

What happens if my Centrelink debt is reviewed?

The process and what a reviewer will consider and decide.

What will the decision maker consider?

When reviewing a Centrelink debt, the decision maker will usually consider the following:

- Whether you have been overpaid and whether the debt amount is accurate.
- If recovery should be ‘written off’ for a time.
- If recovery should be waived.
- Whether the debt has been caused by fraud or should be investigated further

We will explain each of these below.

Not all of these things will be relevant to every debt, and for some debts there may be other things the decision maker needs to consider. **Legal advice about your individual circumstances will help clarify what is most relevant for you.**

Why might a decision maker decide I wasn’t overpaid?

Centrelink calculates payments and debts using the information available to them. **A debt based on wrong or incomplete information may be calculated incorrectly.** If you correct the information, Centrelink may decide you were not overpaid after all.

Worker Help Line

03 9481 0655

Monday to Friday, 9am–5pm, community lawyers and workers can contact us for information or secondary consultation with an SSRV lawyer.

Legal Assistance Line

03 9481 0355

Monday to Thursday, 9am–4.30pm for Victorians experiencing a Centrelink issue.

Example 1: Centrelink receives information about your income. It uses this to recalculate how much you should have been paid and finds that you have been paid too much. It asks you to repay a debt.

- ! You may be able to challenge this kind of debt by giving more accurate or up to date information about your income (such as payslips). Centrelink may recalculate how much you should have been paid.

Example 2: Centrelink receives information about your past study arrangements. It finds you were not eligible for a student payment you received because you weren’t undertaking full time study. It asks you to repay a debt.

- ! You may be able to challenge this kind of debt by giving Centrelink more accurate or up to date information about your study (such as records from your school, TAFE or university).

[More help overleaf →](#)

What is a “Write Off”?

A ‘write off’ is where the decision maker decides **not to recover a debt for a period of time**. A write off might be applied until a specific date, or it could be applied with no end date. If there is no end date, Centrelink may later decide to start recovering the debt again.

A write off may be applied where:

- The debt is irrecoverable at law.
- You currently have no capacity to repay the debt.
- Your whereabouts are unknown and Centrelink cannot find you.
- It is not cost effective for Centrelink to pursue the debt.

A debt may be ‘irrecoverable at law’ where you have been discharged from bankruptcy, if the debt was from a time before you declared bankruptcy and the debt was not incurred by fraud. If you have been discharged from bankruptcy and are still paying back a Centrelink debt, you should get legal advice.

It is rare for a person to have no capacity to repay a Centrelink debt. Usually **Centrelink will take a small amount from a person’s Centrelink payments each fortnight**. This could be as little as \$20 each fortnight. If you are unable to pay this amount, or have no income at all, Centrelink may consider writing off your debt.

What is the ‘Special Circumstances Waiver’?

The decision maker may waive recovery of a debt if there are ‘special circumstances’. Special circumstances mean the situation is unusual, uncommon, or exceptional, and this makes it unfair for Centrelink to ask you to repay the money.

Some circumstances you may wish to raise for Centrelink to consider are:

- Family violence.
- Mental, physical and other health issues.
- Disability.
- Financial hardship.
- Homelessness or insecure housing.
- Language and literacy barriers.
- Substance misuse issues.
- Imprisonment.
- Family instability.
- Refugee and migrant status, and reasons for fleeing/migrating such as civil unrest, violence, and persecution.
- Child protection involvement.
- Impacts of a disaster.
- Difficulty engaging with Centrelink and their systems.
- Entitlement to another Centrelink payment (this is referred to as ‘notional entitlement’).
- Centrelink mistakes (these may also contribute to special circumstances, even if the administrative error waiver doesn’t apply).
- Any other factors that make your situation unusual, uncommon, or exceptional.



Financial hardship can be a special circumstance, and you will usually need to be experiencing financial hardship before Centrelink will waive a debt. However, **it can’t be the only special circumstance**.



Applying for a special circumstances waiver can be complicated. We recommend you get legal advice before seeking a special circumstances waiver or providing Centrelink with any new information concerning your debt.

[More help overleaf →](#)

What is the 'Administrative Error Waiver'?

'Administrative error' is another way of saying Centrelink has made a mistake or error. If this error is the only reason you have been paid too much, Centrelink may have to waive recovery of the debt. This is usually called the 'Administrative Error Waiver'.

This waiver is only available where you have received the money in 'good faith', which means you did not know you were receiving the wrong amount. If you knew you were not entitled to the money you received, Centrelink can't give you this waiver.

If Centrelink notices its mistake within six weeks of when it made the error, the administrative error waiver may not apply.

The rules for this waiver are different for Family Tax Benefit, Child Care Subsidy, and some other family assistance payments. **We recommend you get legal advice to help you understand your individual circumstances** and whether this waiver might apply to you.

Do I need to repay my debt while my debt is being reviewed?

You can seek a **pause on your debt repayments whilst your debt is being reviewed**. This isn't automatic, you will need to call Centrelink's Debt Recovery Line and ask for recovery of the debt to be paused whilst you await the review outcome.

Centrelink will usually pause recovery for a number of months, often for three months. If you have not received the review outcome by the time the pause ends, you can call Centrelink and ask them to pause the debt again.

You can seek **legal and/or financial advice if you want to understand any benefits and disadvantages for you** in pausing recovery of debt whilst awaiting a review outcome.

There can be risks associated with seeking a review of a debt. Please see our What are Centrelink Debts factsheet for more information. You may also wish to seek legal advice about your circumstances.

Who are we?

Social Security Rights Victoria (SSRV) is a community legal centre that provides free legal advice and assistance for Social Security, family assistance and Centrelink matters to people who live in Victoria, helping with:

- understanding rights of review of Centrelink decisions
- refusal, suspension or cancellation of payments
- management and review of debts
- Disability Support Pension eligibility
- review of Centrelink decisions where clients are impacted by family violence
- secondary consultations for social, community and health workers (such as financial counsellors, disability advocates, social workers, doctors and community lawyers) to help with clients.



**Holstep
Health**

Worker Help Line
03 9481 0655

Legal Assistance Line
03 9481 0355

www.ssrv.org.au

If you have any questions or client queries about the above content, [please call us to discuss](#). SSRV welcomes contact and queries from workers and clients. This factsheet has been designed as general information and should not be relied upon as legal advice. Current May 2026.