



Andrew Wilkie MP
INDEPENDENT MEMBER FOR DENISON

16 JAN 2017

Mr Colin Neave AM
Commonwealth Ombudsman
GPO Box 442
CANBERRA ACT 2601

Dear Ombudsman

Thank you for investigating the debt notices that are currently being generated by the Department of Human Services.

I have now been approached by several current and ex-Centrelink employees who have recently left the Department due to the new debt recovery program. I am deeply concerned by what these employees have told me and summarise the information conveyed to me below:

- The number of customers who report feeling suicidal is high. The procedure should be to transfer them to a social worker but due to the demand this has not always been possible. It has been reported to me that over a period of days there was an error in the system so that calls transferred to social workers were instead being transferred back to casual workers on the general phone line that have no training in suicide prevention. The casual worker would then attempt to again transfer the customer to social workers;
- there has been little to no training regarding the debt recovery program;
- the focus has been very much on quantity over quality. Officers are given a quota of 6-10 debt notices a day and encouraged by senior departmental staff to compete with each other for the highest quota;
- officers are being encouraged to work overtime to increase the debt notice quota. This includes officers from different teams, which is highly irregular. For example, a person trained in Newstart is able to raise a debt for a customer on the Disability Support Pension without additional training;
- adding to this irregularity is the responsibility of the decision-maker. For example, if an officer from Disability raised a debt for a customer on Newstart then the officer will not be deemed the original decision-maker. Instead a nominated person in Newstart will be categorised as the

decision-maker if the debt is appealed, even though they are not necessarily aware of the decision. Officers have been told not to be alarmed by this because the Authorised Review Officers, who are meant to be independent, have been instructed to wave the debts through with little scrutiny;

- officers are discouraged from looking too closely at complex cases and have been managed out of the debt recovery if too many questions are asked;
- the process of generating debts for customers is very much outside of usual procedure. I understand that usually all customer details must be thoroughly investigated before the debt is given to the customer. These debts are not checked at all and there is concern that vulnerability indicators attached to customers' files are not being picked up; and
- customers are able to request that debts not be repaid due to financial circumstances. If the customer's income minus their expenditure is less than \$15 per fortnight then it is Centrelink policy to hold the debt for a year without withholding payments. This is not being offered to people in this debt recovery process and officers have been penalised for actively suggesting this to customers as an option.

An ex-departmental officer has indicated that they may be willing to speak with your office regarding these allegations but has asked me not to include their name at this point.

Please don't hesitate to contact my office on (03) 6234 5255 if you would like to discuss this matter further.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Wilkie'.

Andrew Wilkie MP
Independent Member for Denison