

debts raised in error

A recent decision by the Administrative Appeals Tribunal (AAT) means that thousands of people may not be required to repay Family Allowance debts raised by Centrelink as these debts were raised in error.

For years decision makers at all levels have not understood how the Family Allowance payment system operates. In particular they have not understood **when** to use a person's **estimate** of income, or for how long to use it. As a result, decision makers at Centrelink, the Social Security Appeals Tribunal and even at the AAT had simply accepted Centrelink's explanations as providing a correct interpretation of the law and Government policy.

The recent AAT decision, (see article page 2 "aat clears Family Allowance debts") which relates primarily to Family Allowance income estimate debts which arose in the period 1996-1998, highlights that Centrelink staff have been raising and recovering debts in error and that various tribunal decisions have compounded these errors.

The importance of the AAT decision can be seen in the fact that in 1997/98, the amount of Family Allowance debt raised by Centrelink was \$48m and in 1998/99 the amount was \$50m. It is likely that much of this debt relates to income estimates and arose erroneously as a result of the same Centrelink error as was exposed in this recent AAT case.

Many people who incurred these debts are low to middle income earners whose income varies. In the Welfare Rights Centre's experience these people are often employed on a casual and / or part-time basis and are unable to accurately predict what their income will be for the current financial year given the fluctuating nature of their work and income.

systemic approach required

The Centre calls on the Government to establish a comprehensive review program to ensure that all people who are incorrectly repaying Family Allowance debts are identified and the correct decision implemented. The review program should detect all former recipients who are affected by the AAT decision and refund all money that has been incorrectly recovered. This would avoid the need for each affected recipient to independently seek review, which is both costly, and administratively draining. It would be heartening if the Government's commitment to helping clients who have had Family Allowance debts incorrectly raised, was equal to the energy and enthusiasm Centrelink displayed on its behalf when it originally raised and recovered the debts.

legislation too complex

The AAT decision also highlights the need for Social Security programs not to be overly complex so as to ensure that Centrelink and its clients are able to at least understand the fundamentals of the system.

In light of this, the recent abolition of Family Allowance and the introduction of Family Tax Benefit Part A and Part B again puts pressure on Centrelink staff and clients to understand a new and complex series of payments. Errors will no doubt be made in administering these new payments. We can only hope that these errors don't leave the clients carrying all the responsibility and picking up the pieces after another round of wide-spread Centrelink error. ▲