

Dealing with Centrelink Debts?



If Centrelink has paid you more money than you were supposed to get, you will probably have to pay it back – even if it wasn't your fault. This is called a Centrelink debt.

Finding out

Most people find out they have a Centrelink debt when they receive a letter in the mail or on their app. The letter looks a bit like an invoice.

The letter will tell you the amount you owe, when the debt occurred, and some basic details about why there is a debt.

It will also say the money needs to be paid back within 28 days. Don't panic! You don't need to pay back all the money in 28 days. You just need to make sure you contact Centrelink and arrange for repayments to start.

It might seem like you should check whether you have a debt before you start making repayments, but it can take some time to work out whether you have a debt or not. It's important to start repayments within 28 days so you're not charged interest. We recommend contacting Centrelink as soon as possible,

Starting to repay your debt doesn't mean that you agree there is a debt.

If you appeal your debt and you're successful anything you've paid will be paid back to you.

What if I've lost the debt letter?

If you've lost the debt letter, you can contact Centrelink and ask for a copy. It's important to have a copy of the letter so you can see the reason for the debt and the exact debt amount. The letter will also tell you the date when interest will begin being charged if you haven't contacted Centrelink.



1. Contact Centrelink to start repayments

Contact Centrelink within 28 days of getting the letter or they can add 10% to your debt.

You can contact Centrelink's [Indigenous debt recovery line](#) on 1800 138 193 – Monday to Friday, 9am to 5pm or Centrelink's debt recovery line on 1800 076 072 – Monday to Friday, 8am to 5pm.

If you are getting a Centrelink payment, you can slowly repay the debt out of your regular payments. Centrelink will usually take 15% of your fortnightly payment but you can ask them to take less. If you are having a difficult time paying even a small amount, you can ask for your debt repayments to be paused.

If you get your repayment amount reduced, you will probably have to contact Centrelink every 3 months to stop your repayments going back up to the 15% rate.

You can also make extra payments to pay off the debt more quickly.

You can contact Centrelink at any time to change your repayment amount by ringing the [Indigenous debt recovery line](#), or you can use myGov or the Express Plus Centrelink mobile app.

If you don't get a Centrelink payment, you will need to contact Centrelink to set up a repayment plan.

2. Work out whether you really have a debt ... or not

Just because Centrelink says you have a debt doesn't mean that's correct. Even if there is a debt it may be unfair to make you repay the money.

You can ask Centrelink for more details but the person you talk to may not have access to all the information about your debt. Remember, getting information from Centrelink is not the same as independent legal advice. Please call us if you [need advice](#).

Can they take money from my wages, bank account or tax refund?

Yes, Centrelink can take money from your pay or directly from your bank account, but they will only do this if you don't have a repayment arrangement. They can also take some or all of your tax refund – before it gets to you.

How do I appeal?

If you don't agree with Centrelink or if paying back the debt seems unfair, you can appeal.

The process is free and quite simple but it can also make matters worse because:

- when Centrelink investigates, they can increase the debt amount
- anything you tell Centrelink can be used later if there is a decision to prosecute.

It's very important to [get legal advice](#) before you appeal.

Can I be prosecuted?

If Centrelink thinks you have acted dishonestly or kept information from them, they can refer your case to the Director of Public Prosecution. This can lead to criminal charges.

Centrelink might ask you to attend an interview or make a statement when their investigating your case.

It is very important you [get legal advice](#) before attending an interview. We might advise you not to attend because Centrelink can't force you to talk about what's happened in the past.

If you receive a summons saying you have been charged with an offence and have to go to court, it's important that you [get legal advice](#) ASAP.

You will usually have to repay the Centrelink debt even if you are prosecuted and convicted.

What if Centrelink sends my debt to a debt collection agency?

In welcome news – the Government stopped using debt collectors for Centrelink debts from 1 July 2023.

People who previously had a Centrelink debt with a debt collection agency should have been contacted by now to arrange new repayment plans through Services Australia. If you have not been contacted or you have concerns about your Centrelink debt, contact Centrelink's [Indigenous debt recovery line](#) on 1800 138 193.

You can find out more about Centrelink debts from this useful factsheet on Economic Justice Australia's website at <https://www.ejaustralia.org.au/fact-sheets/>

Contacting us for advice

We provide free legal advice about Centrelink issues to anyone in NSW. If you live outside NSW, you can find a list of community legal centres that help with Centrelink problems in your state at www.ejaustralia.org.au. If you are a member of HESTA, we can extend our services to you even if you live outside NSW.

We take the issue of privacy seriously.

When you ask us for advice we will ask you for personal details and information about your problem with Centrelink. As a legal practice we have a strict duty of confidentiality and will not disclose any information you provide to us without your permission, except in very limited circumstances.

**You can contact us for free advice through our website at www.welfarerights.org.au
Or call us on 02 9211 5300 or 1800 226 028 - Monday or Wednesday, 9:30am to 12:30pm**

Welfare Rights Centre is a community legal centre that helps people who have a problem with Centrelink. We specialise in social security law and family assistance law, including the intersection of child support and social security payments.