

Dear Secretariat,

At the hearing this morning, Economic Justice Australia took a question on notice about the period over which debt notice letters have changed to reduce the amount of information provided to enable a person to understand the reasons why a debt has been raised. Economic Justice Australia was also asked to provide de-identified letters illustrating the issues with letters.

The letters sent to a member centre client we will call "Mark" are **attached** and his story is summarised below.

Case study - Mark

Mark contacted one of our member centres on 11 May 2021 after he received a debt letter from Centrelink, assuming a mistake had been made. See de-identified letters attached (210503, 210512 and 210513). The letter dated 3 May 2021 explained that Centrelink would be 'restarting' recovery of the \$8400 he owed. Mark said he had not previously been informed that he had a Centrelink debt, and that this 'restarting' of recovery letter was the first he heard about it. He was very confused when he got the letter, and called the Centrelink debt recovery team on 10 May 2021 to find out what was going on. The debt recovery team told him that the debt was due to an overpayment of Family Tax Benefit and Child Care Subsidy, but could not provide him with any more detail. Mark says he requested a review of the debt during the conversation with the debt recovery team.

The centre contacted Services Australia asking them to confirm the debt details. Within a few days they provided the debt identification numbers, debt periods and amounts of two separate debts. The advocate was told that Debt A was for FTB for 2017/2018 and Debt B was for CCS for 2018/2019. Debt A + Debt B = \$8400. The Community Engagement Officer also confirmed that Mark lodged an 'Explanation of Decision' request during his conversation with the debt recovery team (not a review request).

On 12 May 2021 and 13 May 2021 Mark received two more letters that state they are intended to replace any previous letters he received about his payments. These letters state that Centrelink had received new information and reviewed his CCS. Based on this information Centrelink said that he had been paid too much CCS in the period 2018/2019 (Debt B) and 2019/2020 (Debt C). There is no further mention of the 2017/2018 FTB debt (Debt A).

The centre has not been provided any further information about the debts. Mark was advised by the centre to do an FOI request re the debts before requesting a review, given uncertainty re the number of debts, and the exact reason for the overpayment(s). The centre is still awaiting a response to his FOI request for: relevant family income estimates, documents showing income estimates for FA and CCS purposes, debt list, debt calculations and correspondence from Centrelink discussing FTB or CCS. Mark has entered into a repayment plan in the meantime, although he does not agree with the debts.

As I covered in my opening statement, Services Australia is rolling out a new Internal Review Model where they plan to give people the option of speaking with a "subject matter expert" who can explain the reasons for a Centrelink decision and make it clear that the person can separately request a review by an Authorised Review Officer if they still do not agree with the decision. We are yet to see the impact of this new model, but understand it may take time for the changes in process to take effect. Much depends on staff training and capacity to implement the new model.

Economic Justice Australia is part of a consultation group which is provided with template letters for feedback. We have provided feedback through this consultation process that the letters are inadequate. However, the letters are constantly evolving. The Committee could ask the Department for copies of the most recent versions of the template letters.

The version of the template we last saw provide the following example:

You have been overpaid

We have checked your Austudy and found we have paid you too much.

This is because you stopped studying on 6 March 2020 and were no longer able to get this payment. You will need to pay the money back you received from 6 March 2020 to 7 July 2020.

Details of your debt with us

What you were paid	\$5,000.95
What you should have received	\$3,766.39
Money you owe	\$1,234.56

Economic Justice Australia provided feedback that the letter should provide more information with words to the effect of:

You were advised by letter dated XX, that you were required to advise within XX days if you stopped studying full-time. We have been informed that you ceased studying on XX and that you failed to advise us within XX days. This means that you have a recoverable debt of Austudy overpaid from XX to XX.

The amount is presented as an “amount due” for payment, rather than as a debt. We understand that many of the changes to the letters have been driven by customer experience reviews undertaken by consultants engaged by Services Australia to make the letters more accessible and sound less threatening, but this user experience aspect of the letters should not undermine the legal requirements and access to justice for people who need to understand the basis for debts in order to successfully appeal them.



Australian Government

Services Australia

centrelink

Amount due

\$1,234.56

Pay or set up an arrangement by
21 February 2021

We are also concerned that information about the possibility of review of the decision is not provided until the 3rd page of the letter, rather than up front.

Thanks again to the Committee for the opportunity to provide this additional evidence.

Leanne Ho
Chief Executive Officer
(I generally work on Monday, Tuesday and Thursday)



410
Elizabeth St
Surry Hills NSW 2010
ejaustralia.org.au

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Economic Justice Australia acknowledges the Gadigal people of the Eora Nation upon whose ancestral lands our organisation now stands. We pay respect to the Elders past, present and emerging.

If not delivered: Locked Bag 7834 Canberra BC, ACT 2610



Australian Government

Services Australia

centrelink

Customer Reference Number: [Redacted]



Mr. [Redacted]

Amount due

\$5,2 [Redacted]

Pay or set up an arrangement now

12 May 2021

Dear Mr. [Redacted]

We have balanced your Child Care Subsidy

We have received new information and have reviewed your Child Care Subsidy. This letter replaces any previous letters you have received about your payments.

We have confirmed your family income and circumstances for the 2018-2019 financial year.

Based on this information, we have paid too much Child Care Subsidy for you in the period of 2 July 2018 to 30 June 2019.

Details of your assessment

Due date (if you do not have a payment arrangement) **Due now**

Money you owe **\$5,267.35**

We are here to help. For more information, please go to servicesaustralia.gov.au/childcaresubsidy or call us on 136 150.

Paying the amount you owe

There are many ways to pay this money back. It is okay if you cannot pay the full amount at once. Most people enter a payment arrangement and pay over time. Please read 'How to pay' on the right hand side of this letter.

If you do not take action

You may be charged interest daily if you do not repay the debt in full or keep to a payment arrangement. This means you may have to pay more money. We may also have to consider other ways to get the money back.

How to pay

Online or phone

Account number: [Redacted]



Go to your **Centrelink online account** at my.gov.au and search for 'Money you owe'.



Use the **Express Plus Centrelink mobile app** and search for 'Money you owe'.



Call us on 1800 076 072 (call charges may apply).

BPAY®



Bill Code: 21915
Ref: [Redacted]

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account. More info: bpay.com.au

POST billpay



Billpay Code: 0802
Ref: [Redacted]

Use **POST billpay** to pay by phone on 131 816 or online at postbillpay.com.au

Pay in person at any Australia Post Office or postal outlet.



Yours sincerely

Manager


Income used to balance your Child Care Subsidy for 2018-2019

Dates	Income
02 July 2018 - 30 June 2019	\$148,  .00

Important information

- A percentage of your Child Care Subsidy is withheld during the year. This helps reduce the likelihood of an overpayment that may cause you to owe us money at the end of the financial year.
- The amount and hours of Child Care Subsidy you get depends on your circumstances and includes the hours of activity you do. You need to tell us about any changes or we may overpay you.
- If the Australian Tax Office (ATO) amends your income, or if your circumstances change, we may need to review your entitlement to Child Care Subsidy.
- You need to tell us if your circumstances change within **14 days** of the change. You can do this by using your Centrelink online account. For a full list of changes that you need to tell us about, go to **servicesaustralia.gov.au/notifychanges**

If you do not understand or agree with a decision we have made

- You can contact us and we will explain the decision. We may be able to deal with your concerns without a review.
- You can ask for a review of the decision. We can change the decision if it is wrong. This review is free.

There is no time limit for a review of a decision about money you owe us. However, we may ask you to start making repayments while we review the decision.

Go to **servicesaustralia.gov.au/reviewsandappeals** for more information.

If you do not agree with the outcome of the review, you can apply to the Administrative Appeals Tribunal (AAT). The AAT is an independent body which can review a range of decisions made by Services Australia. The AAT can only review a decision that we have reviewed. For more information about applying to the AAT, please go to **aat.gov.au**

Other ways we can recover the money

We can recover the money you owe by:

- taking an amount from your fortnightly payments you get from us
- using your tax refund, Family Tax Benefit arrears, lump sum, top-up and supplement payments. This may occur even if you have an existing payment arrangement in place.
- sending your debt to an external collection agency
- asking your employer, bank or another organisation for information. We may ask them to help recover the money you owe.
- sending your case to our solicitors for legal action
- issuing a Departure Prohibition Order, which will stop you from travelling overseas.

If you would like to speak to us in your language

If you would like to speak to us in your language, please call **131 202**. You can also go to **servicesaustralia.gov.au/yourlanguage** where you can read, listen to or watch information in your language.

Online services

You can make a payment or view the amount you owe and your payment details online by:

- going to **my.gov.au** and signing in to access your Centrelink online account. Select 'Money you owe' from the menu. If you do not have a myGov account, you can create one and link it to your Centrelink online account.
- using the **Express Plus Centrelink mobile app** and selecting 'Money you owe' from the menu. You can download the free app to your mobile device. Make sure you have the latest version installed. For more information go to **servicesaustralia.gov.au/expressplus**

Let us know when things change

For a list of changes that you need to tell us about, please go to **servicesaustralia.gov.au/notifychanges**

Privacy and your personal information

The privacy and security of your personal information is important to us, and is protected by law. We need to collect this information so we can process and manage your applications and payments, and provide services to you. We only share your information with other parties where you have agreed, or where the law allows or requires it. For more information, go to **servicesaustralia.gov.au/privacy**

Data-matching

We data-match with the Australian Taxation Office to help recover debts. Our data-matching meets guidelines issued by the Office of the Australian Information Commissioner. For more information go to **servicesaustralia.gov.au/owingmoney**

To make a complaint or give us feedback

We aim to resolve your concerns as quickly as possible. If you want to make a complaint or give us feedback you can:

- call our feedback and complaints line on **1800 132 468**
- go to **servicesaustralia.gov.au/feedback** for other options.

If this does not resolve your concerns, you can make a complaint to the Commonwealth Ombudsman at **ombudsman.gov.au** using the online complaints form. If you are unable to complete the online form, you can call them on 1300 362 072.

If not delivered: Locked Bag 7834 Canberra BC, ACT 2610



Australian Government

Services Australia

centrelink

Customer Reference Number: [Redacted]



Mr. [Redacted]

Amount due
\$2,1[Redacted]
 Pay or set up an arrangement by
10 June 2021

13 May 2021

Dear Mr. [Redacted]

We have balanced your Child Care Subsidy

We have confirmed your family income and circumstances for the 2019-2020 financial year.

Based on this information, we have paid too much Child Care Subsidy for you in the period of 1 July 2019 to 12 July 2020.

Details of your assessment

What you were paid	\$12,016.75
What you are entitled to	\$9,818.22
Money you owe	\$2,198.53

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Yours sincerely

Manager [Redacted]

How to pay

Online or phone

Account number: S0404137



Go to your **Centrelink online account** at my.gov.au and search for 'Money you owe'.



Use the **Express Plus Centrelink mobile app** and search for 'Money you owe'.



Call us on 1800 076 072 (call charges may apply).

BPAY®



Bill Code: 21915
Ref: [Redacted]

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Pay in person at any Australia Post Office or postal outlet.



Income used to balance your Child Care Subsidy for 2019-2020

Dates	Income
01 July 2019 - 12 July 2020	\$164, [REDACTED].00

Important information

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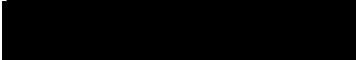
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If not delivered: Locked Bag 7834 Canberra BC, ACT 2610



Australian Government
Services Australia

Customer Reference Number:



Mr. [Redacted]
[Redacted]

Amount due
\$8,4[Redacted].[Redacted]

3 May 2021

Dear Mr. [Redacted]

Your debt pause is ending

We are restarting recovery for the \$8,4[Redacted].[Redacted] you owe on 21 May 2021. We previously paused recovery on this money.

We will start deducting from your payments

You do not need to do anything. We will deduct a standard amount from your payments. This will start automatically from your first payment after 21 May 2021.

We are here to help if you want details about your debt/s or to set up a different payment arrangement. You can do this using the **Express Plus Centrelink mobile app**, your **Centrelink online account** through **my.gov.au** or by calling us on 1800 076 072.

Yours sincerely

Manager
[Redacted]

How to pay

Online or phone



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Use the **Express Plus Centrelink mobile app** and search for 'Money you owe'.



Call us on 1800 076 072 (call charges may apply).

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Bill Ref: [Redacted]

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account. More info: bpay.com.au

POST billpay



Bill Ref: [Redacted]

Use **POST billpay** to pay by phone on 131 816 or online at postbillpay.com.au