

Nearly 44,000 Australians are owed Centrelink refunds. Some died without knowing

Services Australia told SBS News they've refunded \$2.9 million to just 338 of the 44,000 people potentially owed money.



Services Australia said they faced challenges refunding the money owed, including that some recipients had since died.

Source: AAP / Darren England

Centrelink has refunded only 338 of the 44,000 people who overpaid their debt to the social services provider, with Services Australia confirming to SBS News the total amount refunded is already at \$2.9 million.

Around 2,700 people who were owed refunds died before the problem was identified, a Senate estimate hearing was told.

Chris Birrer, deputy chief executive officer for payments and integrity at Services Australia, said at Senate estimates on Tuesday that they were alerted to an issue regarding repayments around March this year by internal staff.

"These instances go back to 2007. There's a range of cases, with a certain cluster around the period from 2017 to 2019," he said.

As reported by Guardian Australia in October, Services Australia said the problem was caused by a procedural error around automatic deductions, and not related to the widespread robodebt scheme currently subject to the biggest class action in Australian history.

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Birrer said on top of those refunded, a further 111 cases were found not to be owed money.

A spokesperson for Services Australia told SBS News they began contacting people impacted in late October 2025, but have been undertaking a thorough investigation since March to ensure "clarity and certainty" for customers.

But as more details were revealed on Tuesday about the challenges Services Australia had faced returning the money, Greens spokesperson for social services, Penny Allman-Payne said she was "flabbergasted" so little progress had been made.

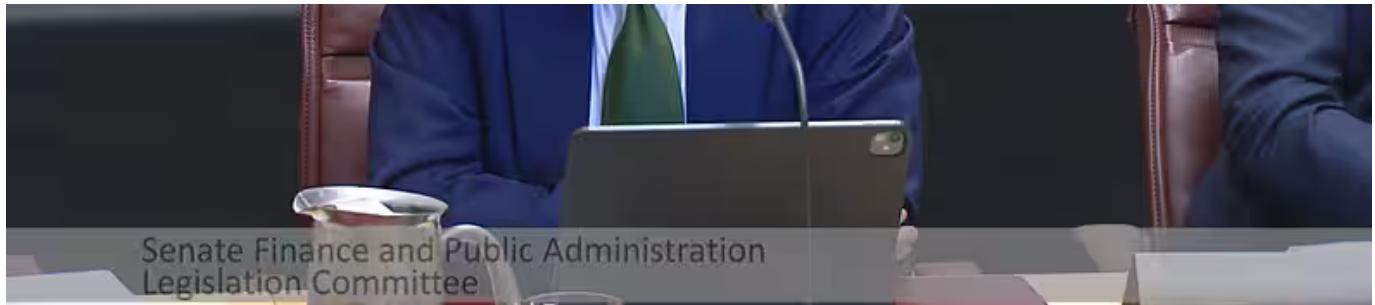
Some owed more than \$5,000

Birrer told estimates that around two per cent of people who overpaid, or around 880 people, were potentially owed over \$5,000.

The average amount already paid to the 338 who have received money is around \$8,579 each.

Another roughly 31 per cent, around 13,000 people, were owed anywhere between \$51 and \$500.





Deputy CEO at payments and integrity group at Services Australia, Chris Birrer, told Senate estimates they were alerted to the issue in March. Source: Supplied

A further 28 per cent overpaid between \$1 and \$50, with the remaining 22 per cent owed \$1 or less.

He explained they were tackling the higher amounts first.

"We've done a phased approach starting with the high-value potential overpayments, so people out of pocket the most are getting quicker service from us," he told Senate estimates.

Many of the overpayments were from people receiving the aged-care pension, and around 2,700 had died before the problem was identified.

In that case, Birrer said, they were still attempting to return the money to families of the deceased.

"We do attempt to contact estates and executors and beneficiaries, and that's a standard process."

'Flabbergasted' at the delay

Allman-Payne told Birrer she was "flabbergasted" at how long it was taking Services Australia to pay the money they owed.

In response, Birrer explained that their systems are "large and complex".

For some cases, he said, officers learn the recipient has already been refunded, but the payment "was not recorded in a way that was evident in the customer's record".

A spokesperson for Services Australia told SBS News that it's "essential" to do due diligence, and that this has taken time.



Greens senator Penny Allman-Payne said it was "beyond belief" for a government department not to notice the mistake for nearly twenty years. Source: AAP / Mick Tsikas

In a statement to SBS News, Allman-Payne said it was "beyond belief" that a government department could have wrongly taken money for two decades and not know about it.

"The welfare system is full of holes like these because Labor and the Liberals have spent decades harassing welfare recipients, rather than making sure the public service takes them seriously," she said.

While Services Australia couldn't provide a firm timeline for fixing the problem, a spokesperson told SBS News more than 60 per cent of those impacted are not current customers.

"We are only able to make refunds to people we have current bank account details for or can successfully contact," they said.