

## QUESTION 1

Statistics about the percentage of clients of financial counsellors in the Mandurah catchment who are dealing with Centrelink Debt

## ANSWER

We are unable to provide data for the Mandurah region alone. The table below is based on data from a number of the financial counselling agencies in Perth metropolitan region. This shows the income source of clients, but not whether they have Centrelink debt. The majority of clients are in receipt of income support payments.

<b>2.1.8 Main Source of Income</b>	<b>6 months to 31 Dec 2018</b>	<b>6 months to 30 June 2019</b>
Disability Support Pension	8%	6%
New Start	24%	24%
Other Gov payment or benefit	27%	24%
Paid employment	34%	37%
Compensation payments	1%	1%
Other income	2%	2%
Nil income	4%	5%
Not stated/ inadequate info	0%	1%
<b>Total</b>	<b>3617</b>	<b>4089</b>

**QUESTION 2** Where are staff located in the Northern Territory and what are the issues in relation to Centrelink?

## ANSWER

Based on our knowledge, financial counselling services and financial capability services are delivered in:

Jabiru, Croker Island, Gunbalanya, Goulburn Island, Alice Springs Town Area and anyone coming to Alice Springs, Darwin/Darwin Town camps, Palmerston, Nauiyu Daly River, Wadeye (Port Keats), Tiwi Islands, Katherine, West Arnhem Land, Belyuen, Docker River, Santa Teresa, Hermannsburg, Areyonga, Wallace Rockhole, Finke, Titjikala, Docker River, Mutitjulu, Imanpa, Papunya, Mt Leibig, Haasts Bluff, Yuendumu, Yuelamu, Laramba, Nyirripi, Ti Tree, Utopia, Sandy Bore, Harts Range, Epenarra, Kings Canyon, Amoonguna, Oodnadatta, APY Lands (Amata, Ernabella, Kaupi Pukatja Community, Amata, Kampi, Nyapri, Pipalyatjara, Kalka).

### c) Centrelink issues

- Inability to access Centrelink due to no internet connection.
- The Remote Service team only travels at certain times of the year but not regularly enough, particularly to the Islands. On occasions, even Centrelink staff cannot get internet service.
- Remote agents do not have any power to issue Basic Cards. Clients have to wait up to one month for a replacement card. leaving them unable to buy basic necessities.

- Clients being cut off payments due to harsh non-compliance requirements by Job Active providers (urban) and CDP (remote).
- Incorrect Family Tax Benefit debts – which can be up to \$30,000.
- Difficulties in accessing Domestic and Family Violence emergency payments.
- Centrelink does not undertake proactive outreach – for example, they won't go and look for someone to follow up a claim or referral. This means, for example, that some people who have disabilities - particularly psycho-social disabilities - don't get followed up.

### **Centrepay**

- Consumer lease providers have access to Centrepay meaning the companies get paid first.
- Some traders repeatedly sign up people for Centrepay by getting them to sign blank forms, and then just re-dating the form and putting through the new request.
- Book-up stores in Katherine and Darwin have been known to use Centrepay to upsell to clients.

### **QUESTION 3**

The instance of the young woman with Centrelink debt

#### **ANSWER**

The client stated that she only found out about the debt when her Centrelink payment was reduced. She contacted Centrelink, and staff informed her she had a debt and told her to read her My Gov account as there was a letter. The client has no internet connection so had to ask friends for assistance. On the letter the client found she had to call another number. She called that number and at her request staff reduced the payment to \$30 a fortnight down from \$80 per fortnight for the debt. The client, who has mental health issues, was not aware she had a debt as she had contacted Centrelink when she went from Austudy to Newstart so Centrelink had all the details. With assistance, the client then asked for a review.

### **QUESTION 4**

What percentage of the clients you see would you say are clients with vulnerabilities?

#### **ANSWER**

Financial counsellors see clients who are in financial difficulty and cannot pay their debts as they fall due. The reason clients seek help from financial counsellors is because they are in financial hardship.

If we describe financial hardship as a vulnerability then all clients of financial counsellors have a vulnerability.

People on Centrelink are likely to be either already vulnerable or become vulnerable when Centrelink is collecting an alleged debt. However, as FCA's submission to the Committee notes, Centrelink's compliance program does not seem to have taken this into account.

Centrelink procedures allow for a flag to be recorded if Centrelink staff believe a person is vulnerable. However, Centrelink does not define vulnerability.