

# Have you received a debt notice from Centrelink?

*You have the right to appeal Centrelink's decision to raise a debt.*

Centrelink is using a new online compliance system to work out if people have received overpayments.

The system compares data held by Centrelink with other government agencies, including the Australian Tax Office (ATO), to see whether the employment information provided by a person to Centrelink matches up. If the system finds a difference between the income amount you reported to Centrelink and the ATO records, it will send you a letter advising of a potential debt and asking for more information about your income.

Flaws in this system have resulted in many people receiving inaccurate debt notices. The ATO data shows a person's income for a given financial year and the automated system appears to be allocating that income equally across fortnights, where in fact a person may have been receiving welfare benefits for part of the year before resuming or starting employment.

There have also been reports of employer's names being recorded differently in the Centrelink and ATO computer systems, which means when the data between the systems is 'matched', it appears the person had two jobs rather than one. There may be other flaws we are not yet aware of.

## How does the online compliance system work?

If the system shows a possible difference between income you reported to Centrelink and the information held by the ATO or other agencies:

1. Centrelink will send you a letter asking you to confirm your employment income information online. Centrelink may also send you an SMS.
2. The letter asks you to log into your Centrelink online account (via myGov [www.my.gov.au](http://www.my.gov.au)) and update your information. You can ask for more time to provide the information. For help with providing information through myGov, see the National Welfare Rights Network factsheet Centrelink's online debt system ([www.welfarerights.org.au](http://www.welfarerights.org.au)).
3. If you don't respond to this initial letter, Centrelink will rely on their system's information to determine you have been overpaid. It will then send you an 'Accounts payable' notice detailing the alleged debt amount with payment options.



## **Centrelink has asked me to confirm my employment information. Do I need to respond?**

If you don't go online, the system will assume your employer and pay details are correct and will automatically assess and calculate the debt by averaging the total income across the employment period in the ATO records.

It also does this if you go online and confirm the information is correct but don't enter details of your pay and pay periods.

If you no longer have copies of past payslips and other relevant information, then this should be considered a reasonable excuse not to provide the supporting documentation, because it is no longer within your 'possession or control'. However, if you do have supporting documentation and can access myGov to correct any errors, then you should do so. This does not affect your right to ask for a review of any debt Centrelink might later raise.

If you don't respond to the letter before the deadline, the online system automatically calculates the debt based on the ATO information and adds a 10 percent recovery fee to the debt.

If you still don't respond and you don't arrange to pay the debt after Centrelink raises a debt notice, Centrelink may then send your case to a debt collector to find you and arrange for you to pay the debt. Centrelink may add interest to the debt in some circumstances.

## **How can I ask Centrelink to review its decision?**

You have the right to appeal almost any decision Centrelink makes about you and this includes the decision to raise a debt.

If you have received an Accounts payable notice from Centrelink, you can appeal by asking a Centrelink authorised review officer (ARO) to review the debt.

An ARO is a senior Centrelink officer who has not dealt with your matter before. They will have a fresh look at the decision and call you to discuss it. You can give new information to the ARO to consider. The ARO will confirm, change or cancel the debt.

The ARO must make the 'correct' decision based on all the information available. This means a debt could be increased, decreased or cancelled on review. However, this should not stop you from appealing. The ARO should send you a detailed letter explaining their decision.





You can ask an ARO to review the decision:

1. **In person** at your local Centrelink office
2. **By phone** by calling the number on the Accounts payable notice
3. **Online** via your myGov account by clicking on 'Complaints' and in the free text box note that you want a review by an ARO. Or you can download the Explanation or formal review of a decision form from the Services Australia website
4. **In writing** to Centrelink, Reply Paid 7800, Canberra BC ACT 2610. See the sample letter for more information
5. **By fax** 1300 786 102.

You can also ask Centrelink to suspend repayments while the review is taking place. If Centrelink decides not to suspend repayments, you can ask that an ARO also review that decision as well, and complain if Centrelink refuses to do so.

If a debt is cancelled on review, then any recovery fee should also be cancelled. If you have made repayments towards the debt in the meantime, you will get that money back.

Make sure you request a receipt number from Centrelink for every request you make and keep copies of any documents you give to Centrelink.

## Is there a time limit on asking for a review by an ARO?

There is no time limit to ask for the ARO to review Centrelink's decision about a debt. You can ask for a review from the ARO even if you have started to pay the debt and even if you have paid all of the debt.

## What if I'm not happy with the ARO's decision?

If you aren't happy with the ARO's decision, you can appeal to the Administrative Review Tribunal (ART).

The ART is free and informal, but must apply the same laws as Centrelink does. Centrelink will provide information from your file and the ART will schedule a hearing where you will have an opportunity to explain why you think the decision is wrong.

There are two ART divisions that review Centrelink decisions. If you disagree with the outcome of the Social Security & Child Support Division (1st level), you can apply for a second review by the ART's General Division (2nd level).

## What happens if I don't pay the debt when it is due?

If you don't pay your debt, ask for a review by an ARO or enter into a payment plan by the due date, Centrelink may:

- request the ATO send your tax refund to Centrelink to pay off the debt
- add an interest charge to the debt
- refer the debt to a debt collector
- reduce your Centrelink welfare payments
- recover the debt from your wages or bank account
- take legal action to recover the debt
- issue a departure prohibition order to stop you from travelling overseas.

## What if a debt collector contacts me?

Dun and Bradstreet and the Probe Group are contracted by Centrelink to follow up debts and they may contact you by phone or letter to try and arrange for you to pay the debt.

If you have asked for an ARO review and are contacted by a debt collector, you can tell them you want the debt referred back to Centrelink because you are appealing the debt. You do not have to enter into a payment plan with a debt collector.

If you think a debt collector is harassing you or giving you misleading information, contact the Australian Competition and Consumer Commission on 1300 302 502.



## How do I complain about Centrelink?

If you aren't happy with the service you have received from Centrelink, you can complain. If you make a complaint, it should not have any negative impact on your appeal.

You can complain if:

- Centrelink refuses to consider your request to suspend repayments before taking recovery action
- Centrelink can't tell you how long the ARO review will take
- Centrelink refuses to process a request for an ARO review unless you do it via myGov, or unless you give more information or documentation.

You can complain to:

- **Centrelink** — 1800 132 468 or [www.servicesaustralia.gov.au/complaints-and-feedback](http://www.servicesaustralia.gov.au/complaints-and-feedback)
- **Commonwealth Ombudsman** — 1300 362 072 or [www.ombudsman.gov.au](http://www.ombudsman.gov.au)
- **Your local Member of Parliament** — [www.aph.gov.au/Senators\\_and\\_Members/Members](http://www.aph.gov.au/Senators_and_Members/Members)

If you have suffered loss as a result of Centrelink's conduct, you can apply for compensation under the Scheme for Compensation for Detriment caused by Defective Administration. For more information, search the Department of Finance website at [www.finance.gov.au](http://www.finance.gov.au).

## More information

**Legal Aid Queensland** provides legal advice clinics at the ART's Social Security and Child Support Division (1st level) and General Division (2nd level) each week. If you lodge an appeal in the ART, you can ask the ART registry staff to book you into one of the clinics for advice about your appeal.

**Basic Rights Queensland** provides legal advice on Centrelink matters by phone. You can call 1800 358 511 to book in for advice.

### Services Australia:

- Reviewing and appealing a Centrelink decision ([www.servicesaustralia.gov.au/explanations-and-formal-reviews-centrelink-decision](http://www.servicesaustralia.gov.au/explanations-and-formal-reviews-centrelink-decision))
- Owing money ([www.servicesaustralia.gov.au/centrelink-debts-and-overpayments](http://www.servicesaustralia.gov.au/centrelink-debts-and-overpayments))



**Acknowledgement:** This factsheet has been adapted from the Victoria Legal Aid website.

## Your local Legal Aid Queensland office:

### BRISBANE

44 Herschel St, 4000

### BUNDABERG

3rd Floor, WIN Tower,  
Cnr Quay & Barolin Sts, 4670

### CABOOLTURE

Ground Floor, Kingsgate  
42 King St, 4510

### CAIRNS

Level 2, Cairns Square Complex,  
42-52 Abbott St, 4870

### INALA

Level 1, Inala Commonwealth  
Offices, 20 Wirraway Pde, 4077

### IPSWICH

Level 7, 117 Brisbane St, 4305

### MACKAY

Ground Floor,  
17 Brisbane St, 4740

### MAROOCHYDORE

Ground Floor, M1 Building  
1 Duporth Ave, 4558

### MOUNT ISA

6 Miles St, 4825

### ROCKHAMPTON

Ground Floor, 35 Fitzroy St, 4700

### SOUTHPORT

Level 2, 7 Bay St, 4215

### TOOWOOMBA

1st Floor, 154 Hume St, 4350

### TOWNSVILLE

Level 4, Northern Securities  
Building, 22 Walker St, 4810

### WOODRIDGE

1st Floor, Woodridge Place,  
Cnr Ewing Rd & Carmody St, 4114

For more information  
about our services visit  
[legalaid.qld.gov.au](http://legalaid.qld.gov.au)

or phone **1300 65 11 88** or **1300 650 143**  
(Aboriginal and Torres Strait Islander Information Line)

