of the closing case, whilst the case is still in the legacy schemes.

**Option 1:** Do nothing- i.e. offer compliance opportunity in legacy schemes. This approach would require no changes to regulations but will result in the compliance opportunity being offered to all clients regardless of whether they intend to apply to the new 2012 scheme or not.

**Option 2:** deliver the published option through clerical processes. This removes the cost of making amendments to existing IT functionality but still produces unnecessary expenditure for both business and the DWP by targetting all clients.

**Option 3:** move the compliance opportunity to the first 6 months of a 2012 scheme case which means it will only be given to those clients who choose to make an application to the 2012 scheme. This is the preferred option.

<b>Will the policy be reviewed? No</b>						<b>If applicable, set review date: N/A</b>		
Does implementation go beyond minimum EU requirements?						N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.				<b>Micro</b> Yes	<b>&lt; 20</b> Yes	<b>Small</b> Yes	<b>Medium</b> Yes	<b>Large</b> Yes
What is the CO2 equivalent change in greenhouse gas emissions? (Million tonnes CO2 equivalent)						<b>Traded:</b> N/A		<b>Non-traded:</b> N/A

***I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.***

Signed by the responsible Minister:



Date: 25/3/16

# Summary: Analysis & Evidence

# Policy Option 2

Description:

## FULL ECONOMIC ASSESSMENT

Price Base Year 2015	PV Base Year 2015	Time Period Years 3	Net Benefit (Present Value (PV)) (£m)		
			Low: 0.0	High: 0.0	Best Estimate: 0.0

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.0	3	0.0	0.0
High	0.0		0.0	0.0
Best Estimate	0.0		0.0	0.0

### Description and scale of key monetised costs by 'main affected groups'

The estimated cost of this option is £0 more than the published compliance opportunity (the do nothing option against which all other options are compared). For businesses this option proceeds in the same way as the published compliance opportunity. There is therefore no additional cost to business.

### Other key non-monetised costs by 'main affected groups'

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BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.0	3	0.0	0.0
High	0.0		0.0	0.0
Best Estimate	0.0		0.0	0.0

### Description and scale of key monetised benefits by 'main affected groups'

### Other key non-monetised benefits by 'main affected groups'

Key assumptions/sensitivities/risks	Discount rate (%)

## BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 0.0	Benefits: 0.0	Net: 0.0	Yes	Zero net cost

# Summary: Analysis & Evidence

# Policy Option 3

## Description:

### FULL ECONOMIC ASSESSMENT

Price Base Year 2015	PV Base Year 2015	Time Period Years 3	Net Benefit (Present Value (PV)) (£m)		
			Low: -0.09	High: -0.04	Best Estimate: -0.06

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.0	3	0.0	0.0
High	0.1		0.0	0.1
Best Estimate	0.1		0.0	0.1

#### Description and scale of key monetised costs by 'main affected groups'

Costs to business will be £0.04m - £0.10m and include the cost of administrating deduction from earnings orders (DEOs) for clients who undergo the compliance opportunity. 25,400 clients with DEOs are expected to undergo the opportunity. When clients pass the opportunity the cost to businesses comprises the cost of setting up and cancelling their DEOs. Where clients fail the cost to business is the cost of re-scheduling the DEO so it collects 100% of the regular maintenance liability.

#### Other key non-monetised costs by 'main affected groups'

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low				
High				
Best Estimate				

#### Description and scale of key monetised benefits by 'main affected groups'

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#### Other key non-monetised benefits by 'main affected groups'

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#### Key assumptions/sensitivities/risks

Discount rate (%)

The exact number of NRPs that will undergo the opportunity is unknown. It has been estimated based on the expected application rates to the new 2012 scheme and the expected proportion of NRPs that would prefer to pay via a voluntary arrangement. We have erred towards higher values for these figure. The number of NRPs that undergo the compliance opportunity, and therefore the cost to business, may be lower than stated here.

### BUSINESS ASSESSMENT (Option 3)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 0.02	Benefits: 0.00	Net: -0.02		

## Evidence Base (for summary sheets)

### Problem under consideration and rationale for intervention

1. In 2012 the department consulted on its approach to case closure. The proposal was to close all existing 1993 and 2003 child maintenance scheme ('the legacy schemes') cases on an oldest first basis. Where clients chose to apply to the 2012 scheme they would be offered a 'clean slate' and their behaviour on the legacy scheme would not be taken into account when considering whether their case should be administered under the Collect and Pay service type, where the Child Maintenance Service (CMS) manages collections and clients incur fees, or the voluntary Direct Pay service type which does not attract fees.
2. Those consulted expressed concern that this approach increased the risk of payment disruption, particularly in those cases where regular maintenance payments are flowing as a result of an enforced method of payment.
3. To address this the government changed the order of case closure so these cases would be closed as the last of five 'segments', while also introducing a compliance opportunity which would allow the NRP to demonstrate compliant behaviour by making voluntary payments towards their child maintenance liability. If they failed, without good reason, they would be placed into the Collect and Pay service on the 2012 scheme and the same method of payment would be imposed that was used on their legacy case. This will ensure that payment disruption in these cases is minimised.
4. This was set out as part of the consultation response published in November 2013, along with a proposal for delivering the compliance opportunity.
5. We said we would write to all 85,900 non-resident parents (NRPs) with segment 5 cases eligible for closure inviting them to take up the compliance opportunity. If they opt to do this they would be expected to pay a portion of their liability voluntarily for the final 6 months of their legacy scheme case.
6. The outcome of the compliance opportunity would affect whether they are able to pay by Direct Pay in the 2012 scheme, and so avoid collection fees. However, this would only be taken into account where 'continuity of liability' is achieved between the closing legacy case and the new 2012 case. To achieve continuity of liability an application must be made before liability ends on the legacy case. This aligns with an overarching policy principle of case closure.
7. Of the 85,900 NRPs with segment 5 cases eligible for closure 85% are expected to want to undertake the compliance opportunity (87% of those with deduction from earnings orders (DEOs) in place and 50% of those without [on other enforced method of payments]). However, of these only 50% are estimated to apply to the 2012 scheme and of these only 68% will do so in time to achieve continuity of liability. These estimates are based on DWP administrative data the Child Maintenance Reform Business Case B12. This means the current approach will result in unnecessary expenditure as an estimated 57,500 NRPs are predicted to go through the published process even though they will not see the ultimate benefit. This unnecessary expenditure under the published compliance opportunity is estimated to

cost businesses £21,800 to £58,400 to administer DEO/DERs for NRPs that will not benefit from the opportunity<sup>7</sup>.

8. To support a compliance opportunity on the legacy schemes we would also be required to amend the supporting IT systems. The cost of this is estimated at £5.1 - £7.1m and would constitute a significant investment in systems which are due to be retired in 2018.

#### Policy objective

9. The objective is to give NRPs in segment 5 cases the opportunity to demonstrate they can pay regularly via a non-enforced method of payment. If an application is made to 2012 this information can then be used to inform a decision over whether they qualify for a voluntary or enforced arrangement on that scheme. The intended effect is minimising the risk of payment disruption for these clients as a result of their legacy case being closed while maximising collections in the 2012 scheme by placing clients into an arrangement that suits their circumstances.

#### Description of options considered (including do nothing)

##### **Option 1: do nothing option**

10. The do nothing option in this case would be to proceed with the development and roll out a compliance opportunity on the legacy schemes
11. All NRPs whose case groups are closed in segment 5 will be offered the compliance opportunity in writing, regardless of whether they intend to apply to the 2012 scheme or not. The compliance opportunity requires the NRP to make voluntary payments for the final 6 months of their legacy scheme case.
12. Safeguards will be put in place to minimise payment disruption during the compliance opportunity depending on the NRP's circumstances. These safeguards are:
  - a. If an enforced method of payment such as a Deduction from Earnings Order (DEO) is in place and the NRP has arrears, they will pay their on-going maintenance amount via the enforced method of payment, and an amount towards arrears (in line with the debt steer) via a non-enforced method of payment, e.g. direct debit or standing order.
  - b. If an enforced method of payment is in place and the NRP does not have arrears, they will pay 50% of their on-going maintenance via the enforced method, and 50% via a non-enforced method of collection, e.g. direct debit or standing order.
13. Necessary changes to the supporting legacy scheme computer systems (CS2 and CSCS) would be made to allow the automatic allocation of payments received during the compliance opportunity where the amount due is split across two separate methods of payment.

## Option 2

14. This option is the same as the 'do nothing' option except no amendments to the legacy computer schemes would be made. Instead all payment allocation activities which would have been done automatically will be completed clerically by caseworkers.

## Option 3

15. This option moves the compliance opportunity to the beginning of the 2012 case. The compliance opportunity would only be offered to those clients who choose to apply to the 2012 scheme and choose to do so before the liability ends on their legacy case, thus securing continuity of liability between their old and new cases in line with the policy for case closure. In addition we would only offer the compliance opportunity to those clients who cannot agree on a service type at the point they apply. This targets only those clients who would benefit from the compliance opportunity process.
16. Where the compliance opportunity is taken up the NRP will still be asked to make voluntary payments for 6 months.
17. Safeguards will be put in place depending on client circumstances:
  - a. Where there is sufficient information at the start of the case to put a DEO in place use that method to collect 50% of the regular maintenance liability with the remaining 50% being collected by a non-enforced method. This is projected to be 95% of eligible NRPs.
  - b. Where there is insufficient information at the start of the case to put either a DEO in place the NRP will be required to pay 100% of the regular maintenance liability by a non-enforced method. This is projected to be 5% of eligible NRPs.
18. All cases will be administered on the Collect and Pay service type to allow for the use of DEO as payment safeguards in the manner described above. Under current regulations this would mean clients would be required to pay collection and enforcement fees. To support this proposal we intended to amend existing regulations so that fees can be waived for the duration of the compliance opportunity. No additional changes to the legacy computer systems would be required.

### Monetised and non-monetised costs and benefits of options (including administrative burden)

## Option 2

19. The estimated cost of this option for business is £0 more than the published compliance opportunity (the do nothing option against which all other options are compared). Option 1 proceeds in the same way as the published compliance opportunity; the same clients will undergo the compliance opportunity in the same way and at the same time. There is therefore no additional cost to business for this option.

### Option 3

20. The estimated cost of this option for business is £38,600 - £103,300 more than option 1 (the do nothing option against which all other options are compared), with a best estimate of £62,900.
21. It is expected that all compliance opportunities will be offered and completed between June 2016 and May 2017. The costs to businesses will be one-off and solely consist of labour costs.
22. Under this option the compliance opportunity will only be undertaken where an application is made to the 2012 statutory scheme before liability ends on the associated legacy scheme. Furthermore, only NRPs who want to pay via direct pay, not collect and pay, will need to undergo the opportunity. Approximately 25,400 NRPs with DEOs will undertake the proposed compliance opportunity. This is calculated as follows (figures rounded):

Total NRPs with DEOs	85,900
50% will apply to 2012 scheme	42,900
Of those that apply 68% will apply before liability ends on old schemes	29,193
Of those apply before end liability, 87% of NRPs want to pay by direct pay	25,400

23. 25,400 is the greatest possible number of businesses affected by the proposed compliance opportunity. However, it is unlikely that each NRP is employed by a different business. The number of effected businesses is therefore expected to be lower.
24. The cost to businesses will comprise of the cost setting up DEOs, the cost of re-scheduling them, and the costs of cancelling them. These are standard procedures which will be familiar to employers who have administered DEOs previously and have not been changed under this proposal. It is assumed that in small businesses these activities will be carried out by a manager with a median hourly wage of £19.44 (Annual Survey of Hours and Earnings, 2015 Provisional Results), but in medium and large businesses by administrators with a median hourly wage of £10.30 (Annual Survey of Hours and Earnings, 2015 Provisional Results). It is also assumed that the time taken to set up and cancel DEOs is greatest for small and micro business businesses (<50 employees), shortest for large businesses (>249 employees) and intermediate for medium sized businesses (50 to 249 employees). The time taken to amend a DEO is assumed to be the same across all business sizes. The estimated times are as follows (based on the findings of DWP Research Report 530):



<b>Business size</b>	<b>DEO set-up (hours)</b>	<b>DEO re-schedule (hours)</b>	<b>DEO end / discharge (hours)</b>
Small & Micro	0.22	0.17	0.22
Medium	0.17	0.17	0.17
Large	0.15	0.17	0.15

25. Uprating wages by 20% to account for the non-wage costs of labour produces the following costs to business for each action:

<b>Business size</b>	<b>DEO set-up</b>	<b>DEO change / re-schedule</b>	<b>DEO end / discharge</b>
Small & Micro (cost = managers salary x time)	£5.13	£3.97	£5.13
Medium (cost = administrator's salary x time)	£2.10	£2.10	£2.10
Large (cost = administrator's salary x time)	£1.85	£2.10	£1.85

26. Where an NRP fails the compliance opportunity their employer will only incur a cost from rescheduling the existing DEO so that it collects 100% of the regular maintenance liability. It is assumed that 17% of NRP's undergoing the compliance opportunity will default on payments, thereby failing the opportunity. If there was no compliance opportunity this 17% of NRP's would have gone onto Direct Pay on the 2012 scheme (unless they explicitly stated during the application process that they wouldn't pay). It is assumed that they would have defaulted in this scenario also, and a DEO would have to be put in place. Therefore, for those NRP's that default under the compliance opportunity there is no additional cost to business incurred by setting up a DEO, as this is likely to have happened anyway. For NRP's that pass the compliance opportunity the cost to their employer is the cost of setting up a DEO and the cost of cancelling it at the end of the opportunity.
27. Information about the distribution of NRP's employment across businesses sizes and the public sector is not readily available. Any DEOs for NRP's employed in the public sector incur no cost to business, but the cost to business of other NRP's depends on business size as stated above. For the best estimate of costs we have assumed that NRP's are distributed across business sizes and the public sector in the same proportions as the general population (Business Population Estimates for the UK and Regions 2015) as follows (figures rounded):

<b>Business size</b>	<b>% employed</b>	<b>Number of NRP's employed</b>
Small and micro	30%	11,800
Medium	12%	4,700
Large	40%	15,700
<b>Public Sector</b>	18%	7,100

28. This is the most likely split of NRPs across the public sector and business sizes. For the lowest estimate we have assumed all NRPs employed outside the public sector are employed by large businesses, and for the highest estimate we have assumed all NRPs employed outside the public sector are employed by small and micro businesses. For all estimates we have kept the proportion of NRPs employed in the public sector the same (18%). The cost to business of the compliance opportunity under the proposed opportunity is therefore as follows (figures rounded):

	<b>Lowest estimate</b> (assume all NRPs employed by large businesses)	<b>Highest estimate</b> (assume all NRPs employed by small businesses)	<b>Best estimate</b> (assume NRPs spread across businesses in the same proportions as UK employees)
<b>NRPs that don't default (proposed opportunity)</b> (Count one DEO set-up and one discharge)	£64,300	£178,100	£107,200
<b>NRPs who default (proposed opportunity)</b> (Count one DEO reschedule)	£7,300	£13,800	£9,700
<b>Total cost of proposed opportunity</b>	£71,600	£191,900	£116,900
<b>Minus cost of published opportunity</b>	-£33,100	-£88,500	-£53,900
<b>Additional cost of proposed option</b>	<b>£38,600</b>	<b>£103,300</b>	<b>£62,900</b>

29. The best estimate of the cost to business of option 3 is £62,900. Option 3 costs more than option 2 and the do nothing scenario due to the greater number of NRPs undergoing the compliance opportunity through application of a DEO. Under the do-

nothing option and option 1 the majority of NRPs undergoing the compliance opportunity will do so by paying voluntarily towards arrears at no cost to business.

30. Micro-businesses are not exempt from this proposal. A total exemption would exclude cases where the NRP works for a micro-business from the compliance opportunity altogether. This would increase the risk of payment disruption in these cases which runs contrary to the policy intent. An alternative approach for micro-businesses was considered; not requiring employers to administer a DEO as a payment safeguard in the manner described. This would alleviate the primary cost to business under the preferred option but was discounted because it would mean that PWCs who would otherwise have been eligible for a payment safeguard would not receive one. In the vast majority of cases the NRP would have been paying by a DEO on their legacy scheme case, which their employer would have been administering. Not requiring micro-businesses to administer a DEO as a payment safeguard would have the further impact of a PWC moving from a situation where their regular maintenance is collected by a fully enforced method to an unenforced method, without the NRP demonstrating a change in behaviour. This would again increase the risk of payment disruption in these cases.
31. As the costs imposed under this proposal are both short term and 'one-off' it would be disproportionate to exclude micro-businesses.

Rationale and evidence that justify the level of analysis used in the IA (proportionality approach)

32. Analysis has been conducted using the available data and in accordance with the proportionality principles set out in the IA guidance. The impact assessment makes use of client insight gathered prior to case closure which estimated what proportion of NRPs want the compliance opportunity, and what proportion of clients with legacy cases will apply to the 2012 scheme. As Segment 5 cases haven't begun to be closed yet this is the only information we have on which to base these assumptions. The proportion of cases that will apply before end liability and the proportion that will default was estimated using available data about current client behaviour. The time taken for business to set-up, cancel and amend DEOs was estimated in 2008, and the distribution of NRPs across sizes of business and the public sector was assumed to be in line with the distribution of all UK employees across business sizes and the public sector. As the compliance opportunity qualifies as a low cost measure it is not considered proportionate to update these latter two assumptions as the data needed is not readily available.

Familiarisation costs

33. Estimate of cost does not include familiarisation costs. This is because for the duration of the compliance opportunities employers will have to alter the % collected through DEOs more often than they would normally do, but this is a change in frequency of a standard procedure which will be familiar to employers rather than a new procedure they are required to conduct.

### Risks and assumptions

34. The key assumption that determines the cost to business in this impact assessment is the number of NRPs that will undergo the compliance opportunity via a DEO. In order to estimate this a number of assumptions have been made. Where there was uncertainty around these we have erred towards higher estimates and therefore the costs of the compliance opportunity may be overstated here.
35. NRPs serving in HM Armed Forces cannot be made subject to a DEO. Instead, where necessary, a Deduction from Earnings Request (DER) is used. For the purpose of all options above (do nothing, option 1 and option 2) a DER will be used in the same manner as a DEO. Due to MI constraints we have been unable to differentiate between a DEO and DER for the purpose of calculating impacts. The effect of this is that references to numbers of DEOs throughout are inclusive of DERs, even though a DER is not a cost to business. This means that the total impacts will be lower than stated, but this cannot be quantified.
36. We assumed that 87% of NRPs with DEOs will prefer to pay via Direct Pay and therefore will want to undergo the compliance opportunity. This is based on the results of a client insight survey conducted before case closure began. We have assumed that all parents with care (PWCs) will disagree with the NRP where the NRP's preference is Direct Pay. This is unlikely to be the case, but we have no information on which to base an assumption of how many NRPs and PWCs will disagree. If both the NRP and PWC agree to Direct Pay then a compliance opportunity is not needed. The number of NRPs undergoing the compliance opportunity is therefore likely to be lower than assumed here.
37. We have also assumed that 50% of clients with Segment 5 cases will apply to the 2012 scheme. Segment 5 cases have not yet begun to be closed, so there is no data on which to base this assumption. This assumption of 50% is from the Child Maintenance Reform Business Case B12. Segment 5 cases have not yet begun to be closed, but early indications from cases that have closed suggest that 50% is a reasonable estimate.
38. The time taken to set up, amend, and cancel DEOs was estimated in 2008, and may have changed. However, it is unlikely that these actions take longer now, and with advancements in computing they may take less time, resulting in a lower cost to business.
39. Based on the behaviour of clients that have thus far undergone case closure we have assumed that 68% of clients who apply to the 2012 scheme will do so before the end of liability on their legacy case. We have also assumed a 17% default rate over a 6 month period, based on analysis of past client behaviour.
40. Under option 1 there is a risk that businesses will be incorrectly asked to set-up, amend, or cancel DEOs. This is because under this option the compliance opportunity is administered clerically. When administering large schemes such as this clerically the risk of error is increased.

Direct costs and benefits to business calculations (following OITO methodology)

41. All costs of option 3 calculated above are direct costs to business, and option 3 has no benefits to business. The appraisal period for this policy is three years. All compliance opportunities under option 3 will be offered and completed across 2016 and 2017. Option 3 therefore has an impact on businesses in 2016 and 2017 through the administration of DEOs. Under the do nothing option (option 1) the compliance opportunities would take place across 2015 and 2016. Option 3 therefore also has an impact on businesses in 2015 through preventing DEOs needing to be administered as part of the compliance opportunity that would have otherwise needed to be administered that year under the do nothing option (option 1). The net present value of option 3 over this three year period is -£0.06m and the equivalent annual net cost to business (EANCB) is £0.02m. This measure therefore qualifies as an In for OITO.

Summary and preferred option with description of implementation plan

42. The compliance opportunity is being introduced to meet public concern over the potential risk of payment disruption caused by the on-going case closure program, particularly in those cases where regular maintenance payments are flowing as a result of an enforced method of payment.
43. In delivering the compliance opportunity we want to ensure that we target the right clients through a process which minimises the impact on both businesses and the public purse. On this basis the preferred option is **option 3**.
44. This option means that we only need to apply the compliance opportunity to those clients who choose to apply to the 2012 scheme and subsequently cannot agree on a suitable arrangement for their case. These clients will benefit the most from the compliance opportunity as the outcome will be used to inform a decision over how to best administer their new case, minimising payment disruption in the short term and maximising effective arrangements in the long term.
45. While this option does have a higher impact on business than other options considered the impacts are both short term and one-off as the compliance opportunity will only occur once in the life of a case. The associated costs are also low. This is offset by the much higher cost to the public purse to deliver a compliance opportunity with no or minimised impact on business.

The selection of segment 5 cases for closure is scheduled to commence in June 2016, with the first cases becoming eligible for the compliance opportunity in December 2016.