

## Senate Community Affairs Legislation Committee

### ADDITIONAL ESTIMATES – 2 MARCH 2017 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Debt Collection

**Question reference number:** 69 (HS 73)

**Senator:** Burston

**Type of question:** Written

**Date set by the committee for the return of answer:** 21 April 2017

**Number of pages:** 2

#### **Question:**

- a) Is Centrelink a “debt collector” as articulated by the ACCC consumer protection legislation?
  - i) If not, why not?
  - ii) Are you able to confirm that your staff has received training in debt collection techniques?
  - iii) Are you aware of the limitations imposed on debt collection activities by the ACCC consumer protection legislation?
- b) Has Centrelink engaged third party debt collection agencies?
- c) Are those agencies compliant with the ACCC consumer protection provisions?
- d) Who, in your organisation, has responsibility for ensuring those companies are compliant with the ACCC consumer protection provisions?

#### **Answer:**

- a) and
  - i) The ACCC consumer protection legislation does not define ‘debt collector’. ACCC consumer protection legislation provisions may apply to Commonwealth agencies that carry on a business or engage in ‘trade or commerce’. However the Department’s activities in relation to debt collection may not meet the threshold of being of a trading or commercial character. Accordingly, the Department’s contracts for services require debt collection agencies to meet relevant Australian Standards and comply with the law, good industry practice and any relevant industry codes, policies and guidelines including, but not limited to:
    - the *Competition and Consumer Act 2010*, and
    - the Debt Collection Guideline for Collectors and Creditor issued by the Australian Competition and Consumer Commission (ACCC) and the Australian Securities and Investments Commission (ASIC).

Further information can be found on pages 10 and 11 of the Department's submission to the Senate Community Affairs Reference Committee on 22 March 2017.

- ii) Yes, Debt Management staff have undertaken relevant training.
- iii) Yes.
- b) Yes.
- c) The Department's contracts with external agents who provide debt recovery services require compliance with the *Competition and Consumer Act 2010* (Cth) and the Debt Collection Guideline for Collectors and Creditors produced by the ACCC and ASIC.
- d) The National Manager, Debt Management Branch is responsible for managing the contracts between the Department and the external agents and for managing any identified compliance issues.