

JCPAA Hearing 28 February 2007

**Management of family tax benefit overpayments – non-lodger debts**

**Mrs BRONWYN BISHOP** - Do you have any examples of where you have taken somebody to court and prosecuted them to get a signed judgment?

**Mr Dunn** - I do not have that with me, but I assume that we would have done. We would have to check on that. We do take people to court if necessary. It has occurred.

**Mrs BRONWYN BISHOP** - But suppose that you take them to court. It is only a signed judgment against them. Do you then take the judgment, sell them up and send in the sheriff?

**Mr Dunn** - I would have to find out.

**Mrs BRONWYN BISHOP** - Could you do that?

**Mr Dunn** - Yes.

**Mrs BRONWYN BISHOP** - If so, how many and where do they live?

**Mr Dunn** - Do you mean which suburbs?

**Mrs BRONWYN BISHOP** - Yes.

**Response from Centrelink**

A search of the Centrelink Legal Services Database has revealed that there were no cases where a Judgement had been sought solely on the basis of a Family Tax Benefit non-lodger debt. However, in three cases a Judgement has been obtained for Centrelink debts and a non-lodger Family Tax Benefit debt has formed part of the total customer debt.

<b>State</b>	<b>Amount of Non-Lodger Debt</b>	<b>Total Centrelink Debt</b>	<b>Balance Outstanding</b>
WA	\$23,086.38	\$23,670.11	\$17,198.66
SA	\$16,024.23	\$25,732.37	\$25,424.68
Qld	\$18,081.89	\$42,257.67	\$42,252.39

In the Western Australian case, recovery arrangements are in place via withholdings from Family Tax Benefit at the maximum percentage. In the other two cases, attempts are being made to contact the customer to establish repayment arrangements.

No further legal action has taken place since Judgement was obtained. Centrelink's options may include the following:

- o Bankruptcy of the customer;
- o Warrant of seizure;
- o Sale of the customer's assets;
- o Summons for Oral Examination;
- o Installment Order.

Failure on the part of the customer to agree to satisfactory repayment arrangement may lead to Centrelink pursuing recovery through the above options. All of the customer's circumstances would be taken into account before any of the above options were adopted.