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**SUBMISSION TO COMMONWEALTH SENATE INQUIRY INTO CENTRELINK'S  
COMPLIANCE PROGRAM**

This submission is in response to the call for Submissions regarding the Commonwealth Senate Inquiry into Centrelink's Compliance Program. It focuses on two terms of reference:

- a) the ongoing impact of the Federal Government's automated debt collection processes upon current and past income support recipients, and
- i) the review process and appeals process for debt notices, including the number of reviews and appeals undertaken.

The University of Newcastle Legal Centre ('UNLC') is a community legal centre which provides free legal advice and assistance to members of the community, with a focus on disadvantaged clients. It is also a teaching and learning facility which provides a 'live client' Practical Legal Training site for law students. The UNLC assists the community with a diverse range of legal issues. Debt is a legal issue which is often encountered by our clients. It has far-reaching implications on our clients' well-being and mental health.

The UNLC is wishing to see reform to Centrelink's automated debt recovery system, particularly as it effects the welfare of our client base. Many of our clients have received services from Centrelink and some have received debt recovery notices. It is important that the debt recovery system is set up in a manner that is considerate of vulnerable groups, that it is transparent and it allows people to have fair and equal access to explanation and review.

It is our view that Centrelink should simplify the debt and appeal process, so that all debtors can fully understand how the process is implemented and understand their rights in relation to seeking a review. Sora Park and Justine Humphry contend that

"contrary to who we might assume are the early adopters of digital government, it is often the most vulnerable who end up being at the forefront of these changes, since these are the groups who engage most with government services."<sup>1</sup>

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<sup>1</sup> Sora Park and Justine Humphry, 'Exclusion by design: intersections of social, digital and data exclusion,' (2019), 22(7), *Information, Communication and Society*, 941.

## Recommendation: Enhancement of Legal Information regarding Centrelink Automated Debt System and the Review and Appeal Process

The reasons for a Centrelink debt, the debt process and the process for lodging an appeal are difficult concepts for many within the community to fully understand. The Commonwealth Social Security Act is a complex piece of legislation with the provisions extending beyond 1,000 sections. Illiteracy continues to be a prevalent issue amongst our clients, as well as the broader Australian community. The most recent ABS study into literacy found that close to 14% of Australians have low literacy levels.<sup>2</sup> A 2018 study found that 16% of Community Legal Centre clients in the Hunter Region aged 15-64 were classified as having a "low education" level.<sup>3</sup> It is crucial that people incurring a debt are able to understand the reasons why Centrelink considers they have a debt, the evidence supporting this belief and the possible avenues that they can access if they wish to appeal against the debt.

The UNLC recommends that Centrelink adopt visual methods in order to assist in conveying information regarding debt and the debt procedure and appeal process. This can include a combination of pictures, diagrams, graphs, tables and videos. University of California academic Professor Richard E Mayer argues that using visual methods allows people to comprehend and learn more deeply about topics rather than simply using text or audio.<sup>4</sup> Utilising visual methods would ensure persons who have limited literacy skills can fully understand the process and have fair access to the debt review system.

The digital divide continues to be an ongoing issue with unemployed and people on low income being some of the worst affected groups in society having limited access to the internet.<sup>5</sup> Having the visual information in print format, as well as digital, would allow enhanced access to the information.

The online debt review process needs to be simplified. It should allow people to work through a simple form and then lodge the form directly online in an easy fashion. The form should be in a clear and prominent place on the website. If people need to lodge the review face-to-face, because of factors such as seeking assistance to understand the paperwork, there should be appropriate resources available in Centrelink offices to help explain the review process and to lodge the review. Debtors should be given a list of legal resources available in their region that could assist them in lodging reviews. This could include regional legal aid resources, community legal centres and other applicable services. A weblink to a national legal services website is not of assistance for persons unable to access the internet.

The UNLC also makes the following observation regarding the implications of a Centrelink automated debt recovery notice. Law students seeking admission to legal practice are required to disclose, amongst other things, any Centrelink overpayments and demonstrate

<sup>2</sup> Australian Bureau of Statistics, *Programme for the International Assessment of Adult Competencies, Australia, 2011-2012*, ABS, <<https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4228.0main+features992011-2012>>

<sup>3</sup> Law and Justice Foundation of NSW, *Evidence of Legal Need in NSW to Support the Cameron Review Implementation*, Law Foundation, 56. <[http://www.lawfoundation.net.au/ljf/site/templates/reports/\\$file/CLC\\_Legal\\_need\\_NSW.pdf](http://www.lawfoundation.net.au/ljf/site/templates/reports/$file/CLC_Legal_need_NSW.pdf)> pg. 56

<sup>4</sup> Billie Eilam and Miriam Ben-Peretz, *Teaching, Learning and Visual Literacy: The Dual Role of Visual Representation*, (Cambridge University Press, 2012), xiv.

<sup>5</sup> Roy Morgan, *Digital inclusion improving across Australia, but digital divide continues to widen*, Roy Morgan, <<http://www.roymorgan.com/findings/7727-third-australian-digital-inclusion-index-september-2018-201809271045>>

that they have remedied the overpayment.<sup>6</sup> The issuance of an overpayment on incorrect or unsubstantiated grounds could lead to a law student being delayed in making an application for admission. This may also impact on students undertaking other courses of study together with raising barriers for them when seeking employment in certain fields. It is submitted that in view of this a debt recovery notice should only be issued on clear and substantiated grounds.

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*The views expressed in the Submission are those held by the authors and not necessarily of the organisation.*

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<sup>6</sup> NSW Legal Profession Admission Board, Guide for Applicants for admission as a lawyer in NSW, <http://www.lpab.justice.nsw.gov.au/Documents/Guide/for/applicants/for/admission/version2.5/published/22-5-2019.pdf>, p28, accessed 18 September 2019.