



20 November 2020

Dear Linda,

**Re: “Around the issues with Centrelink debt, are you aware if there is any difference in terms of the way that First Nations women experience having the debt collectors come from Centrelink? If you do not have anything, it is okay. I am just wondering if you, from your experience, has seen a difference in the way that is dealt with.”**

Thank you for forwarding the query that has been put to the Redfern Legal Centre in relation of the impact of Centrelink debt collection practices on First Nations women.

Dhurrawang is a specialist program of Canberra Community Law advising and representing Aboriginal and Torres Strait Islander people in the ACT and surrounding regions in relation to issues pertaining to Housing, Social Security and Race Discrimination. Our service is provided through a cultural and human rights informed framework that recognises the legacy of our history on First Nations communities.

Dhurrawang utilises the human rights principles of *participation, Self-Determination and non-discrimination* and is focused on engaging First Nations lawyers to lead on law reform and access to justice issues as they impact Aboriginal and Torres Strait Islander communities. Our clients have the choice of being represented by a First Nations lawyer and our non-First Nations lawyers defer to First Nations colleagues for cultural advice and guidance, thereby ensuring that cultural safety is maintained throughout the course of our engagement.

In our experience Aboriginal women’s experience of Centrelink debt and the debt collection process is traumatic and takes a significant toll on their mental health. In our experience Centrelink debt accrued by Aboriginal women occurs in the context of generational trauma, the loss of children and close family to suicide, imprisonment, childhood institutional abuse and neglect, family violence, removal of children and the ensuing mental illness and drug, alcohol and gambling addictions that may stem from these experiences.

It is our experience that in every case of Centrelink debt accrued by Aboriginal women one or many of the above issues will inform the matrix of their lives

immediately prior to the accrual of the debt. It is also the case that many of our clients suffer from some degree of illiteracy which impacts their capacity to effectively engage with the Centrelink obligations and the document exchange processes that are necessary to avoid miscommunication of income. The illiteracy is a legacy of an education system that continues to struggle to meet the needs of children with special needs and behavioural issues which often stem from childhood trauma.

With this backdrop in mind it is not surprising that the debt collection process has a deeply traumatic impact on our clients. Centrelink refer debts to debt collection agencies quickly where the customer is not currently in receipt of Centrelink payments, has not entered a repayment arrangement or sought review of the debt. Where debts are referred to debt collectors they often use aggressive tactics to intimidate clients with unrelenting calls and letters of demand. The debt collectors are unaccountable in a manner that the Government is not. Debt collection processes when referred to debt collection agencies and are heavy handed and aggressive can trigger trauma for First Nations women and have deep and ongoing impact on their mental health.

It is our view that passing Centrelink debts to private debt collection agencies undermines the philosophy that informs and the purpose of a social safety net such as social security benefits.

It is notable that Centrelink debt does not only involve a civil process of moneys owed but a concurrent criminal process can arise where the debts are substantial, so people are not only dealing with the debt collection process but facing criminal prosecution. This adds a level of intensity to the situation that is difficult to navigate for most people but is particularly harmful to First Nations women who have experienced trauma, have or are currently living with family violence, have had their children taken or lost them to suicide.

When debt is collected through withholding of Centrelink benefits it has significant ramifications for families and children who are subsisting on Centrelink benefits where every dollar is budgeted and accounted for. The withholding of money causes financial strain and it means children can miss out on essential items.

Aboriginal women are the matriarchs of their family, they are the caregivers to their own children or any children within their family and immediate community. Our clients report feeling great shame at having a Centrelink debt and the prospects of having others find out about this as well as the financial strain it puts on an already stretched budget. The anxiety resulting from this type of shame often has Aboriginal women 'bury their head in the sand' when they are notified of a debt or when debt collectors come calling because in their view they are letting their family down. This may prevent them from seeking legal assistance or review of the decision to raise the

debt. Our clients report feeling suicidal and making attempts on their lives in response to debt collection from Centrelink or debt collectors.

This paralysis that can occur as a result of feeling shame or too disempowered to act quickly in response to a debt notice is particularly concerning when we consider the discriminatory policy applied to Abstudy debts. There are no time limits associated with seeking review of any Centrelink debt other than Abstudy and Isolated Children payments. The existence of a time limit limits review rights for Abstudy recipients in a way that it does not for any other payments thereby applying a discriminatory policy to First Nations recipients. This can be particularly problematic where anxiety and trauma cause women to avoid dealing with the issue and thereby miss important limitation periods.

It is important, in our view, to have a trauma informed view of this issue. The impact of significant debt, risk of prosecution and incarceration combined with aggressive and unchecked behaviour of debt collectors, has a profound impact on First Nations women. First Nations women are disproportionately impacted by family violence and First Nations children are removed at a significantly higher rate than other children. For First Nations women debt collections practices can mimic violence and abuse they have survived or are currently navigating. The result can be devastating. Moreover, Centrelink debts can often, and as has been demonstrated by the Robo-debt fiasco, wrongly raised. It is particularly unconscionable to have women navigate these practices where they may find that they never owed the debt in the first place.

Yours Sincerely,

**Dhurrawang Aboriginal Human Rights Program**  
**Parastou Hatami – Supervising Solicitor**  
**Emma Towney – Solicitor**  
**Rachelle Kelly – Paralegal**

Contact for this letter: Parastou Hatami

*Canberra Community Law acknowledges the Traditional Custodians of the land on which we work in the ACT and surrounding region and pay our respect to the Ngunnawal elders past, present and future for they hold the stories, traditions, and the cultures of their people. We are grateful that we share this land and express our sorrow for the costs of this sharing to Australia's First Peoples. We will continue to acknowledge the legacy of our history and strive in our goals to empower our community through social justice. We hope that our efforts will contribute to a realisation of equity, justice and partnership with Traditional Custodians of this land.*



*We Acknowledge Wiradjuri artist Leanne Pope for use of her artwork 'Fresh life after rain' 2017 for our identifier, marketing and promotional materials.*

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