Money Matters
An Operational Plan

Produced by The Prison and Debt Project

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Anne Stringer
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Contact: (02) 9566 1535
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Introduction

It is a truism to state that rehabilitation following a term of imprisonment is strongly influenced by the financial status of the released prisoner.

However, it is not often acknowledged that an unintended effect of imprisonment is an increase in debt levels, an increase which could largely be avoided. Given what is known about the skill levels of most prisoners, it is also surprising that most Correctional Centres in most jurisdictions in Australia and internationally, fail to develop the money and debt management skills of inmates.

Consequently, prisoners are too often released with a burden of unpayable debts, which have been caused by or have increased during the period of imprisonment, and which they are unable to manage. They may be unable to gain a drivers' licence because of relatively small debts to the SDRO, they may owe large amounts to the CSA which they feel can never be paid, they may be unable to gain suitable accommodation because of debts to private and public landlords and to utilities. These are only a few of the possible consequences of debt for the newly released prisoner. In addition, during the term of imprisonment, the pressure of unpaid debts is a highly significant factor in family breakdown and in absconding.

The destabilising and demoralising effects of an unpayable debt burden is documented in research by The Prison and Debt Program, which shows how debt undermines the positive effects of interventions such as literacy programs, vocational training, anger management, living skills or control of substance abuse programs.

The Money Matters Program outlined in this paper is an integrated, inter-Departmental initiative that will prevent additional debt accumulation and resolve many debt problems for prisoners. When fully operational the Money Matters Program will lower recidivism rates, as demonstrated by the Prison and Debt research in which 49% of prisoners said that they had committed a crime to repay a debt.

Operating against the deepening downward spiral in which many prisoners become trapped, this Program offers a platform from which to begin to make a fresh start.

Money Matters: Strategies

This document is a practical resource. Each chapter addresses a major area of debt and organises strategies to address it under the headings:

- Preventative
- Harm Minimisation
- Inmate Programs and Information Provision and
- Policy Development.
**Introduction**

**Money Matters: Structure**

The structure of the *Money Matters* Program, within which these strategies operate, can best be described in relation to the stage of the sentence to which it is applicable. It can be applied to each type of debt individually but will function more effectively if all areas of debt are included in the Programme.

1. **On Induction**
   - *Money Matters Problem Solving Kit*
     Each inmate is provided with a written resource that includes information and pro formas from each of the participating agencies (eg the Department of Housing, Centrelink, SDRO, CSA, ATO, financial institutions etc.)
     The Money Matter Problem Solving Kit will provide an ongoing resource for prisoners and ex-prisoners.
   - *Notification*
     Included in the current induction procedure are some trigger questions for later investigation and two urgent notification forms: to Centrelink and to the relevant housing agency (DOH, private landlord or the Mortgage Assistance Scheme).

2. **Two Weeks Post Induction**
   - *Money Matters problem solving session with groups of inmates held to assist in processing 2nd tier notifications (to agencies such as the CSA, the SDRO, banks etc) to address in general issues of debt while in prison and answer specific questions.*

3. **Mid-sentence**
   - *Money Matters Program*
     Skills building and information provision program, including sessions where further notification of and negotiations with creditors may be progressed, also developing communication, literacy and numeracy skills.

4. **Pre-release**
   - A series of pre-release seminars organised by DCS; written and presented by participating agencies to assist soon to be released prisoners.

5. **Financial Counselling**
   - Individual casework session with financial counsellors may be appropriate for some prisoners (see the Chapter Financial Counselling).
In addition, the following areas would benefit from development, but are not addressed in this paper.

- **Correctional Centre Staff training and awareness**
  Prison Welfare Officers: training course to include, nature and impact of inmate debt; information and advice on common problems; appropriate referral.
  Custodial staff: training course to include, nature and impact of inmate debt; appropriate referral.

- **Transition Period**
  Ensure that the Probation and Parole service and all existing agencies offering services to ex-prisoners are skilled and informed in recognising the financial component of problems, offering basic advice and making appropriate referrals.

- **Family Support**
  Inform families of their rights and of sources of assistance.

- **Research**
  Conduct further research to inform policy development and to investigate the impact of the Program

- **Evaluation, Reporting**
  Report on operation of the program after first 12 months.
1.1 Department of Housing (DOH)

The DOH Policy EST0039A on Absence from Dwelling is attached. (Appendix H.1) In brief, a tenant who is imprisoned can apply to maintain a tenancy while away from the premises for a period of up to three months, paying a minimum weekly rental of $5.00.

After 3 months, the tenancy and nominal rent may be extended at the discretion of the Office concerned.

Access to the policy also varies between DOH areas: some Offices initiate contact with tenants who are incarcerated or they may supply forms to Correctional Centres, while others do not initiate contact but consider requests from tenants who are aware of the policy and who write to the appropriate Office with a request to maintain their tenancy at the nominal rent. (See the attached survey of some DOH Offices, Appendix H.2, carried out by the Prison and Debt Project)

The attached newsletter published by the DOH which indicates that the reduced rent is available only for those tenants who are being cared for in nursing homes (Appendix H.3)

1.2 Private Rental

If a prisoner has been in custody for 12 months or longer and has a parole certificate, they may be eligible for a bond loan and a rental grant. There are other eligibility criteria. If their application is approved, they may receive up to 6 weeks rent for private rental once in every 12-month period. In practice, this amount is rarely granted; usually the amount granted is 2 weeks rental and 2 weeks bond.

A barrier to rental in the private rental markets is the growing use by agents of the tenancy databases, such as TICCA (see attached article (Appendix H.4)).

1.3 Home Owners

If the inmate has a mortgage, they may apply for mortgage relief from the Mortgage Assistance Scheme. This Scheme can provide short-term assistance to borrowers in severe financial difficulty. The Scheme offers mortgage repayment assistance by way of an interest free loan paid directly to the home lender. Application must be in writing.

2. Issues

2.1 Debts

On release, debts to DOH and private landlords may force inmates into homelessness or into unstable and unsuitable accommodation.

The most common debts seem to be those due to non-notification of incarceration and are typically of 2-12 weeks rental arrears.

Debts may also accrue for damage done to properties left empty, which the lease-holder may be held liable for.
**Housing**

An additional common source of debts existing at the time of imprisonment is that of joint bond loans when one party has defaulted on the loan. In that case the remaining debtor can be held liable for the full amount. However, some DOH offices will negotiate and claim only half of the amount owing from each party.

The DOH will usually accept a tenant with debts if the tenant makes an arrangement to repay the debt and is regular with repayments. The repayment rate is usually set at an affordable level.

### 2.2 Notification

No mechanisms are in place in Remand or Correctional Centres to facilitate notification of incarceration to DOH or private landlords; this often results in the accrual of debts for rental arrears and damage to empty property.

The attached survey of DOH offices (Appendix H.2) shows that offices receive notification of the incarceration of tenants in a variety of ways including: the investigation of rental arrears; and notification from families, friends, neighbours; the Police and sometimes prison officers.

Typically, if a DOH tenant falls 4 weeks into arrears, the DOH will check the property. On finding it is empty, they will cancel the tenancy. The tenant will usually owe the rental arrears of 4 weeks rent. Private tenants are in a similar situation.

### 2.3 Loss of Belongings

If a property is left empty it may be vandalised and the tenant's belongings stolen.

### 2.4 Maintaining the Tenancy

As noted above (and see Appendix H.1), DOH policy is that they must be notified if the tenant is to be absent from the premises for more than 6 weeks. The tenant can request to maintain the tenancy at a minimum rate of $5 per week rental.

Application methods vary between DOH offices. Some offices do not assist prisoners but rely on the individual's awareness of their rights. Some DOH offices facilitate making an application by sending forms in to the prisoner or by ensuring that forms are available at the facility.

An extension past the three-month period is possible. Past 6 months, an extension may be granted on compassionate grounds. There is no evidence of an extension past 3 months being granted to a prisoner.

There are wide variations between Offices in how this possible extension is applied.

Some DOH offices make every attempt to maintain tenancy past the 3-month period, taking into account such factors as the demand for housing in the area and length of sentence.
Others will not offer an extension under any circumstance.

Some inmates may attempt to maintain the tenancy by asking a friend to stay in their property and pay the rent, without notifying the DOH. In some of these cases, the rent is not paid and the property vandalised, leaving the inmate with a debt.

The absent may also be penalised for allowing an illegal tenancy.

2.5 Securing the Property

DOH Offices allow friends or family, as agents, to look after the property.

Friends and family members may enter into an agreement with DOH to temporarily stay in the premises as additional occupants.

Some DOH offices will arrange for mowing contractors.

It is not clear what responsibility DOH Offices accept for preventing vandalism to empty properties and covering the cost of repairs.

In practice, many DOH offices may refuse an application to maintain a tenancy for 3 months if there is no one available to look after the premises and therefore a risk of damage.

2.6 DOH Waiting List

If an inmate is not a DOH tenant but is on a DOH waiting list, they may notify the DOH on release that they have been in prison and they will be reinstated on the list at their original date.

If an inmate is not on the DOH waiting list, they can apply to be placed on the waiting list from the Correctional Centre.

If an inmate is a tenant whose tenancy has been relinquished during their prison term, some DOH Offices will place the inmate on a priority waiting list.

Other DOH Offices do not offer any priority for re-housing released prisoners, but if the DOH is notified from prison that the inmate would like rehousing on release, their waiting time will run from that notification.

2.7 Joint Tenants

If one member of a joint tenancy is imprisoned, the other joint tenant/s can apply immediately to have the rent reduced to reflect reduced income levels.

It seems that many joint tenants are not aware of this provision.

2.8 Housing on Release

Sometimes DOH is notified by prison welfare staff that an inmate’s release is pending. However, one DOH officer noted that this rarely happens.

In at least one prison, welfare workers advise DOH 2 weeks before release so that the inmate can be placed on a priority rehousing wait list.
At least one DOH Office places released inmates on a short list to be re-housed immediately.

At least one DOH Office notes that there may be delays before re-housing, as there is no short list and further notes that the tenant will not necessarily be granted a tenancy in the same area.

Some DOH Offices note that they attempt to re-house ex-inmates in an area that is appropriate for the client, for example clients with D&A issues may prefer to be re-housed in a different area.

3. Strategies

3.1 Preventative

DCS

On induction:
include trigger questions:
1. when taken into custody, were you renting premises? If yes: from the DOH or a private landlord or
2. if no: are you buying your home and
3. do you have joint tenants or family members or friends who live with you?

Notify private landlords if the premises are empty, and take action on issues needing urgent attention, such as children, pets, premises to be secured, belongings to be stored (some or all of these urgent issues may already be covered).

If a DOH tenant, send 1st notification form to DOH, requesting $5 per week maintenance of tenancy and covering issues such as joint tenants.

If a mortgagee, supply the inmate with the information from the mortgage assistance body.

Supply every inmate with a Money Matters problem solving pack including housing information.

Within 2 weeks

Provide support for all inmates to enable them to take whatever action is appropriate, using the problem solving pack, for instance to make an application to a waiting list.

DOH tenants may wish to postpone a decision re their tenancy until they have been able to fully consider all the options and discuss them with friends or family.

Some inmates with debts to DOH may wish to make an arrangement with DOH to repay their debt.
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Housing

Within 3 months
Ensure that the DOH inmate has appropriate support to enable a long-term decision re tenancy to be made.
Forward notification of tenancy decision to DOH.

DOH
Develop a policy to minimise damage to empty property and determine liability for damage in case of incarceration of tenant.
Develop early notification procedures jointly with DCS.
Ensure all tenants are fully informed of their options on incarceration and support all tenants in coming to a decision that is in their best interests while maintaining their obligations as tenants.

3.2 Harm Minimisation

DCS
Within 3 months
If appropriate, ensure inmate is placed on a DOH waiting list.

Pre-release
Ensure that all housing options have been explored.

DOH
Inform any joint tenants of reduced rental, if applicable.

3.3 Inmate Education/Information Provision

DCS
At induction, provide all inmates with the Money Matters problem solving kit, including information on housing options.
Ensure that a post induction session is conducted within 2 weeks of reception so that inmates may make appropriate notifications at a time when they have had the opportunity to give the issues appropriate consideration.
Ensure that a 2nd session is conducted before the three month post induction period elapses to enable DOH tenants to notify of their long term decision re tenancy.
Include a housing component in the Money Matters Program.
Include a session on housing in the pre-release talks

DOH
Produce information to be included in the Money Matters problem solving kit for inmates
Provide information on housing matters relevant to inmates for the Money Matters Program.
Prepare and present pre-release information.
Offer prison awareness sessions to staff. A useful model may be the sessions organised by the Wollongong Office. The sessions aim to ensure that staff have a better understanding of and sense of compassion for incarcerated and recently released clients and includes a tour of a Correctional Centre to introduce the team to conditions in prisons.

**DCS**

Ascertain current status of policy of 3 months rental at $5 per week as applied to inmates and if necessary, make appropriate submissions to the DOH and the Minister.

Maintain a watching brief on the development and regulation of tenancy databases.

The Office of the Federal Privacy Commissioner has an interest in tenancy databases. It may be useful to liaise with the Office and if appropriate, make representations on the impact of tenancy data bases on newly released prisoners.

Develop an MOU covering procedures for early notification from DCS to DOH. Note that while it is important to notify DOH as soon as possible after a tenant is taken into custody, the decision on whether to maintain, relinquish or sign over the tenancy to some one else should only be taken after all the options have been explored and the inmate has had an opportunity to discuss the options with family and friends who may be affected. Therefore, the first notification should not be taken as an indication of future actions. The $5 per week rental should be applied while options are being explored.

The following areas should be considered when drawing up the MOU:
- date of release (note: this is often required by the notified agency but may be difficult to ascertain)
- children who may be cared for on the premises
- details of joint tenants
- Procedure for forwarding notification from Correctional Centre (CC) to DOH.

Actions to be taken by DOH on receiving notification, eg:
- immediately forward forms and information packs, if not already in CC
- notify joint tenants of reduced rental
- maintain tenancy at $5 per week for 3 months or until further notice

Actions to assist in decision re tenancy, eg
- DOH to provide information and support on DOH policies, their impact and implementation, for each option available to an incarcerated tenant.
- DCS to provide appropriate support to allow inmates to consider all options.
Notification of decisions re tenancy

- DCS to forward notification to DOH within 3 months of tenant being taken into custody.
- DOH to implement appropriate actions.

Waiting List

- Develop a joint strategy for maximising inmate access to waiting lists and
- Jointly explore options for and barriers to developing a strategy on what priority can be given to ex-inmates on housing waiting lists.

Develop a joint strategy to minimise damage to premises and loss of personal belongings.

Pre-release

- Jointly develop a protocol whereby DCS can notify DOH at an appropriate period pre-release to explore inmates' housing options

DOH

Develop policy for joint debts when one partner defaults, for eg: should liability for whole debt then rest with remaining debtor?

Contact Details

Department of Housing

Paul Vevers
Acting Executive Director of Policy and Strategy
Phone: 02 9391 2383
Fax: 02 9391 2368

Mortgage Assistance Scheme

Free call: 1800 806 653
mas@housing.nsw.gov.au

Money Matters
Centrelink

1. Background

Debts to Centrelink comprise a significant percentage of the debts that prisoners owe:

The Prison and Debt Project research found that 40% of inmates were aware of debts to Centrelink. The amounts owed were an average of $718 for men and $474 for women.

Centrelink's figures for debts accrued by incarcerated inmates during a 12 month period were, as at COB 29/06/2001: new debts: $11.05 million, no. of debtors: 9305.

In cases where there is a 12-week lodgment period, an incarcerated client may accrue a $2,000 debt before Centrelink is alerted to the problem by the non-lodgment of forms.

Many of these debts are due to late notification of Centrelink and a subsequent overpayment of benefits.

Some inmates may enter prison with an existing debt to Centrelink.

Centrelink and DCS are aware of the issues in regard to Centrelink clients who are imprisoned:

In Queensland, an MOU between Centrelink and the Queensland Department of Corrective Services is under negotiation.

Similarly in NSW, negotiations between DCS and Centrelink on processes to jointly address problem areas are underway.

Various local arrangements have been in place for some time, see for example:

- note from Brisbane area Centrelink (Appendix C.1)
- notification form used at MRRC (Appendix C.2)
- notification form trialed at Mulawa, developed in consultation with Centrelink (Appendix C.3)

Family and Community Service (FACS) recently concluded a review of the impact of social security law and policy affecting prisoners, other detainees and ex-prisoners. A draft report is being prepared. (See Appendix C.4.)

2. Issues

It is currently possible to make an application for a 3-month deferral of debt repayments on release. However, many prisoners may not know of this useful option, which allows for increased income during the important transition period.
Family members may be eligible for increased payment but are not routinely informed and therefore may not access the correct level of benefit during the period of incarceration.

Inmates are often already suspended from Centrelink benefits when they enter prison. Centrelink has an opportunity, during the period of imprisonment, to determine the cause of any breaches, reinstate if appropriate and offer support and advice to the inmate in order to minimise the possibility of future breaches.

- New debts are not incurred;
- All mail is sent to the inmate and does not worry family members;
- All breaches may be revoked;
- Existing debt recovery processes are suspended;
- Their partners' entitlement is checked and a follow up visit carried out if necessary; and
- They may be entitled to receive a payment from Centrelink.

Some inmates may be half way in to a payment period when taken into custody and therefore will be eligible to receive the balance of their payment up to the date of incarceration.

Centrelink will require inmates to complete the relevant forms and to satisfy the work test for that period, if applicable.

There is a view that Health Care Cards are a tradeable commodity in prisons and therefore that Centrelink should remove them and any other Centrelink documents from new detainees. (See Appendix C.1)

If these documents are removed and not stored in order to be returned on release or immediately pre release, a difficulty in gaining the requisite ID points needed to re-apply for benefits is created.

There is a well-recognised problem for inmates in gathering the documentation required to provide the requisite level of ID points needed to apply for a Centrelink benefit.

Processes for garnering the required documentation are being explored by DCS. However, a change of policy by Centrelink such that short term prisoners (those serving a term of, say, less than 3 months) be suspended from benefit rather than withdrawn would do much to efficiently address the problem for a significant number of inmates.
These inmates would then not need to re-apply but would need only to inform Centrelink of their impending release and on release follow the procedures for re-instatement.

Note that on reception a release date is usually not known. The possibility of suspending the benefits of all new detainees until a release date is fixed should be explored.

2.8 Pre-release

Ensure that all inmates are aware of the benefit they will receive.

If possible, make an appointment for each inmate with a Centrelink social worker on the day of release, or as soon as possible after release if the Office is not open.

2.9 Crisis Payment

It seems that many released prisoners are confused by the timing and amounts of benefit payments post-release. Uncertainty about what amounts will be received and when cause increased difficulties in budgeting.

The amounts and timing of the post release payments should be examined to determine if there is a more readily understood method of delivering them that continues to meet the need for additional income post release, or

The provision of information in writing by Centrelink on crisis and subsequent payments, supported by a reinforcement of the information in pre release sessions, may clear some confusion.

2.10 Payments on Release

Frequent post release problems with obtaining Centrelink payments have been noted by organisations providing support to ex-prisoners.

These problems are not associated with the related issues, noted below, of prisoners released during the weekend when Centrelink offices are closed, or released in areas remote from Centrelink offices.

It has been suggested that released prisoners should bypass counter staff, with whom problems are often encountered, and instead seek an interview with the social worker.

Alternative options include offering each released prisoner an appointment with a social worker on the day of release, or fully training all or some specialist counter staff in procedures for serving newly released prisoners.

2.11 Weekend, Public Holiday and Remote Area Release Payments

Centrelink and DCS are developing protocols to ensure that payments are made available on the day of release to those prisoners released on days when Centrelink offices are closed or in areas where a Centrelink office is difficult to access.

Money Matters
3. **Strategies**

**DCS**

Negotiations are underway to develop an MOU addressing many of the above issues. The following information collected during discussions with Centrelink may be useful in drawing up an MOU.

While notification as soon as possible after being taken into detention is desirable, the amount of information readily available at that time may be limited. Therefore, a two-stage notification may be the most effective method of ensuring that all relevant information is forwarded.

**1st stage**

Each inmate on induction to be asked a trigger question: do you currently receive a government benefit or pension?

If Yes, forward name, DOB, type of benefit and any other available information as required by Centrelink in order to stop or suspend payments.

Note that if Centrelink requires detailed information at this stage, inductees may be unable to provide it, or it may seem unnecessary to them at a time of great stress and they may resist provision. Additionally, the collection of detail may place an unnecessary burden on staff collecting the information.

Therefore, it may be more effective to collect the minimum amount of information needed to suspend or withdraw a benefit.

If suspension rather than withdrawal is an option, a greater number of inmates will be willing to cooperate.

Note that some inmates have collected benefits under other names and that indigenous prisoners often have skin and European names, so that space must be given on the notification form to enter all names used.

**2nd stage**

Within 2 weeks, ask all inmates (in order to cover those who have been suspended) if they have ever received a government pension or benefit and obtain information, including:

- Confirmation of information collected on induction
- Balance of information required
- If currently suspended
- Date of release if known.
- If Centrelink form needed to claim balance of period unpaid (see 12,13 above)
- If they have a partner or other family member who may be eligible for increased payments.
3.2 Harm Minimisation

**DCS**

None.

**Centrelink**

Ensure that the balance of payments due to inmates who have been taken into custody during a payment period are paid, if applicable.

Provide appropriate information and support to inmates whose Centrelink benefit has been suspended and reinstate if appropriate.

Investigate the status of any family members to ensure that they are receiving the correct benefit.

Note that there may be privacy issues and that the provisions of the Federal Privacy Act (regulating Centrelink) and the NSW Privacy and Personal Information Protection Act (regulating DCS) will need to be determined before any information on family members is disclosed to and used by Centrelink.

An alternative may be to provide general information for family members, distributed at Correctional Centres.

3.3 Education/Information Provision

**DCS**

Train induction staff and staff who will be conducting 2nd stage notification.

Provide *Money Matters* program to include a module on Centrelink, including, for instance: types of benefit, how to avoid breaches, are you and your partner receiving the correct benefit and entitlements, where to go for help and advice and the complaints procedure.

Provide pre-release session for all inmates on Centrelink benefits.

**Centrelink**

Provide information on procedures for notifying Centrelink and the advantages for inmates.

Provide information on crisis payments.

3.4 Policy Development

**DCS**

Obtain a copy of and provide input to the FACS review of the impact of social security law and policy affecting prisoners, other detainees and ex-prisoners.

Consider the following when making submissions:

- Suspension of benefit rather than withdrawal for short-term prisoners or
- Suspension of benefits pending the outcome of a court case.
- An automatic moratorium on debt repayment in the first three months post release.
Check that current Centrelink policies are appropriate and recognised, in circumstances when alternatives to full time imprisonment are utilised. (See the attached payment policy from Centrelink, Appendix C.5)

**Contact Details**

As negotiations are underway, contact details are not needed.
State Debt Recovery Office (SDRO)

1. Background

The percentage of prisoners who have outstanding fines and therefore debts to the State Debt Recovery Office (SDRO) is likely to be very high. For instance, in the recent notification trial at Mulawa, 80% of the newly admitted prisoners interviewed had unpaid fines. (See Appendix SD.1)

Unpaid fines initially result in the cancellation of the debtor's driving licence. Unpaid fines then become debts recoverable by the SDRO, who have the power to seize goods and to garnishee bank accounts and wages.

No interest is added to the fines but legal costs can substantially increase the amount owed.

Current SDRO policy is to suspend action on debt recovery if the debtor is incarcerated. However, the SDRO require a release date and confirmation from the Correctional Centre before they can suspend recovery action.

The SDRO, although it has the powers to obtain garnishee orders on wages and bank accounts, has more usually used its powers to obtain a warrant to seize goods.

The SDRO has the power to waive debts.

The SDRO has recently moved from the Attorney General's Office to Treasury.

The move coincided with the release of a Performance Audit Report on the SDRO by the NSW Auditor General's Office, showing that outstanding fines totalled $460 million. Some of these debts date back 20 years. (see Appendix SD.2)

The Treasurer responded to the Report by announcing a new campaign to "get tough" on unpaid debts, which would include garnisheeing bank accounts and wages.

Government benefits in bank accounts cannot be garnisheed unless they have been in the bank account for 3 months or longer.

The NSW Auditor General's Office plans to examine the effectiveness and efficiency of government activities directed towards addressing the problem of unlicensed drivers and unregistered vehicles. (see Appendix SD.3)

2. Issues

Debts to the SDRO are a major contributor to the "revolving door" syndrome where the likelihood of re-offending after release is increased because of circumstances that have worsened during the period of imprisonment.

Any existing debt to the SDRO will increase if the SDRO are not notified of the incarceration.
Goods may be seized by the SDRO during the term of imprisonment, contributing to family distress and the likelihood of family breakdown and contributing to increasingly unfavourable conditions for rehabilitation.

2.2 Drivers' Licences and Re-offending

Prisoners who owe debts to the SDRO usually have had their licence cancelled. (See for eg the Mulawa trial data, Appendix SD.1, where 80% of respondents do not have a licence).

On release, there will be temptations to drive without a licence and car registration, possibly leading to further charges and to debts for damage should an accident occur.

The lack of a driver's licence hampers employment prospects both in respect of those jobs that require licences and where there is a need to travel to places of work.

Many ex-prisoners live in low-income areas, which are often at some distance from services such as shops, medical and leisure facilities and are poorly serviced by public transport.

The temptation to re-offend by driving illegally is thus compounded.

3. Strategies

On induction, provide each inmate with the Money Matters problem solving kit containing forms and information from SDRO.

Within 2 weeks, ascertain if any debt is owing to the SDRO and, if so, assist the inmate to notify the SDRO so that they may immediately suspend recovery action.

Within 3 months, forward expected date of release notification to SDRO, if this is required.

Within 3 months, negotiate on a case by case basis with the SDRO on a suitable arrangement for managing debts; see options, listed at 4.1.2 below.

DCS

At induction, provide all inmates with the Money Matters problem solving kit, including information on SDRO debts.

Ensure that a post induction session is conducted within 2 weeks of reception so that inmates may make appropriate notifications at a time when they have had the opportunity to give the issues appropriate consideration.

Ensure that a 2nd session is conducted before the three month post induction period elapses to enable additional information or be forwarded to SDRO if they require it.

Include an SDRO component in the Money Matters Program.

Include a session on SDRO debts in the pre-release talks.
SDRO

Produce information to be included in the *Money Matters* problem solving kit for inmates.

Provide information on SDRO debts relevant to inmates for the *Money Matters* Program.

Prepare and present pre-release information.

3.3 Policy Development

Develop with the SDRO a protocol for notification, taking into account SDRO's information needs and the ease or practicality of supply of that information.

For example, when must SDRO be notified of the expected release date in order to suspend recovery action: can they be notified 2 weeks pre-release?

Negotiate with SDRO on debt repayment options and to restore licences on release to those inmates who have a demonstrable willingness and ability to use a license in advancing their rehabilitation. Options may include:

- Waive debt on the basis that the debtor has no ability to pay.
- Suspend all recovery actions and repayments until the debtor has the ability to repay (eg has reached a certain level of income).
- Apply a community service order to repay debt

Suggest that SDRO suspend all recovery actions for a period (say, 3 months), post release, to allow the debtor to establish a degree of stability.

Contacts

Brendan Nugent: SDRO Operations Manager

Phone: 02 9277 6321 Or

Ricky Cant

Phone: 02 9277 6341 Fax: 02 9277 6354
Victims’ Compensation Tribunal (VCT)

1. Background

Financial counsellors who have counselled in prisons or had ex-prisoner clients note that debts to the VCT are common and can be very problematic. Inmates may not receive notification of the debt until some years after the court case. Most are not equipped to manage a large debt and can feel dispirited, hindering efforts towards re-establishment.

A defendant convicted of an offence usually leaves the court knowing only the length of his sentence. He is not notified of the possibility of a future VCT debt nor informed of the processes by which orders resulting in a debt are issued.

Following a guilty conviction, if applicable, a magistrate will later issue a provisional order for restitution. The defendant then has 28 days to object. An objection can be an application:

• for a reduction of the amount on the grounds of culpability (eg more than one person was involved) or on the grounds of capacity to repay;

• or an application to pay by instalments;

• or can be an objection to the order in full.

If an objection is lodged, it is listed for a hearing at the Victim's Compensation Tribunal. An arrangement may be negotiated before the hearing at a "pre-conference hearing". The applicant has the right to be represented by a solicitor at the conference and the hearing.

If no agreement is reached, the matter goes to a hearing and the magistrate makes an order.

If the defendant is not present for the hearing, an order ex parte is granted.

If the provisional order is not objected to within 28 days, an order is issued.

2. Issues

The inmate will not incur a debt until a provisional order is issued; this may occur after the inmate has been released.

If an order is received during the sentence and the VCT is informed that the debtor is in prison they may, at their discretion, suspend payments.

If payments are in default, the legislation allows the VCT to apply interest but they may, at their discretion, waive interest if the debtor is in prison.

An arrangement to pay by instalments can be negotiated at any time. If there is a change in circumstances (eg loss of job, illness, imprisonment) a reduction or suspension of payments can be negotiated.
Debts to the VCT are included in bankruptcy. That is, if a debtor enters into bankruptcy debts to the VCT will be cleared. (This is not the case for debts to the ATO, the CSA, the SDRO, the DOH and Centrelink).

For the purpose of bankruptcy, a debt to the VCT exists only when the final order has been issued. Therefore if bankruptcy is applied for before that order is issued, the debt will not be included and will not be cleared.

3. Strategies

**DCS**

At induction provide all inmates with a *Money Matters* problem solving kit, containing information on how orders from the VCT are issued, their right of and grounds for appeal and the steps that can be taken to manage existing VCT debts.

2 weeks after induction hold a support session based on the problem solving kit and if applicable, forward a notification to the VCT and apply for a moratorium on payments and interest.

**VCT**

Provide written information to be included in the problem solving kit.

Institute procedures for supplying and processing notification of imprisonment forms to all NSW Correctional Centres.

**3.2 Inmate Education/Information Provision**

**DCS**

Include a component on VCT debts in the *Money Matters* program.

Include VCT debts in pre-release sessions.

**VCT**

Provide accessible information on VCT debts to all Correctional Centres in NSW.

Assist in designing the VCT component of the *Money Matters* program.

Design and present pre-release session.

**3.3 Policy Development**

**DCS**

Negotiate an MOU with the VCT to include:

- Notification procedures and
- Information provision

**VCT**

Consider notifying defendants at the time of conviction of the possibility of a VCT debt and provide relevant information.
Child Support Agency (CSA)

1. Background

Debts owed to the CSA by prisoners interviewed by the Prison and Debt Project had the highest mean value of all debts owing: 7 prisoners owed an average amount of $22,647 each.

Most CSA debtors are men, although CSA note that they have a small percentage of women payers.

Monthly payments amounts to CSA, excepting the minimum rate noted below, are based on income level.

A minimum assessment rate whereby all CSA payers are liable to pay a minimum of $5 per week was introduced effective from July 1999.

In March 2001, legislative changes were proposed that may require more than the minimum CSA payments to be made on an annual income of $260 or over.

The CSA has been aware of the issue of prisoners' accruing debts to CSA due to non or late notification for some time.

The CSA conducts a prison outreach program in Queensland, holding regular advice sessions and conducting information sessions in Correctional Centres. Demand for assistance has grown, largely by word of mouth, as prisoners pass on to fellow inmates the benefits of clarifying their situation with the CSA.

As at March 2001, the CSA designed a draft notification “package” including a pro forma notification form for use at induction; information on notification and a reply paid envelope. However, action on the notification package is currently on hold, pending the outcome of the proposed legislative changes.

The changes include an ability to create guidelines that may exempt some payers from the $260 assessment. It is likely that the legislation would result in an exemption from the minimum assessment rate for prisoners who have no income or assets other than their prison allowance.

One effect of this proposed change is that an “Estimates Form,” a long and complex document, will no longer be necessary so that the notification will be short and relatively easy to complete.

The CSA has a very well developed resource and communication function and produces many community information booklets, videos and presents at community information sessions. (An example of a CSA publication on budgeting has been provided with the master copy of this document).

Some information from CSA will be valuable to those inmates who are not currently CSA payers but who are currently in a relationship. (See "Family Issues", below)
2. Issues

The monthly amount due to CSA is calculated on the previous years' taxable income. If in the previous financial year an individual had received a much larger income than that on which his payments were assessed, he will in the next year owe the adjusted payments to CSA. Thus, even if incarcerated and receiving no actual income, an inmate could receive payment notices from CSA for at least the difference between his declared and actual income for the previous year.

If CSA is not informed of the imprisonment and the reduction in income level, they will continue to demand payment based on their current income information.

People may enter prison with an existing debt due to past defaults in payment. The amount owed to CSA will increase not only by the monthly payments due but also by additional penalty payments.

2.2 CSA Debt Collection

If payments are in default, CSA will, "at some stage", institute a search for the debtor but CSA has noted that they have experienced difficulties in locating imprisoned debtors.

Even if notified of the imprisonment, CSA will continue to send demands for payment of the debt to the inmate and penalty payments will continue to be added.

The income level on which the monthly payments are calculated must be adjusted by forwarding an Estimate Form to CSA.

However, the CSA, having regard to the payee's expectations of the assessed level of payment, will not backdate changes of assessments but will continue to base income assessments on the last income level notification received and will only alter the assessment level from the date of receipt of notification of change of income.

The payer must apply to backdate the assessment by forwarding to CSA a Change of Assessment form. The form is lengthy and complex.

Adjustments are not automatically granted on receipt of the Change of Assessment form and some further explanation or negotiation may be necessary.

Notwithstanding all of the above, CSA may be able to reduce some debts. They advise debtors to contact CSA and discuss options in relation to debts and penalties.

In 2000, CSA instituted a Correctionals Project in Queensland, with the principal aim of debt correction. In the first month of operation, 14 clients were interviewed at one Centre, resulting in a debt reduction of $17,000.

Services offered to prisoners include client interviews and information sessions at the Correctional Centre or the provision of a contact officer telephone number.

Initial demand for the service from prisoners was high and the CSA envisaged that officers would attend Correctional Centres on a regular basis.
Privacy issues may be an important consideration; for instance, the payer may not wish his ex partner to know that he has an exemption or that he is in jail. Prisons may be reluctant to disclose a CSA debt to a person in authority.

CSA mooted a possible partial solution: to allow for the completion of forms in the Kit to be carried out anonymously, perhaps with the assistance of an instruction video.

If a prisoner was in a relationship prior to imprisonment, his partner might be eligible to apply for the Centrelink Parenting Payment at the single rate, which is $20 per week more than the partnered rate.

They will then have to comply with the maintenance action test by claiming for CSA payments, to receive more than the base rate of Family Tax Benefit. Currently, a partner can claim the $5 per week minimum payment.

However, they can opt to enter into a "private collect" arrangement. CSA will conduct an assessment but will not enforce it. The partner who is claiming support can collect cash, in kind payments or make some other arrangement.

Family members may not be aware of this option.

At induction, provide all inmates with a Money Matters problem solving kit, including information on how CSA debts accumulate and the steps that can be taken to reduce them.

Include in the kit the information for family members.

Provide information for the Money Matters problem solving kit.

Institute procedures for supplying and processing the relevant notification forms to all NSW Correctional Centres.

Two weeks post-induction, ask all prisoners: Are you currently making payments to CSA?

If "Yes", immediately forward an Estimate form to CSA informing them of the imprisonment and reduced income level.

Two weeks post induction ask all prisoners if they have a CSA debt.

Provide the support and assistance to enable inmates who have a CSA debt to complete a Change of Assessment form or to make a request for debt reduction, if the Change of Assessment form is not applicable.

Forward the Change of Assessment form or request for debt reduction to CSA.
Australian Taxation Office

1. Background

A tax return does not need to be lodged in the following circumstances:

- Your annual taxable income in future years will be below the tax-free threshold, ($6000 for 2001-02,) or
- Your only source of income in future years will be a Commonwealth of Australia government pension, or
- You are moving overseas permanently.

The ATO position, judging from various informal communications between the ATO and The Prison and Debt Project, seems to be that in the event of a person who is detained within the State Prison system and is not required to lodge a tax return (see above) it would be beneficial for the Australian Taxation Office to be made aware of the situation so that they may:

- maintain correct records;
- record non-lodgment status of client so demand to lodge may not be pursued for the duration of detention. If, however, previous years have not been lodged then the ATO may continue the process.

The collection of any outstanding taxation debts may be pursued for the duration of detention (subject to capacity to pay) and interest incurred in maintaining a debt will continue to be charged.

2. Issues

Inmates who had been employed before they were taken into custody and who will serve less than a year may be required to lodge a tax return and, particularly if employed on a PAYE basis would probably be eligible for a tax rebate.

Inmates who have been receiving a taxable Centrelink benefit may be required to lodge a tax return.

However, some inmates may be reluctant to notify the ATO of their whereabouts, as many of them will not have lodged a tax return for some time.

There is no official advice from the ATO on whether inmates who have not lodged returns will be penalised.

However, a financial counsellor who was working with inmates for many years notes that he was able to lodge backdated returns without penalties being applied. In all cases the inmate obtained a rebate.

Inmates often do not have ready access to group certificates and have had unstable or erratic employment histories with, in many cases, employers who have since ceased operations.

The tax returns completed with the assistance of the financial counsellor were in the form of a letter to the ATO detailing the inmates' record over the years in which a return was not lodged and were treated by the ATO as an assessment.
3. **Strategies**

3.1 **Preventive**

*DCS*

There are no preventative benefits in early notification of the ATO for those inmates who have not previously or for some time lodged a tax return.

For inmates who have been regularly lodging tax returns, notification of the ATO will be of benefit since it will ensure that they receive the tax return package and can claim whatever rebate is owing or avoid any penalties for late or non lodgement.

At induction, provide every inmate with the problem solving kit, *Money Matters*, including information from the ATO and a notification form.

Within 2 weeks of reception, at the induction follow up interview, ascertain the taxation status of inmate.

Provide appropriate procedures and support to enable the inmate to come to a decision on notification and to complete the form.

Ensure that procedures are in place to ensure that any correspondence to an inmate from the ATO is forwarded to the correct Centre.

*ATO*

Provide information for the inmate problem solving kit on ATO policies and procedures, including information for those who may have paid taxes but not lodged a tax return. (This will be helpful for the majority of inmates only if processes are in place that will assist those inmates who cannot access all group certificates).

If a notification is received, ensure that the tax package is forwarded to the correct address. This may involve ascertaining which Correctional Centre the inmate is currently detained in.

3.2 **Harm Minimisation**

*DCS*

Provide appropriate support to enable inmates who wish to lodge a tax return to do so. If returns have not been lodged regularly, this may be a complex process. Individual interviews with a financial counsellor will be the most effective method of providing support.

If resource restrictions prohibit this intensive use of financial counsellors during the period of incarceration, a two tier approach as sketched below would provide a significant benefit to inmates:

- As part of the *Money Matters* Program and/or the pre release talks, provide information on the benefits of lodging a tax return and answer questions on how differing scenarios may be treated by the ATO.
- Offer to make a post release appointment for the inmate with a financial counsellor.
3.3 Inmate Education/Information Provision

DCS

Provide each inmate with a *Money Matters* problem solving kit, including information on tax.

Ensure that support is offered in a post induction session conducted within 2 weeks of reception.

Include a component on tax in the *Money Matters* Program.

Include a session on tax in the pre-release talks.

ATO

Provide information for the *Money Matters* problem solving pack for inmates.

Provide information for a session on taxation matters relevant to inmates for the *Money Matters* Program.

Prepare and present pre-release information.

3.4 Policy Development

DCS

Negotiate with the ATO to establish protocols that will assist prisoners in lodging tax returns. This may cover areas such as:

- Notification procedures for inmates who have regularly lodged tax returns.
- Procedures for enabling completions of tax returns by inmates from Correctional Centres.
- Procedures for late lodgements, including those having unstable employment histories and incomplete documentation.

Contact Details

Australian Taxation Office

Trina Spelling-Tanner

Client Education & Communication Unit

(08) 9268 5910
Utilities

1. Background

Utility debts include debts for electricity, gas, telephones and water supply.

Debts may be incurred by a failure to notify the utility company at the time of being taken into custody.

Inmates may have existing utility debts.

Debts to telephone companies (including for mobile phone) are common amongst inmates.

Approximately 25% of the prisoners interviewed by the Prison and Debt Project owed money for telephone bills; the average amount owing was $900.

Interest is generally not added to utility debts.

There has been a proliferation of providers following de-regulation, making notification procedures more complex.

The Energy and Water Ombudsman of NSW (EWON) has a policy development and research function and may be able to play a useful role in negotiating agreements with suppliers or in facilitating notification.

The Telecommunications Ombudsman (TIO) may be able to play a similar role.

2. Issues

2.1 Supply

Inmates with utility debts may find it difficult to access services on release as they may be required to provide a security deposit.

This may vary between providers.

2.2 Home Detention

An inmate who cannot be connected to a landline telephone service will not be eligible for home release.

3. Strategies

3.1 Harm Minimisation

DCS

At induction provide inmates with a Money Matters problem solving kit, including information on steps that can be taken to manage utility debts.

Utility Providers

Provide written information for inmates as per any agreement reached.
3.2 Inmate Education/Information Provision

*DCS*

Include a component on utility debts in the *Money Matters* program.
Include utility debts in pre-release sessions.

*Utility Providers*

As per any agreement reached:
- Provide accessible information on utility debts for inclusion in the *Money Matters* problem solving kit.
- Assist in designing the utility component of the *Money Matters* program.
- Design and present a pre-release session.

Note also that the Energy and Water Ombudsman (EWON) or the Telecommunications Industry Ombudsman (TIO) may be able to provide information and presenters.

3.3 Policy Development

*DCS*

Investigate the possibilities (including negotiating with EWON and the TIO see contact list) of involving one or more major utility service providers in an agreement to cover:
- Notification procedures;
- Information provision; and
- Resource Development

*DCS*

Design and organise presentation for a utilities debt component of the *Money Matters* program.
Design and coordinate pre-release sessions on utilities debts

*Utility Providers*

As per any agreement reached:

Produce and distribute information on Utility Debts
Note also that EWON may be able to provide written information.
Contact details

Energy and Water Ombudsman
Clare Petre
Phone: 02 8218 5250  Fax: 02 8218 5233
E-mail: omb@ewon.com.au  Web: www.ewon.com.au

Telecommunications Industry Ombudsman
Karen Garner: Media and Liaison or Bernie Wise: Investigations Manager
Phone: 03 8600 8700
Personal Loans, Store and Credit Card Debts

1. Background

The Prison and Debt Project research found that loans from private sector lenders, including store and credit cards, were significant both in amount and in the numbers of inmates affected: 33% of inmates interviewed owed an average of $5,638 each to private sector credit providers.

The Project also found strong anecdotal evidence suggesting that families are under heavy pressure, both from inmates and from debt collectors, to repay debts that are owed by inmates to private sector lenders.

The Australian Finance Conference Ltd (AFC) is the peak industry body for Finance Companies.

However, the variety of lenders involved and the marginality of some of those who target low income customers mean that attempting to negotiate for industry wide systemic changes or processes may not be the most productive route to pursue.

It may be that one or two major lenders will enter into an arrangement for notification procedures and that these arrangements can, over time, serve as templates for the participation of others.

The AFC should be contacted to discuss which lenders it may be best to approach and what assistance, if any, the AFC can provide.

If support is provided to inmates, perhaps focusing resources on those with high value debts, the legal avenues noted below can be pursued.

In most cases, enabling even the minimum actions of notification, a request for a moratorium and information provision will provide some relief, and a platform from which inmates can continue negotiations post release.

2. Issues

Private sector debts, unless payments are made, will increase during the period of incarceration due to the addition of interest and legal or collection charges.

2.1 Increases in Debts

2.2 Debt Collection

If no payments are made, debt collection activities will continue during the period of incarceration, so that, for instance, vehicles and household goods will be repossessed or goods will be seized under an execution order.

Note that the sums recovered by car or other repossessions very rarely cover the outstanding debt, so that debtors will, while they no longer possess the goods which were the subject of the original loan, continue to owe large amounts on which interest continues to accrue.

Family members are often harassed by debt collectors to repay debts that they may not themselves be liable for.
2.3 Notification

Notification of the debtor’s imprisonment will do nothing of itself to halt increases in the debt.

Notification must be accompanied by a request for a moratorium on repayments and on interest charges.

If the request is not granted and the loan meets certain conditions (see below), a hardship variation can be applied for.

2.4 Hardship Variation

Most personal loans, store and credit card debts are regulated by the Consumer Credit Code.

s66 of the Consumer Credit Code allows consumers to apply for a “hardship variation” on most personal loans, if:

- the loan was taken out after 1 Nov 1996 and was mainly for personal or other domestic use, (that is it was not a business loan) and
- the amount of credit that was provided, or that may be provided under the contract, is less than $125,000. (For further information see the Fact Sheet produced by Redfern Legal Centre at Appendix PL.1)

If the loan was taken out before 1 Nov 1996 it may be covered by the previous State based Credit Act and it may be possible to apply for a hardship variation under those provisions.

Most individuals would find it difficult to make and pursue a hardship variation without assistance.

Applicants apply directly to the Consumer Trading and Tenancies Tribunal, although, in practice they may need assistance to do so.

The Department of Fair Trading can assist in the process although, unlike as provided for in the former Credit Act, they no longer have a formal role in the process.

The Consumer Law Unit of the Legal Aid Commission (LAC) may be able to assist people in custody.

A LAC lawyer has recently made a successful hardship variation application on behalf of an inmate in NSW.

3. Strategies

3.1 Preventative

DCS

On induction include the questions:

Do you have any personal loans?, if yes

Are you able to access details of the loan/s and the address/es of the lender?, if yes

Supply the inmate with the necessary pro formas for notification and request for moratorium.
Note that the possible types of personal loans may need to be listed, as some inmates may not recognise their debts as being a personal loan.

Provide all inmates with the *Money Matters* problem-solving pack, including information on personal loans.

*Finance Industry*

If an agreement has been reached, a participating lender may supply pro formas and information.

Organisations, such as Financial Counselling agencies, the Consumer Credit Legal Centre or Redfern Legal Centre may have developed similar resources and may be able to supply templates.

### 3.2 Harm Minimisation

*DCS*

Two weeks after induction provide all inmates with an opportunity to notify any private sector creditors they may have.

Identify those inmates who may benefit from a hardship variation and provide ongoing support to enable an application to be made.

### 3.3 Inmate Education/Information Provision

*DCS*

Include a component on personal loans in the *Money Matters* program.

Include personal loans in pre-release sessions.

*Finance Industry*

If an agreement has been reached, a participating lender may:

- provide accessible information on debts to all Correctional Centres in NSW;
- assist in designing the personal loan component of the *Money Matters* program;
- design and present a pre-release session.

Note that Financial Counselling agencies, the Consumer Credit Legal Centre and Redfern Legal Centre may be able to supply information and presenters.

### 3.4 Policy Development

*DCS*

Investigate the possibilities (including negotiating with the AFC, see contact list) of involving one or more major finance companies in an agreement to cover:

- Notification procedures and
- Information provision.

Develop procedures for identifying and supporting those inmates who will most benefit from interventions in regard to personal loans.
Contact details

Australian Finance Conference Ltd
Managing Director: Ron Hardacre
Phone: 02 9231 5877

Redfern Legal Centre
Coordinator: Ann Mara (Acting)
Phone: 02 9698 7277

Consumer Credit Legal Centre
Phone: 02 9212 4111
Fax: 02 9212 4711
E-mail: cclc@fl.asn.au

Legal Aid Commission of NSW
Civil Litigation: Senior Solicitor: Stella Sykiotis
Acting Head of Consumer Law Group: Alex Grosart
Phone: 02 9219 5830

Insolvency and Trustee Service of Australia
Executive Director: Peter Lowe
Phone: 02 6270 3404
Banking or Transaction Accounts

1. Background

It is not known how many inmates have current transaction accounts when they are taken into custody, but it is a reasonable supposition that a significant percentage do, since a current account is needed to receive wages or benefit payments.

Many accounts are left dormant during the term of imprisonment, unless the inmate has signed an authority to allow an agent to operate the account on his or her behalf.

An account that is left dormant will continue to attract fees and charges.

Practices on dormant accounts vary between institutions. The Banking Act allows accounts to remain dormant for up to 7 years. In practice, banks may keep an account open but dormant for anything from 6 months to 2 years. Funds remaining are then transferred to the Commonwealth Unclaimed Money Account.

An inmate can request that a transaction account remain open, even though no transactions are being processed.

In order to avoid erosion of funds in a dormant account, an inmate could either:
- transfer the account to a basic banking product which does not have fees or charges or
- request a moratorium on fees and charges, in which case no transactions are allowed.

Transferring an account (eg to a no fee account) or requesting a waiver of fees, usually requires the account holder's signature and full account identifying information, such as the Branch name and BSB numbers and the account name and number.

The Australian Bankers Association (ABA) is the peak industry body for Banks. CUSCAL is the peak industry body for Credit Unions.

The ABA and CUSCAL may be able to facilitate negotiations with member banks and credit unions and may suggest policy changes to their members.

2. Issues

There are obvious advantages for an inmate in retaining their transaction or bank account without losing any funds due to the application of fees and charges, including the use of the account as ID on release and the ability to immediately receive Centrelink payments into an account.

However, inmates may not have ready or immediate access to their account details at the Correctional Centre.

Any agreement on notification made by DCS with financial institutions should include a provision whereby the institution will search for account details on the name of the account and location of Branch only, confirming them with the inmate and then accepting a change of account notification.
3. Strategies

3.1 Preventative

**DCS**

On induction include a question: Do you have or have you recently had a bank account?

The period within which it will be useful to search for dormant but open bank accounts should be clarified with the banks.

If "Yes", obtain as many details of the account as are available and forward a notification to the bank, asking them to search for the account and confirm details with the inmate.

The signature, name and DOB may be sufficient to identify the account holder.

Provide the support needed to enable the inmate to complete the transfer/waiver form.

**Banks**

Institute procedures for supplying and processing account identification forms with all NSW Correctional Centres.

When a matching account is identified, obtain whatever confirmation may be needed to ensure that the account holder is the customer requesting the details.

Forward to the customer the necessary forms for either transferring the account to a no fee account or waiving fees and charges, whichever is the most convenient method enabling an inmate to maintain a suspended bank account at no cost.

Process the forms and forward confirmation of change.

Note the length of time that the current arrangement will remain (Suggest 7 years as per the Banking Act or until notified to the contrary).

3.2 Harm minimisation

**DCS**

Provide Internet access and instruction to all inmates to enable them to check the Commonwealth Unclaimed Monies Fund.

**Banks**

Provide written information for inmates on how to open and use a bank account to minimise fees and charges.

3.3 Inmate Education/Information Provision

**DCS**

Include a component on banking in the Money Matters program.

Include banking in the pre-release sessions.

**Banks**

Provide accessible information on banking to all Correctional Centres in NSW.
Banking or Transaction Accounts

3.3 Policy Development

Assist in designing the banking component of the Money Matters program. Design and present a banking pre-release session, which should include enabling inmates to open a bank account.

DCS

Negotiate an MOU on banking to include:

- Notification procedures, including and
- Information provision

Negotiations should initially be attempted with the ABA and, if resources permit, with CUSCAL.

However, if the ABA and/or CUSCAL are unable to obtain the cooperation of members as a group, it may be necessary to negotiate with individual banks and credit unions.

- The Commonwealth Bank may be the bank with the most inmates as customers.
- The ANZ Bank has an active community grants program and may be the most open to providing resources and enabling procedures.

Institute a procedure for enabling inmates to open a bank account before release. Enable inmates to check the Commonwealth Unclaimed Monies Fund website, searching by their name for any funds due.

Contact details

Australian Banking Industry Ombudsman

Elizabeth Wentworth
Legal Counsel
Phone: (03) 9613 7373

Australian Bankers Association (ABA)

Phone: (02) 8298 0417

Credit Union Services Corporation (Australia) Ltd (CUSCAL)

Ph: 902) 9333 7777

Unpaid Monies

www.osr.nsw.gov.au
Financial Counselling

1. Background

The main source of funding for financial counselling services is through the Financial Counselling Trust Fund. The Fund is administered by a Board of Trustees and supported by the Department of Fair Trading (DFT).

Most financial counselling services offer a series of face to face counselling sessions, each session of one hour or more in duration.

Ideally, financial counsellors will examine all debts to determine whether they are in fact legally owed and will then employ a range of tactics to assist clients in managing any outstanding debts.

The client is also assisted to develop budgeting skills.

Financial counsellors in Victoria, Queensland and NSW have at various times provided services in Correctional Centres including casework and education.

However, none of these services has proved to be sustainable, largely because of difficulties encountered within the prison system, including:

• making appointments;
• accessing clients with whom appointments have been made, for instance financial counsellors report waiting at main gates for 1 – 2 hours only to be told that the prisoner is not available; and
• finding a suitable room in which to conduct a confidential interview.

Financial counsellors report, for instance, being placed in an outside area open to the rain, in areas with no privacy and in busy recreation or library areas.

Some financial counsellors have felt unsafe; one reported that a brawl took place near her while she was interviewing a client in an area that seemed unsupervised.

2. Issues

Many who enter prison already have debts that they cannot repay and do not know how to manage.

Unless preventative measures are taken, debt levels inevitably increase during a term of imprisonment.

Increasing debt levels amongst prisoners can lead to increasing:

• anger or despair;
• family breakdowns during the term of imprisonment and
• absconding.¹

¹ The NSW Inspector General of Corrective Services noted in conversation that the reason most often given for absconding while on work release etc was the impact of debt on family members.
Unpayable debts that are not being managed impact negatively on re-establishment efforts:

- Debts resulting from fines, which many prisoners have, lead to the loss of a drivers licence. This limits employment opportunities and, as many low-income housing areas are isolated and poorly serviced by public transport, can often result in the ex-prisoner re-offending by driving without a licence;
- Debts to the Department of Housing (DOH) and private landlords can limit housing options to more expensive and unstable accommodations;
- Income will be reduced, often by repaying Centrelink debts;
- Poor payment records and debts to utilities can result in the non-supply of these services unless a security deposit is lodged, putting essential services out of the reach of many ex-prisoners or driving them to more expensive options such as mobile phones;
- Home detention will not be granted unless the prisoner has access to a landline telephone service.

Financial counselling casework would undoubtedly relieve many of the debt problems of prisoners and offer the opportunity to make a “fresh start” to those who are motivated to do so.

Providing financial counselling casework to every inmate or even to every long-term inmate may prove too resource intensive.

In addition, as noted above in point 12, financial counsellors have experienced difficulties in offering services in prisons, such that none of them in NSW have been maintained. Barriers to the provision of financial counselling services arise from:

- the necessary security measures taken in Correctional Centres;
- a lack of suitable and available space, (there is high demand for a limited numbers of interview rooms);
- the unpredictable occurrence of incidents that may hinder pre-arranged interviews and
- an attitude amongst some officers that inmates cannot benefit from and do not “deserve” to receive financial counselling assistance, that may find expression in a minimum level of co-operation to financial counselling service providers.

Until these barriers are removed, provision of financial counselling casework to inmates or to selected classifications of inmates, will not, in the short to medium term, be an effective or efficient use of resources.

However, in the long term, a financial counselling service would undoubtedly prove a valuable and synergistic addition to other interventions offered in Correctional Centres.
All barriers to the provision of a full financial counselling service should be fully investigated with a view to implementing solutions.

Options for funding a full financial counselling service in Correctional Centres should be explored.

Prison Welfare Officers (PWOs), if appropriately trained, resourced and supported could offer basic information and refer when appropriate to financial counsellors.

PWOs should not offer financial counselling advice distinct from information for the following reasons:

- The nature of financial counselling is that it involves giving advice in a fiduciary relationship, which can lead to legal liability for inaccurate or misleading advice. Accredited financial counsellors all hold professional indemnity insurance. If a PWO gave misleading or inaccurate advice (for instance, not mentioning the possibility of bankruptcy, or advising bankruptcy in a situation where some disadvantage is experienced) there is a possibility that the PWO could be held liable to pay damages. As a PWO is acting as an agent of the DCS, the DCS could ultimately be held liable.

- An initial financial counselling session takes 2 hours, a time span that PWOs may not be able to allocate.

- Offering financial counselling would place additional demands on the PWO service, already experiencing very high demand.

- PWOs may not be able to assure full confidentiality, or may not be perceived as fully independent and may therefore not gain all the information necessary to give accurate and useful advice.

Some financial counselling advice and assistance may be obtained by ensuring that inmates can access the Credit Helpline and the Consumer Credit Legal Centre telephone advice line. However, some financial issues will be more complex than can be dealt with by telephone advice, either directly to the inmate or via a PWO.

Options for funding and housing one full time position for a prison outreach financial counsellor who will be available to provide detailed advice, advocacy and education functions should be explored.

The above initiatives of providing access to Credit Helpline and of increasing PWOs awareness of financial counselling will lead to increasing demand on existing financial counselling services.

Existing financial counselling services may not be fully trained in awareness of issues for prisoners and their families.

Options for funding for financial counsellor training and for increases to existing services to meet the expected increase in demand should be explored.
Financial Counselling

2.4 Financial Counsellors as Educators

Financial counselling agencies have also, at various times, offered information sessions to inmates.

Financial counsellors should be key advisers in the design of the proposed Money Matters program.

Financial counsellors should also be central in designing and presenting “financial counselling awareness” courses offered to staff.

3. Strategies

Train PWOs and custodial officers in financial counselling awareness, including an explanation of the benefits to their workload and working environment of providing inmates with debt management assistance.

Train PWOs (and custodial officers if appropriate) in basic financial counselling information giving, including indicating those situations when the case must be referred to a financial counsellor.

Offer a session in the Money Matters program on financial counselling, what it is, how it can help, how and when to access a financial counsellor.

Provide written information to all inmates on financial counselling, as above.

3.2 Policy Development

Investigate the systemic and attitudinal barriers to the provision of a full financial counselling service with a view to implementing solutions.

Explore funding options for:

- in the long term, a full financial counselling service in Correctional Centres;
- an increase in demand on existing financial counselling services consequent on inmate access to the CreditLine and increased referrals from PWOs and custodial officers and
- one full time position for a prison outreach financial counsellor who will be available to provide detailed advice, advocacy and education functions.
Contact details

Department of Fair Trading
Brian Given, Deputy Director General
Phone: (02) 9895 0597

The Consumer Credit Legal Centre
CCLC is a community legal centre offering a telephone advice service and limited court or tribunal advocacy for individual debtors.
Coordinator: Karen Cox
Phone: 02 9212 4630 Fax: 02 9212 4711

Creditline: Telephone financial counselling advice
Tony Devlin, Manager
Phone: 02 9951 5512 Fax: 02 9951 5511

Financial Counsellors Association of NSW
FCAN is the peak professional body for financial counsellors in NSW
President: Elizabeth Terry
Phone: (02) 9951 5559
**Miscellaneous Issues**

1. **Bankruptcy**

Bankruptcy is a means whereby debts that cannot be repaid are cleared, allowing debtors to make a fresh start and benefiting both the debtor and the community.

Bankruptcy may be a very useful option for many inmates.

Inmates with sentences of three years or longer may enter into bankruptcy at the start of their sentence and be released with many of their debts cleared.

However, not all debts are cleared by bankruptcy: debts to the State Debt Recovery Office, the Australian Taxation Office, Centrelink and the Child Support Agency are amongst those debts not included in bankruptcy.

The individual's circumstances must be carefully assessed before bankruptcy is entered into, an appointment with a financial counsellor is strongly recommended.

The Insolvency and Trustee Service of Australia (ITSA) produces a useful informational video that would assist inmates in deciding whether to pursue bankruptcy as an option.

It is suggested that all inmates be given the opportunity to view the ITSA video. If inmates then wish to further investigate the option of bankruptcy: for prisoners with a sentence of three years or longer, an appointment can be made for an interview with a financial counsellor; others can be provided with appropriate referral details to enable them to contact a financial counsellor post-release.

2. **Buy Up Shops**

The prices at the prison buy up shops are much higher than those available to the community.

It has been noted that with the introduction of the GST, prices in these shops rose by much more than may fairly have been anticipated or justified.

Buy-up shops could be subject to charges of anti-competitive behaviour and unfair pricing.

It may be worthwhile to check with the Australian Competition and Consumer Commission the legality of the prices at buy up shops.

3. **Trust Accounts**

Interest on prisoners' trust accounts is not paid to the individual inmate.

Anecdotal evidence suggests that accounts are aggregated and treated according to policies set by individual Correctional Centres, often to fund projects that are not for the benefit of inmates (eg table tennis equipment for the officers' recreation room).
The equitable and ethical issues raised are important, as is the fact that inmates are not accessing a potential source of helpful funding.

The interest on aggregated trust accounts could be considerable and could be used to fund projects that assist rehabilitation.

A trust fund board could be established to administer the funds and ensure that the interest paid is maximised and then expended usefully and equitably.

Contacts

Insolvency and Trustee Service of Australia

Executive Director: Peter Lowe; Ph: 02 6270 3404

For Video Orders:

Megan Maher, Executive Assistant
Policy Development Summary

Housing
Ascertained current status of policy of 3 months rental at $5 per week as applied to inmates and if necessary, make appropriate submission to the DOH and the Minister. Maintain a watching brief on the development and regulation of tenancy databases.
  - If appropriate, contact Federal Privacy Commissioner and make representations on the impact of tenancy databases post release.

State Debt Recovery Office
Negotiate with SDRO on debt repayment options and to restore licences on release to those inmates who have a demonstrable willingness and ability to use a license in advancing their rehabilitation. Options may include:
  - Waive debt on the basis that the debtor has no ability to pay.
  - Suspend all recovery actions and repayments until the debtor has the ability to repay (eg has reached a certain level of income).
  - Apply a community service order to repay debt
Suggest that the SDRO suspend all recovery actions for a period (say, 3 months), post release, to allow the debtor to establish a degree of stability.
Approach the NSW Auditor General's Office to obtain information on the upcoming examination of the effectiveness and efficiency of government activities directed towards addressing the problem of unlicensed drivers and unregistered vehicles and consider what input if any could usefully be made.
Approach the Treasurer on the campaign to "get tough" on unpaid debts with a view to ascertaining his views on SDRO debt recovery as regards prisoners.

Centrelink
Obtain a copy of and provide input to the FACS review of the impact of social security law and policy affecting prisoners, other detainees and ex-prisoners.
Consider the following suggested policies when making submissions:
  - Suspension of benefit rather than withdrawal for short-term prisoners or suspension of benefits pending the outcome of a court case.
  - An automatic moratorium on debt repayment in the first three months post release.
Check that current Centrelink policies are appropriate and fully recognised, in circumstances when alternatives to full-time custodial sentences are imposed.

Child Support Agency
Ascertained the current status of requirements for threshold income level payments and consider what action, if any, to take.
Policy Development Summary

**Australian Taxation Office**
Negotiate with the ATO to establish protocols that will assist prisoners in lodging tax returns. This may cover areas such as:

- Notification procedures for inmates who have regularly lodged tax returns.
- Procedures for enabling completions of tax returns by inmates from Correctional Centres.
- Procedures for late lodgements, including those having unstable employment histories and incomplete documentation.

**Personal Loans**
Develop procedures for identifying and supporting those inmates who will most benefit from interventions in regard to personal loans.

**Transaction Accounts**
Institute a procedure for enabling inmates to open a bank account before release.
Inmates should be enabled to check the Commonwealth Unclaimed Monies Fund web site, searching by their name for any funds due.

**Victims Compensation Tribunal**
Submit to the VCT the suggestion that they notify defendants at the time of conviction of the possibility of a VCT debt and provide relevant information.

**Financial Counselling**
Investigate the systemic and attitudinal barriers to the provision of a full financial counselling service with a view to implementing solutions.
Explore funding options for

- in the long term, a full financial counselling service in Correctional Centres;
- an increase in demand on existing financial counselling services consequent on inmate access to the Credit Helpline and increased referrals from PWOs and custodial officers and
- one full time position for a prison outreach financial counsellor who will be available to provide detailed advice, advocacy and education functions.

**Bankruptcy**
To enable bankruptcy as an option: all inmates to be given the opportunity to view the ITSA video. If inmates then wish to further investigate the option of bankruptcy: for prisoners with a sentence of three years or longer, an appointment can be made for an interview with a financial counsellor; others can be provided with appropriate referral details to enable them to contact a financial counsellor post-release.
# MONEY MATTERS: Timelines for Actions

**Actions common across all debts:**

<table>
<thead>
<tr>
<th>Mid sentence or when applicable</th>
<th>1. Attendance at a “Money Matters” Educational Program.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre - release</td>
<td>2. Attendance at a series of pre-release “Money Matters” sessions.</td>
</tr>
<tr>
<td></td>
<td>3. If there are complex or large debts, or debts to CSA and VCT debts, or if the inmate wishes to make a backdated tax return, offer to make an appointment with a financial counsellor for shortly after the release date.</td>
</tr>
<tr>
<td>Transition</td>
<td>4. Ensure that each inmate has relevant referrals to support agencies who have the “Money matters” information pack to enable follow up.</td>
</tr>
</tbody>
</table>

**Action by Creditor**

<table>
<thead>
<tr>
<th>On Induction</th>
<th>Within 2 weeks</th>
<th>Within 3 months</th>
<th>2 weeks Pre-release</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centrelink</td>
<td>If YES to trigger question: Notify C’link to stop payments and request claim form, if applicable</td>
<td>Send in C’link claim form if applicable</td>
<td>Request that C’link revoke any breaches. Ensure that payments will be available</td>
</tr>
<tr>
<td></td>
<td>Provide general written information on C’link benefits, including on benefits for family members</td>
<td></td>
<td>If applicable, make arrangements to pay outstanding debt</td>
</tr>
<tr>
<td>Housing</td>
<td>If YES to trigger questions: Notify DOH to secure premises and obtain reduced rental. Notify private landlord.</td>
<td>Provide information from DOH on options and other housing information including mortgage relief form and information on tenancy databases.</td>
<td>DOH tenants: • Assist to make long term decision re tenancy and notify DOH. Mortgagees: • Assist to complete form Others: • Assist to explore other options</td>
</tr>
</tbody>
</table>


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</thead>
<tbody>
<tr>
<td>Cont:</td>
<td>On Induction</td>
<td>Within 2 weeks</td>
<td>Within 3 months</td>
</tr>
<tr>
<td>State Debt Recovery Office</td>
<td>If YES to trigger question: Notify SDRO to suspend recovery action</td>
<td>Provide with information on SDRO options</td>
<td>Enable inmate to make decision on SDRO options. Notify SDRO</td>
</tr>
<tr>
<td>Australian Taxation Office</td>
<td>Provide information on ATO. If currently making returns, enable inmate to notify ATO and obtain Tax Pack</td>
<td>Enable those inmates who wish to notify ATO to do so.</td>
<td>For those inmates who have a VCT debt and difficulty managing it, offer to make an appointment with a financial counsellor</td>
</tr>
<tr>
<td>Victims Compensation Tribunal</td>
<td>Provide inmate with VCT information</td>
<td>If debt exists at the time, notify VCT and make suitable arrangement</td>
<td>For those inmates who have a CSA debt</td>
</tr>
<tr>
<td>Child Support</td>
<td>Provide information on CSA</td>
<td>Enable inmates to complete relevant forms.</td>
<td>For those inmates who have a CSA debt</td>
</tr>
</tbody>
</table>

17/10/2002
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<tr>
<th>Agency</th>
<th>Timelines for Action</th>
<th>Check that information has been provided to partner and difficulty managing it, offer to make an appointment with a financial counsellor.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cont:</td>
<td>On Induction</td>
<td>Within 2 weeks</td>
</tr>
</tbody>
</table>
| Bank/Financial Institution | Provide all information and relevant forms for keeping account open and avoiding fees. | If has a current transaction account:  
• Notify bank to transfer all accounts to no fees  
If no current account and if arrangements in place with a suitable institution:  
• Enable inmate to open a bank account. |
| Finance Companies/ personal loans | Provide all information and relevant forms | If applicable: Assist in requesting variations. | Enable inmate to search Unclaimed Monies web-site |
| Utilities | If Yes to trigger question: Notify relevant supplier to disconnect | Provide all information and relevant forms | Assist to come to an arrangement to pay outstanding debts. |
Department of Housing - Policy
EST0039A: Absence from Dwelling

Policy

The Department of Housing seeks to meet the housing needs of its clients. When a dwelling is provided for a client, they are expected to live in it.

Tenants need approval from the Department to be away from their home for more than 6 weeks. The Department will approve this if it is satisfied that:

- The rent will be paid
- The property will be looked after, and
- There is a good reason for going away.

If a tenant is away without approval, the Department may terminate the tenancy. We do this to make the dwelling available to other people in need of housing.

For more information on this policy, look in Entitlement, Background and Business Rules.

Entitlement

Tenants may apply to be away from their home and return to it later.

Absences longer than 6 months will generally not be approved. However, they may be approved in unusual circumstances such as pressing compassionate grounds.

Background

Public housing is a scarce resource and a valuable asset for those in need. We maximise the benefit gained from this resource by making sure our properties are used as homes and not left vacant for long periods.

The Tenancy Agreement states that tenants must live in and care for their home. Tenants must apply to the Department to be away from their home for long periods so that we can be sure the rent will be paid and the property looked after. They must apply to be away even if other people stay living in the home. The tenant is the person responsible for meeting the tenancy obligations, not other people who live with the tenant.

The Department recognises that there are a number of circumstances that may require a tenant to be away from their home.

Business Rules

If a tenant will be away from their home for more than 6 weeks, they must tell the Department in writing. The absence must be approved by the Department even if other members of the household remain in the home while the tenant is away.

We will approve the absence if we are satisfied that:

- Arrangements have been made to pay the rent while the tenant is away. The rent may be pre-paid or could be paid through the rent deductions scheme or by direct debit
- The property will be adequately cared for while the tenant is away. The tenant will be responsible for any costs to repair vandalism while they are away, and
- There is a valid reason for going away. Tenants will need to provide evidence to support their application.

The tenant must also tell the Department where they are going and when they expect to return.

Acceptable absences
Acceptable reasons for absences up to 6 months include:

- Caring for sick/frail family members
- Hospitalisation, institutional care, nursing home care or rehabilitation
- Escaping domestic violence, harassment or threats of violence
- Assisting with immigration matters in the country of origin
- Holidays, and
- Employment, education or training.

If a client is going to prison, they can apply to retain the tenancy for up to 3 months. We will consider each case on its merits. If the reason for imprisonment is related to a breach of the Tenancy Agreement, we will commence action to terminate the tenancy.

If the tenant is escaping domestic violence, we will assess them for priority transfer. They will normally receive a transfer within 3 months.

Maintaining tenancy obligations while the tenant is away

For absences over 3 months, tenants should consider applying to transfer the tenancy to another household member, if someone is remaining in the dwelling. See the policy Succession of Tenancy (EST0017D).

Rent

The current subsidised rent will be charged for absences up to 3 months. However, if a sole occupant is in a nursing home or undertaking rehabilitation, a minimum rent of $5.00 per week may be charged. In exceptional circumstances, this may apply to people in prison.

After the first 3 months, usually the full market rent will be charged. However, the Regional Director may vary the rent on compassionate grounds.

Appointing an agent

The tenant must appoint an agent to act on their behalf while they are away. The agent must be over 18 and could be another household member, a family member, friend or solicitor.

The agent will inspect the property regularly and maintain it to the standard stated in the Tenancy Agreement.

If the agent is not currently a member of the household and wants to live in the dwelling while the tenant is away, they must apply to be an additional occupant. See the policy on Additional/Unauthorised Occupants (EST0014A).

Extended absences - longer than 6 months

Absences longer than 6 months will generally not be approved. However, they may be approved in unusual circumstances such as pressing compassionate grounds.

If an absence is not approved, the tenant must relinquish their tenancy.

An application for priority housing may be approved in extreme circumstances, otherwise, the former tenant can join the waiting list.

Unapproved absences

If a tenant leaves their home without telling us, we may consider that they have abandoned the property. This will result in the Department applying to terminate the tenancy and take possession of the property. See the policy on Abandoned Dwellings and Uncollected Goods (EST0011B).

If we discover a tenant has stayed away from their home for more than 6 weeks without telling us, or has stayed away longer than the time the Department approved, we will make reasonable efforts to contact the tenant to clarify the situation. We may:

- Charge market rent on the property from the time we discover the tenant has left, or from the date the approval expired, and
- Take action to end the tenancy. We may take this action even if the rent is paid up and the

property has been looked after. See the policy on Residential Tribunal (REN0020A).

Appealing Decisions or Actions

A tenant can appeal a decision by the Department not to approve an absence from a dwelling. Appeals can be lodged with the Housing Appeals Committee if the first level appeal is unsuccessful. See the policy on Appeals and Review of Decisions (EST0015A).

Date Last Amended: 29/06/00
<table>
<thead>
<tr>
<th></th>
<th>Inner West Team</th>
<th>Canterbury Team</th>
<th>Leichhardt LGA</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of cases per yr</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Notification by</td>
<td>DOCS, if children are involved, or by letter from Correctional Centre (CC) staff.</td>
<td>DOH will investigate if automatic rent deductions from Centrelink cease and may contact the next of kin</td>
<td>DOCS, a relative, CC welfare worker, or by investigating rent arrears.</td>
</tr>
<tr>
<td>Procedure when tenant</td>
<td>Tenant is sent a rent subsidy calculation form in prison and rent is set at $5 per week for three months, backdated from date of imprisonment</td>
<td>Tenant is sent a rent subsidy calculation form in prison and rent is set at $5 per week for three months, backdated from date of imprisonment</td>
<td>Tenant must forward a form or a request in writing to DOH for three months nominal rent and DOH must receive confirmation from the CC in writing of the length of sentence</td>
</tr>
<tr>
<td>incarcerated.</td>
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</tr>
<tr>
<td>After 3 months</td>
<td>Reviewed after 3 months: If sentence longer than 3 months, tenant is asked to relinquish their tenancy</td>
<td>If longer than six months, tenant is asked to relinquish the tenancy</td>
<td>Reviewed after 3 months: If sentence longer than 3 months, tenant is asked to relinquish their tenancy</td>
</tr>
<tr>
<td>On release</td>
<td>Upon release they can apply to the DOH straight away to be placed on a short list to be re-housed immediately.</td>
<td>Upon release they will be re-housed</td>
<td>Tenant has to ask to be re-housed upon release. Re-housing may be delayed as there is no short list. The tenant will not necessarily be granted a tenancy in the same area.</td>
</tr>
<tr>
<td>Care of property</td>
<td>DOH is happy for neighbours or family members to keep an eye on the premises. DOH is aware that friends and family members often stay in the premises and make clear that the occupants have no tenancy rights over the premises.</td>
<td>DOH will go out and check on the premises and is happy for family members to look after the premises.</td>
<td>Tenant can nominate an agent to look after the dwelling</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
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<tr>
<td>friends or family members move in to look after the tenant's children, then these people are usually signed up as additional occupants.</td>
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<td></td>
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<tr>
<td>In some CC it is easy to get messages through to tenants in others it is very difficult.</td>
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<td></td>
</tr>
<tr>
<td>DOH does not send any forms, (eg. for rent subsidy calculation or for succession) to the CC. The tenant has to contact the DOH themselves</td>
<td></td>
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</tr>
</tbody>
</table>
Gold for Intensive Tenancy Management

Intensive Tenancy Management is now known as a Gold-medal winning concept that impresses the NSW Premier, Bob Carr as much as it has impressed clients.

Mr Carr awarded the Intensive Tenancy Management schemes at Bidwill and Minto a gold medal in his Premier's Awards late last year. Intensive Tenancy Management (ITM) is a scheme that involves placing Client Service staff in a site office within an estate. The staff members manage fewer tenancies than those in a regular team and work more closely with tenants to remedy problems that prevent the area from becoming a community. Sometimes there are additional services available, such as a local handyperson to respond to maintenance requests valued under $200. Often local residents are employed as clerical assistants and handypeople. Local residents however are always involved in projects to make the place a better area to live.

Community Renewal is about improving Public Housing estates. Community Renewal Strategies are being implemented on 33 estates across NSW. Community Renewal Strategies involve a package of solutions that always include improved housing management and a greater say by residents in their area. It can also include work to improve houses and open spaces, improved access to services from their agencies, strategies to prevent crime and to improve access to employment opportunities and activities that reduce large concentrations of very disadvantaged people living close together.

To date, Bonnyrigg, Moree South, West Dubbo, Toongabbie, Booragul and Redfern have benefited from ITM. Some effects have included a reduction of vacant properties, less vandalism, lower rental arrears, lower costs of responsive repairs and improved customer satisfaction.

These benefits have been achieved through better relationships between staff and clients. Manager, Community Renewal, Helen Boyton said the fact that staff are "on-the-spot" enables problems to be resolved quickly. According to Helen, the role taken on by tenants of active decision-making results in achievements such as "Graffiti Busters" and community gardens.

"The joint commitment by the Department of Housing and residents motivates everyone to create a community that looks better and feels safer," Helen said.

Are you going away?

Whether you are going on holidays, to hospital or to gaol, you need to know if you must advise your Client Service Officer.

The Department of Housing needs to know if you (the head tenant) will be away from your home for four weeks or more, and you need to know what to do. Below is a checklist for you to make sure your time away from home runs smoothly.

- Apply in writing several weeks before you are due to leave (if possible)
- Explain where and why you are going (overseas, to act as a carer, hospital, nursing home, gaol, escaping domestic violence)
- Appoint an agent - the form is available from your Client Service Officer
- Make sure the rent will be paid while you are away
- Make sure someone can look after the maintenance of your property in your absence (mow and water lawns etc)
- Complete a new subsidy if your agent plans to stay in your property while you are away. The new subsidy will include the income of the tenant, agent and all other household members

If the tenant is being cared for in hospital or a nursing home, they may be eligible for a new subsidy under the Department's minimum rent policy of $5 per week (maximum period of 9 weeks)
THE widespread practice of listing renters as "bad tenants" on national databases will be investigated in an inquiry prompted by claims that many inclusions by landlords were vexatious, inaccurate and threatening.

Hundreds of thousands of people across the nation have been listed on the databases run by private companies that supply information to real estate agents on people applying to rent homes.

Queensland Housing Minister Robert Schwarten told parliament yesterday a parliamentary committee had been set up to examine concerns raised in the report by the Residential Tenancies Authority.

The committee is expected to recommend legislative changes that could flow to other states, particularly NSW, where tenancy advocates have been flooded with complaints about abuses by data-

Another problem was people being unable to access accommodation because of a listing on a database'

bases and the agents who use them.

Mr Schwarten said at least seven major tenancy databases had been operating in Australia since the mid-1980s.

Real estate agents can use the databases to ascertain if would-be renters still owe rent to previous landlords, have caused damage to rental properties or have breached lease agreements.

But Mr Schwarten said the authority had uncovered "inaccurate, vexatious or trivial listings as well as the use of threats to list tenants, refusal to remove a listing or non-disclosure of listings".

"It also found there were unfair or poor operating procedures for databases, which included charging tenants to access information about their listing, breaches of privacy and the lack of an effective dispute resolution procedure.

"Another problem identified was the general one of people being unable to access accommodation because of a listing on a database." That is precisely the problem facing De-Anne Moore, 33, a single mother who is six months' pregnant and desperately seeking a new home for herself and her 10-year-old daughter.

Ms Moore, who will have to leave her home at Morayfield, north of Brisbane, in two weeks because it has been sold, told The Australian she had been unable to find a new home because she was listed on a national database.

She was listed two years ago because she was three weeks behind in her rent.
Customers and Prisons

Project OV 61 trial was started on the Sunshine Coast by obtaining the co-operation of the Queensland Police service who manage the Maroochydore watch house.

The police agreed to hand a pro-forma to customers as they are being processed after arrest, ask them to complete it and have it available for collection by the DPMO at Maroochydore.

A pro-forma was designed and ratified by the Marketing Team. These were printed on Centrelink Border Page forms and supplied to the watch house.

Feedback obtained recently from the Sergeant in charge is that customers were refusing to complete the form and as it is a voluntary action, the police can not force them.

The direction of the project has now changed with the offer of the police to return to Centrelink, any material which is on the person at arrest which may have the Centrelink logo on it. This will include health care cards, SU19s, letters of introduction etc.

The ID Fraud section has made an approach to the Intelligence Unit of Correctional Services Dept. The idea is that officers from CSD who search mail, persons and visitors in prison will also return all Centrelink items upon admission. The savings will be in smaller or total prevention of debts but cases of ID Fraud will also be uncovered.

Debts raised for July 2000 to February 2001

API In Prison/Other Institution
Estimate for full year
409 debts for $243,229
613 debts for $364,843
TO: SECRETARY DEPARTMENT OF FAMILY & COMMUNITY SERVICES (CENTERLINK)

ADDRESS: ........................................................................................................................................ (Local Centerlink office) ........................................................................................................................................ (Type of Benefit) 

FROM: ........................................................................................................................................ (Inmates Name and D.O.B.) ........................................................................................................................................ (MIN#) 

(Address Known to Centerlink) 

SUBJECT: NOTIFICATION OF IMPRISONMENT 

DATE: ........................................................................................................................................ (Of Incarceration Only) 

I..............................................................am in ........................................Correctional Centre, NSW. Please take this as notification that my circumstances have changed. 

Yours Faithfully 

.............................................................. 

Signature
To: Centrelink Prison Liaison  
FAX: 02 9208 2099

Linking Australian Government services

ADVICE OF ADMISSION TO CORRECTIONAL CENTRE

MY DETAILS  CENTRELINK REFERENCE NO (if known) .................
Full Name ........................................ Other Names used ................................
My Date of Birth ..................... My Partner’s Name ........................................
Address prior to admission: Centrelink Payment/s I receive: (tick)
........................................................................ Newstart ☐ Youth Allowance ☐
........................................................................ Family Payment ☐ Parenting ☐
........................................................................ Disability ☐ Other ?
Date taken into custody ..................

CORRECTIONAL CENTRE DETAILS (to be completed by Centre)
Name and address of Centre:- .................................................................
Date first detained ................ Date Transferred to Centre ................
Estimated date of release (if known) .... Health/Conc Card Returned Y/N
Centre Contact Name: ................................ Phone: ................................

Release of Information Consent: -
I .................................................. DOB ........ notify Centrelink of my admission. I would like any outstanding payments paid into my usual bank account. Please forward any further Centrelink Correspondence to the below address.
Address ................................
........................................................................
........................................................................

Newstart & Youth Allowance Job Seekers only: -
To allow Centrelink to make any outstanding payments to your account, please tick the appropriate box and provide any information required to complete your claim. Application must be completed in full including job search efforts.
☐ Please forward a duplicate ‘Application For Payment’ form and any further correspondence to the above address.

ALL INMATES:- Signature: .................. Date: ........ / ....... /........

Important: The attached information is strictly confidential. If you receive this fax and are not the intended recipient, please contact the sender by telephone (reverse charges if necessary) or call (02) 6244 7219. Unauthorised use or disclosure of the attached information is prohibited by several Commonwealth Acts of Parliament and is an offence carrying penalties, on conviction, of up to 2 years in gaol and/or a fine of up to $12,000.
Ms Anne Stringer  
Manager, Prison and Debt Project  
CRC Justice Support  
174 Broadway  
(cnr Shepherd Street)  
Broadway NSW 2007

Dear Ms Stringer,

PRISONER AND RELEASED PRISONER CONSULTATIONS

Thank you for letter dated 26 March 2002 to Ray Jeffery about the Prisoner and Released Prisoner Consultations held in Sydney in February last year. Mr Jeffery is now involved in a different area of this Department’s work. I took over responsibility for labour market policy issues (including this project) in the middle of last year.

The consultations were part of a review of the impact of social security law and policy affecting prisoners, other detainees and ex-prisoners. Consultations were carried out in Sydney, Adelaide and Canberra with community and government organisations.

A draft report is being prepared and not yet available for circulation.

Thank you for your interest in this issue and for your contribution to the consultations.

Yours sincerely

Robyn Bradley  
Director  
Newstart Programs Section  
03 April 2002
Mulawa Fine Summary:

<table>
<thead>
<tr>
<th>Breakdown</th>
<th>NOS</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATSI</td>
<td>9</td>
<td>20%</td>
</tr>
<tr>
<td>NESB</td>
<td>4</td>
<td>9%</td>
</tr>
<tr>
<td>Can Drive a car</td>
<td>36</td>
<td>82%</td>
</tr>
<tr>
<td>Can't drive a car</td>
<td>8</td>
<td>18%</td>
</tr>
<tr>
<td>Has had a driver's license</td>
<td>19</td>
<td>43%</td>
</tr>
<tr>
<td>Never had a driver's license</td>
<td>25</td>
<td>57%</td>
</tr>
<tr>
<td>Has driven without a license</td>
<td>33</td>
<td>75%</td>
</tr>
<tr>
<td>has never driven without a license</td>
<td>11</td>
<td>25%</td>
</tr>
<tr>
<td>Does not have a current license</td>
<td>38</td>
<td>86%</td>
</tr>
<tr>
<td>Has a current license</td>
<td>4</td>
<td>9%</td>
</tr>
</tbody>
</table>

What happened to those who had a license

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ran out</td>
<td>3</td>
<td>16%</td>
</tr>
<tr>
<td>Suspended</td>
<td>6</td>
<td>32%</td>
</tr>
<tr>
<td>Cancelled</td>
<td>6</td>
<td>32%</td>
</tr>
<tr>
<td>Current</td>
<td>4</td>
<td>21%</td>
</tr>
<tr>
<td>Have outstanding fines</td>
<td>32</td>
<td>73%</td>
</tr>
</tbody>
</table>

(Some have more than 1 type of fine)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Driving fines</td>
<td>23</td>
<td>56%</td>
</tr>
<tr>
<td>Other fines</td>
<td>18</td>
<td>44%</td>
</tr>
</tbody>
</table>

Can't pay fines

<table>
<thead>
<tr>
<th></th>
<th>31</th>
<th>97%</th>
</tr>
</thead>
</table>

Inside for driving offence

<table>
<thead>
<tr>
<th></th>
<th>6</th>
<th>14%</th>
</tr>
</thead>
</table>

Would like to get a license

<table>
<thead>
<tr>
<th></th>
<th>37</th>
<th>97%</th>
</tr>
</thead>
</table>

(% of those who don't have a current license)

PRISON AND DEBT PROJECT

APPENDIX

SD.1
### Mulawa Fine Summary:

**TOTAL NUMBER OF RESPONDENTS: 44**

<table>
<thead>
<tr>
<th>Breakdown</th>
<th>NOS</th>
<th>%</th>
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</tr>
<tr>
<td>Has a current license</td>
<td>4</td>
<td>9%</td>
</tr>
</tbody>
</table>

### What happened to those who had a license

- Ran out: 3 (16%)
- Suspended: 6 (32%)
- Cancelled: 6 (32%)
- Current: 4 (21%)

### Have outstanding fines

- 32 (73%)

*(Some have more than 1 type of fine)*

<table>
<thead>
<tr>
<th>Fines</th>
<th>NOS</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driving fines</td>
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<td>56%</td>
</tr>
<tr>
<td>Other fines</td>
<td>18</td>
<td>44%</td>
</tr>
</tbody>
</table>

### Can't pay fines

- 31 (97%)

### Inside for driving offence

- 6 (14%)

### Would like to get a license

- 37 (97%)

*(% of those who don't have a current license)*

JULY 2002
Wage docking to recoup $460m in due fines

By Robert Wainwright, State Political Correspondent
April 18 2002

Fine evaders will have their wages docked under a renewed campaign by the NSW debt recovery office to recoup $460 million in outstanding penalties.

The crackdown, to begin on June 3, was set in motion by the Treasurer, Michael Egan, yesterday after the NSW Audit Office revealed that just one in three outstanding fines were collected by the State Debt Recovery Office.

"It's time to get tough with offenders who won't pay," he said.

In its report tabled in Parliament yesterday, the Audit Office found that about 2 million fines worth more than $460 million remain uncollected, and $334 million of this was "unlikely" to be recouped.

The fines targeted for collection are for traffic and parking offences, fare evasion on State Rail and NSW buses, pollution, and avoiding voting in local, state or federal elections.

The Audit Office report said the debt recovery office needed to use all the sanctions available to it, including seizing wages, imposing garnishees against property titles, the use of court summonses and Community Service Orders.

A spokesman for the Audit Office, Stephen Horne, said existing sanctions, which include cancelling drivers' licences and seizing property, were not working on their own.

"Despite their efforts, two out of three unpaid fines don't get collected," he said.

"Just a 1 per cent improvement in that would get $3.3 million, which would go a long way towards funding a new hospital, a new school."

The debt office collects fines and debts owed to the three tiers of government: federal, state and local agencies.

In 2000-01, the office collected $90 million in
outstanding fines, but $460 million remained outstanding, much of it from offences committed more than 15 years ago.

The Audit Office warned that unless the agency lifted its performance, people would continue to resist the payment of fines.

"Until these problems are fixed, the credibility of the fine enforcement process and people's willingness to pay outstanding fines will continue to be undermined," the report stated.

The Leader of the Opposition, John Brogden, believed docking people's wages was "too harsh" a measure.

"I don't support that avenue of garnisheeing people's wages," he said. "This is not a matter of how you get the money, this is a matter of how the money was lost in the first place."

The report also revealed that:

- In 2000-01, the debt office collected $90 million in unpaid fines at a cost of $12 million.

- The recovery rate for unpaid fines is just 32.7 per cent.

- About 20 per cent of issues received by the debt office need to be manually checked to ensure that enforcement action is taken against the correct person at the most recent address.

- The office has no powers to take enforcement action for Commonwealth offences nor against people who live interstate or overseas.

"Many of the factors which inhibit [the debt recovery office's] ability to collect unpaid fines are beyond its control," the report said.
AUDITOR-GENERAL’S PERFORMANCE AUDIT TOPICS FOR 2002-03

Auditor-General Bob Sendt today released his provisional list of performance audit topics to start in 2002-03. [See list attached]

“Performance audits are special in-depth assessments of value-for-money in government agencies and activities. We know that Parliamentarians and the public look to our performance audit reports for their independence and the issues they raise.”

“The 2002-03 program is our most ambitious to date. The list covers important topics in a wide variety of government agencies and endeavours.”

“In the past we’ve released around 12 reports each year. But next year we’re aiming to start 16 audits because we believe they are an essential part of holding governments accountable for their actions.”

When Will the Reports be Released?

The program shows the audits we intend to start in 2002-03. Because of the time and resources each audit takes, they can’t all be started at the same time. While most of the 2002-03 audits will be released by June 2003, some will still be underway at that time. (Similarly, 4 of the audits we started in 2001-02 will be finalised after this June.)

The attached program lists proposed audits in approximate completion order. However scheduling is subject to change if we believe that priorities have altered. Once an audit is started, we show an indication of its likely release on our web-site at www.audit.nsw.gov.au.

If you would like to receive e-mail notifications a few days before each report is tabled, contact Barry Underwood on 9285-0020 or at barry.underwood@audit.nsw.gov.au.

How are the Topics Chosen?

Each year we get dozens of suggestions - from MPs, lobby groups, employees in government agencies and from the public. We welcome these suggestions as they often indicate areas of real concern.

We look at a number of criteria in deciding which topics to pursue, for example -

- the level of expenditure on the activity to be reviewed
- the potential for our audit to improve service levels or generate savings
- whether our findings may apply in other government agencies
- what other reviews have been done recently on the activity
- what resources we need to undertake the review
- whether our overall audit program of is balanced from year to year across all major areas of government activity.
<table>
<thead>
<tr>
<th><strong>Unlicensed Drivers / Unregistered Vehicles</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlicensed drivers and unregistered vehicles are a known road safety problem. The aim of this audit is to examine the effectiveness and efficiency of government activities directed towards addressing this problem.</td>
</tr>
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<table>
<thead>
<tr>
<th><strong>RTA Electronic Service Delivery</strong></th>
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<tbody>
<tr>
<td>Electronic Service Delivery (ESD) has been a key priority for implementing e-government in NSW. Providing services to customers and the community in an electronic format presents many challenges. The services must be the ones people want. And services must remain accessible to everyone. The process which customers go through must be efficient, but also secure and reliable. This audit will examine these aspects of ESD through a case study of a major customer service agency, the Roads and Traffic Authority.</td>
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<thead>
<tr>
<th><strong>Millennium Train</strong></th>
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<tbody>
<tr>
<td>The Millennium Train Project represents the acquisition of a major long-term asset with considerable financial and performance implications for the State's passenger rail services. The audit will examine the economy, efficiency and effectiveness of the management of the project.</td>
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</tbody>
</table>

<table>
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<tr>
<th><strong>Controlling Ovine Johne's Disease</strong></th>
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<tbody>
<tr>
<td>The audit will examine NSW Agriculture's management of the Ovine Johne's Disease (OJD) program. OJD is a sheep wasting disease and is prevalent in south-eastern NSW. It affects about 10% of sheep flocks. The NSW sheep industry has a gross annual production of $1.2 billion.</td>
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</tbody>
</table>

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<tr>
<th><strong>Central Corporate Services Unit (CCSU)</strong></th>
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</thead>
<tbody>
<tr>
<td>The CCSU was established to achieve efficiencies in the delivery of corporate services for selected agencies and enable those agencies to better concentrate on their core business. The audit will examine the arrangements in client agencies to manage the relationship with CCSU and the efficiency and effectiveness of corporate services CCSU provides to its client agencies.</td>
</tr>
</tbody>
</table>
Why is the List Provisional?

There are many reasons why we need to review our proposed audits regularly. New topics are always arising that call for our attention. Existing topics may become more urgent, or we may see that the agency has addressed the issues without our audit. Sometimes we start an audit and find that it's more complex than we thought and we have to allocate more staff.

Because we only have limited resources to carry out performance audits, any one change can have flow-on effects to the rest of our program.

What are Performance Audits?

Our financial audits look at the accuracy of agencies' annual financial reporting. We carry out this role in each government agencies each year.

Performance audits build on our financial audit role by reviewing whether taxpayers' money is being spent efficiently, effectively and in accordance with the law.

Because of the resources involved in each performance audit, we are limited in the number we carry out each year.

Each performance audit takes from 6 to 9 months to complete. We carry out extensive research at the beginning of the audit. This ensures that we understand the issues and can learn from any other reviews that have been carried out on the topic, both in Australia and overseas. During the audit, we consult extensively with the government agencies we are reviewing. This ensures that we get the facts right and our conclusions are soundly based. Final draft reports are given to the agency so we can include its response to our findings in the report tabled in Parliament.

More Information?

Our role is to report to Parliament, so we can't divulge any of our findings before our reports are tabled.

However if you would like further information about the scope of a particular audit or its progress, or if you have any information you believe could be useful to us, contact Tom Jambrich, Assistant Auditor-General (Performance Auditing) on 9285-0051 or at tom.jambrich@audit.nsw.gov.au