Australian Council of Social Service

21 March 2017

Committee Secretary
Senate Standing Committees on Community Affairs
community.affairs.sen@aph.gov.au

Dear Committee Secretary

Re: Design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative

Thank you for the opportunity to participate in this inquiry. ACOSS is a national voice in support of people affected by poverty, disadvantage and inequality. Our vision is for a fair, inclusive and sustainable Australia where all individuals and communities have the opportunities and resources they need to participate fully in social and economic life.

We are greatly concerned by the continuation of the automated debt collection program or Online Compliance Intervention (OCI, but referred to in this submission as 'the program'). The program is one of the most significant failures in government administration in recent history and has caused extensive distress and human suffering. Income support is a critical piece of social and economic infrastructure that prevents destitution, providing a safety net for when people need it and most of us will receive some kind of income support at some stage of our lives. This program, however, has treated people who have received an income support payment with disregard, as second-class citizens. The program has contributed to the demonization of people in receipt of income support. It may also discourage people from accessing income support because of a fear that they will be forced into paying a debt they do not owe.

People affected by the program have experienced depression, anxiety, fear, frustration and financial hardship. People have contacted ACOSS telling us that they feel suicidal as a result of this program. People have also told us about how the program has disrupted their lives as they try to address discrepancy notices and subsequent alleged debts, including taking time off work, spending large amounts of time on the phone to Centrelink, going into Centrelink offices to only be turned away and trying to navigate the online portal. The program is an abuse of government power and we call on the Committee to recommend it stop immediately to prevent further harm.

ACOSS agrees that it is appropriate for Centrelink to recover monies from people where there has been an overpayment, as long as the debt recovery process is fair and humane. This submission sets out some of the pre-conditions that need to be in place to meet that test.

There must be robust checks and balances in place, including human involvement, to ensure that debt recovery action is not taken against vulnerable people and there must be recognition that many people affected by this program will be financially disadvantaged. Centrelink's process of debt recovery must be redesigned so that it is fair, accurate and humane and treats people with respect.

In our submission we outline the major flaws and specific concerns we have with the program and put forward a number of recommendations to address these below.

Recommendations for how to help people currently affected by the program:

- Government must immediately stop the Online Compliance Intervention program.
- There must be an independent review of all alleged debts raised by the OCI that are under repayment or have been repaid to assess whether they are owed and, if so, whether they are accurate. This should include review of the 10% recovery fee.
- The Department must automatically stop recovery of a debt where it is under reassessment, review or appeal.
- The Department must not apply the 10% recovery fee and must refund it to people who have already paid it.
- Government must work with the banking industry to waive fees for retrieval of bank statements for people who need to provide evidence of income to Centrelink.
- Government must allow people to access advance payments where they have an alleged debt.
- Government and the Department must not publicly release people's protected information under any circumstances.
- Government must assure people who have received a Centrelink payment that their information and identity will be protected.
- Government must immediately release all policies, protocols and other documents that relate to the OCI program.
- Government must release information on the percentage of OCI debts where a review or reassessment has been requested, and where the debt has been changed for each stage of reassessment and review.
- Government must reverse planned funding cuts to Community Legal Centres and properly fund Community Legal Centres and Legal Aid Commissions that assist people with social security issues, including programs such as the OCI (with proper assessment of the impact on demand of new programs).
- Government must restore Centrelink staffing levels to adequate levels. Centrelink staff must be involved in the assessment of potential debts, and to be able to respond in a timely way people adversely affected by Centrelink decision.
- Government and the Department must treat anyone affected by the program with respect and dignity.

Recommendations for a redesigned system of debt recovery:

- The Minister must convene a roundtable of social security experts and stakeholders of people accessing Centrelink services, from outside of government, to develop a properly resourced engagement process to redesign a new system of debt recovery that:
    - uses the benefits of appropriate data matching in the interest of social security recipients, as well as Centrelink, and

    - is fair, accurate, easy to understand and humane.
- The Department must ensure that there is human oversight in any future system of debt recovery to ensure that the detection and calculation of debts are accurate.
- The Department must hold the onus of proof that a debt exists and not the alleged debtor.
- The Department must provide clear and easy to understand information about its debt recovery program on Centrelink's website and on correspondence sent to people receiving discrepancy and alleged debt notices.
- The Department's debt recovery action must comply with consumer law.
- The Department must confirm that an alleged debtor has no vulnerability before issuing the person with an alleged debt.
- Government must ensure complete transparency in a redesigned system.
- Government must collect and make public relevant data, including appeal numbers and numbers and percentages of decisions changed on reassessment, review or appeal.

Recommendations for future programs affecting social security recipients that use automation

- Government must design a properly resourced engagement, governance and design process which includes key stakeholders so that future programs (such as the Welfare Payment Infrastructure Transformation) are co-designed to ensure potential issues are addressed before the program is launched.
- Government must ensure there is adequate testing and risk assessment of the program before launch and the results of these should be made public.
- Government and the Department must ensure there is human oversight of the administration of social security payments to mitigate the risk of error. The complexity of the social security system, as recognised by the Department, necessitates the involvement of Centrelink staff to ensure it is complying with social security law.

Overview of the program's major flaws

The government failed to consult appropriately with key experts in the area. ACOSS made clear to government when the program was first mooted in June 2016 that, if poorly designed, such an approach to debt recovery would cause substantial hardship. We were not consulted about the design of the program or made aware of the progress of its development prior to its full launch in November 2016. As far as we know, consultations with stakeholders appear to be cursory at best. We believe that if proper consultation had taken place prior to the launch of the program with experts in social security administration, including ACOSS, National Social Security Rights Network and Legal Aid, many of its fundamental flaws could have been prevented before it was unleashed on real people.

The automated program as resulted in a massive communication failure that has caused significant distress and seen people chased by debt collectors without having any contact with Centrelink about the debt. Since November 2016, an average of 20,000 discrepancy letters have been sent out each week advising the recipient that there is a discrepancy between Centrelink and Australian Tax Office

(ATO) information, and inviting them to update their details. Previously, the Department only sent 20,000 letters a year because human beings would check the details of any potential overpayment before contacting the person concerned.[1] Thousands of these letters have been sent to incorrect addresses or to myGov accounts that have gone unchecked. As a result, many people never received these notices and ended up getting an alleged debt. Often they were first made aware of the debt because a debt collector had managed to contact them (something that Centrelink failed to achieve). The lack of human involvement in the program has meant that Centrelink no longer abides by many of its own procedures and processes in the detection and recovery of overpayments (discussed further below).

There has been no broad public information campaign about the program despite its scale. Communications from the Minister have had the effect of scaring people into paying alleged debts without challenge or confirmation. On 5 December 2016, the Minister for Human Services Alan Tudge appeared on national television to discuss Centrelink's 'welfare crackdown'. The Minister stated: "we'll find you, we'll track you down and you will have to repay those debts and you may end up in prison".[2] The story went on to discuss the automated debt recovery program. At this stage, thousands of people had been sent discrepancy notices. Consequently, many people who received a discrepancy or debt notice believed that they could go to prison as a result. This has caused enormous and unnecessary stress and anxiety amongst people affected. The Minister did not correct the record to say that if you have a debt, you will not go to prison and that prison terms are largely reserved for people who have committed an indictable offence. Such cases are rare: in 2015/16 the Commonwealth Director of Public Prosecutions (CDPP) dealt with 29 defendants facing indictable charges referred by Centrelink.[3] The same figure applied in 2014/15.[4]

The release of Centrelink recipients' protected information to journalists is particularly concerning and sets a dangerous precedent. It sends a clear message to Centrelink recipients, past and present: your information may be released and used against you in the public domain if you dare to question Centrelink's actions. The Minister has released private information about at least one Centrelink recipient to the media without their knowledge. The Minister justified this on the basis of it being in line with the purpose of the social security law, claiming that part of the purpose of the law is to

[1]The Hon Alan Tudge, Minister for Human Services (2016) 'Media Release: New technology helps raise $4.5 million in welfare debts a day' 5 December https://www.mhs.gov.au/media-releases/2016-12-05-new-technology-helps-raise-45-million-welfare-debts-day

[2]A Current Affair (2016) 'Government pin hopes on automated welfare debt recovery system to claw back $4 billion' http://www.9news.com.au/national/2016/12/05/19/14/government-pin-hopes-on-automated-welfare-debt-recovery-system-to-claw-back-4-billion#t3ctIa967CuuWLHE.99

[3] Commonwealth Director of Public Prosecutions (2016) 'Annual Report 2015-16' https://www.cdpp.gov.au/sites/g/files/net2061/f/0086_2016%20Annual%20report_v28%20web.pdf p.33

[4] Ibid. (2015) 'Annual Report 2014-15' https://www.cdpp.gov.au/sites/g/files/net2061/f/15205%20CDPP%20Annual%20Report%202014-15_web_accessible_FINAL.pdf p.78

maintain confidence in, and the integrity of, the system.[5] We are deeply disturbed that the government is using such a broad interpretation of section 202 the *Social Security (Administration) Act 1999* to release personal information in an attempt to hose down criticism of the government's approach to debt recovery. Irrespective of the legality of this privacy breach, the Minister's decision to release such information was unethical and unjustified.

The government has exercised a campaign of fear in the implementation and defence of this program, from threatening people with jail if they have a debt to releasing private information to the media if they have spoken out about their treatment. We are greatly concerned that these actions will discourage people from undertaking their civic right to contribute to this inquiry and speak out about poor operation of a program. We call on the government to provide assurances to people affected by the program and their families that their information will be protected if they provide evidence to this inquiry.

Specific concerns with program

1. **Inaccurate assessments of overpayments because of crude data matching (relates to terms of reference a, e, and g)**

The program does not, on its own, collate sufficient evidence to make an accurate assessment as to whether a debt is owed and, if so, how much is owing. There are consistent reports that the system is detecting a debt by averaging out annual income over 26 fortnights without assessing how much was earned each fortnight (if any) whilst the person received a Centrelink payment. This is apparently happening where the person's employment is recorded as being across one year, which is often how the ATO records employment periods. There are also reports of doubling of income where the employer name provided to Centrelink is marginally different to that given to the ATO. This is leading to false notices of overpayment. At least 49,000[6] inaccurate discrepancy and debt notices have been generated as a result, wasting recipients' and the Department's time and resources as well as causing much unnecessary stress and anxiety amongst people affected.

When the Department was manually assessing debts, staff had to "examine the available evidence, determine if an overpayment has occurred, and whether a recoverable debt exists". Staff also had to 'undertake a full investigation of the customer's circumstances to ensure that the debt is raised for the correct amount, period and reason'.[7] Often this would involve contacting employers to verify income earnings. Under the program, the Department seemingly no longer needs to ensure there is evidence of overpayment and that their records are correct. The investigative steps by Centrelink

[5] The Hon Alan Tudge, Minister for Human Services (2017) https://www.mhs.gov.au/media-releases/2017-03-02-media-statement

[6] This includes 36,345 discrepancy notices that resulted in no debt, 2,875 debt notices that were reduced to zero, 5,563 debt notices waived or written off, and 4,295 that were reduced between July and December 2016.

[7] Department of Human Services 'Gathering and substantiating information when investigating debts' http://operational.humanservices.gov.au/public/Pages/debts/107-02040010-01.html

staff have been removed and it is now up to people targeted to investigate whether or not a debt is owed and if it is, whether the amount is correct.

It is also unclear whether debts that resulted from administrative error are being captured by the program. Where this has happened, it may be near impossible for the person to prove they do not have a debt because it appears that people are having to identify why the debt may have arisen rather than Centrelink identify the reasons for the debt.[8] Normally, Centrelink would need to consider whether a waiver was necessary if the debt arose from a mistake that Centrelink made.[9]

2. The error rate (relates to term of reference g)

Little information has been released about the error rate of the program but the information we have indicates an unacceptable error rate. We are also concerned that people will pay or have paid a debt they do not owe or a debt higher than what they owe, and this is not captured by the error rate calculations available to us. We do not know what risk assessments were completed and what the projected error rate was before the program was launched.

We do know that 36,345 initial notices sent to people between July and December 2016 resulted in no debt after their information was updated, which represents 16% of notices issued by December 2016.[10] The government released data showing that around 10% of alleged debts raised between July and December 2016 were either reduced to zero (2,875), waived or written off (5,563) or reduced but not to zero (4,295).[11]

What we do not know is the actual error rate for discrepancy notices and subsequent alleged debts because we do not know how many people have paid an incorrect debt without question, especially in light of the Minister's scare tactics discussed above. It is probable that this is significantly higher than the error rates discussed here. The Minister has failed to provide answers to the requests for this information that ACOSS put to him in letters and a meeting in December 2016 and January 2017.

However, on the basis of the limited information we have, of the initial discrepancy notices issued in the last six months of 2016, 22.5% resulted in no debt owing or a debt lower than what was claimed. Such a substantial error rate should not be tolerated in any government program, but particularly not in one that automatically raises debts against people who have received Centrelink payments.

[8] Knaus, Christopher (2017) 'Centrelink staff told not to fix mistakes in debt notices – whistleblower' https://www.theguardian.com/australia-news/2017/jan/19/centrelink-staff-told-not-to-fix-mistakes-in-debt-notices-whistleblower

[9] Department of Human Services 'Investigating Centrelink debts' http://operational.humanservices.gov.au/public/Pages/debts/107-02040000-01.html

[10] Department of Human Services (2017) 'OCI Information and Statistics'

[11] Ibid.

In addition, these data do not show the number of debts that have been reduced, including to zero, on appeal. There may also be reassessments and reviews still pending which would not be captured by these data.

3. Routine imposition of 10% recovery fee (relates to terms of reference a and k)

97,294 people affected by the program have had the recovery fee applied between July and December 2016, comprising 78% of alleged debts raised.[12] There is no data on the proportion of manually calculated debts attracted the 10% fee. However, unlike previously, the Department is applying the 10% recovery fee without discussion of the alleged debt with the person concerned. Instead, the Department now expects people to provide information via the online portal which may be used in determining whether a 10% fee is applied. This is despite the Department's regular debt recovery guidelines requiring discussion with the person before applying the fee.[13]

The government updated these guidelines so that they did not apply to anyone affected by the OCI program.[14] This development is deeply concerning because it appears that the program raises serious administrative law questions.[15] The decision to apply the fee must be separate from the decision to raise a debt. It may be applied where a person refuses to provide information, knowingly or recklessly provides false information or fails to provide information without a reasonable excuse.[16] However, the fee now applies if a person does not fill in the relevant part in the online portal. This means that even if the Department has no way of knowing if a person has a reasonable excuse or not, they still apply the fee. This would have happened to thousands of people who never received discrepancy and debt notices, those who could not use the online portal and those who paid the debt without question. It may also have happened if they failed to express themselves clearly on the online portal and therefore did not satisfy Centrelink with a reasonable excuse.

The other issue with the 10% recovery fee is that it could be applied where the person has made a genuine mistake in reporting their earnings (such as where they had to estimate their earnings for the fortnight and made a mistake because they work casually). It is unclear how the person would prove this was the case, particularly if the alleged overpayment occurred many years ago.

It is also unclear how the Department could definitively show that the alleged debtor refused to provide information, knowingly or recklessly provided false information or failed to provide

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[12] Ibid.
[13] Department of Human Services 'Overview of Centrelink debts and recovery processing' http://operational.humanservices.gov.au/public/Pages/debts/107-02050000-01.html accessed 3 March 2017
[14] Department of Human Services, 'Recovery Fee applied to debts resulting from incorrect declaration of income' http://operational.humanservices.gov.au/public/Pages/debts/107-05100040-01.html
[15] Butt, Matthew (2017) 'Administrative law and Centrelink's "robodebt" system' Australian Public Law Blog, UNSW, 8 March https://auspublaw.org/2017/03/centrelinks-robodebt-sys
[16] The Commonwealth (2017) '6.7.1.45 Ten per cent Recovery Fee on Debts from False or Non-declaration of Income from Personal Exertion' *Guide to Social Security Law* http://guides.dss.gov.au/guide-social-security-law/6/7/1/45

information without a reasonable excuse at the time the alleged debt accrued. As such, the 10% recovery fee should not apply to alleged debts generated by the OCI program and it should be refunded to those who have already paid the fee.

4. Length of time since the alleged debt was incurred (relates to terms of reference a)

The Department is seeking alleged overpayments from up to six years ago. The Department has always had the power to recover overpayments from up to six years ago. However, it also advised income support recipients to retain payslips for six months, implying that Department would not require such evidence of income after six months. This advice was removed from the Centrelink website in January 2017.

Centrelink previously investigated whether a debt existed before imposing a debt, including contacting employers to check their records. With this investigatory step removed, the onus of proof shifted to people affected and they are now having to prove their innocence. The reversal of the onus of proof has added to the stress and frustration that many people feel after receiving an alleged debt notice. Significantly, it also means that people cannot exercise their rights under social security law.

As well as raising questions of fairness, this change presents considerable practical difficulties for people trying to work out if they in fact owe the alleged debt, let alone challenge it. Previously, a Centrelink recipient or ex-recipient could only be compelled to provide documents or information that was in their possession or control. They are now being required to produce payslips or bank statements they may not have access to in order to prove they do not owe an alleged debt.

Significantly, unlike Centrelink, individuals have no legislative power to demand payslips. It may not even be possible to obtain payslips in some circumstances, such as where the employer is no longer in business, or the person left employment on bad terms, or the employer does not want to expend the time, energy or money in digging up records from many years ago. It is even harder if the person had more than one employer at one time (as many students would).

Unsurprisingly, many people trying to correct their record have struggled to track down payslips from years ago. The Department has now indicated that it will accept bank statements as proof of income (these were not accepted at the start of the program). However, this still presents difficulties for people trying to gather income details from bank statements. Banks often charge people for reproduction of bank statements, which could lead to substantial costs for the person concerned. Even if a person can gain access to their bank statements, it can be difficult for them to (again) provide and re-input fortnightly income figures that were previously provided. This is especially so if they had variable casual income.

Last year, the government removed the six-year limit for debt recovery, which previously commenced when the debt arose, or from when Centrelink first became aware (or should have

become aware) of a contravention of the *Social Security Act* that led to the debt.[17] The concern is that government could seek debts that would have previously been outside the statute of limitations. It would be even more difficult, if not impossible, for people to prove that they do not owe a debt or owe a debt lower than claimed if these alleged debts were more than six years old.

5. **Failure to alert people about a discrepancy and subsequent debt (this relates to terms of reference a, b, g and i)**

It took over six months for the Department to address the obvious problem of Centrelink sending correspondence to old addresses under the program. The Department was using the last known address on Centrelink's records, even though it could have been years since the person had received a Centrelink payment. As a result, at least 6,600 people did not receive any notices from the Department about a discrepancy or alleged debt.[18] However, when the subsequent alleged debt was passed on to a debt collector, the debt collector had no trouble finding the person. This is totally unacceptable.

Such occurrences should no longer happen now that the Department is sending notices via registered post. However, no apology has been provided to people who first became aware that they had an alleged debt via a debt collector. It is also unclear how many of these people paid the debt because they feared external debt collection action and therefore did not pursue their right to correct the record or lodge an appeal.

The program also seems to go against the Department's guidelines about alerting people to a possible debt, where contact by telephone should be made before a letter is sent in instances where:

- the debt is large;
- it is not reasonable to assume the person is aware of the debt; or
- the debt arose as the result of a death.[19]

We are unaware of anyone being contacted by telephone before being sent a discrepancy or debt notice, despite large numbers of people having alleged debts of tens of thousands of dollars. It is also safe to assume that many affected would have been totally unaware that a debt may exist as many no longer receive Centrelink payments.

We also do not believe it is reasonable to expect people to update their contact details with Centrelink after they have ceased receiving a payment. Comments by both the Minister and the Department in defending the program imply that government's failure to make contact with alleged

[17]Welfare Right Network (2012) 'The Independent Social Security Handbook' p.594
[18] Community Affairs Legislative Committee (2017) Senate Estimates 2 March
[19] Department of Human Services 'Sending Account Payable letters'
http://operational.humanservices.gov.au/public/Pages/debts/107-04010030-01.html

debtors was because they had not updated their contact information with Centrelink.[20] It is absurd to suggest that people should update their contact details with an agency they no longer engage with, not to mention that such an approach would strain the resources of an already under-resourced agency.

6. Debt recovery action and consumer law (this relates to term of reference i)

Centrelink has special powers to recover overpayments and is not bound by Australian Consumer Law. These special powers have played out most clearly in the Department's

- ability to collect debts that are being challenged;
- requiring individuals to prove that they do not have a liability (rather than the Department first establishing that a debt is owed); and
- failure to provide information about an individual's alleged debt promptly (many are having to obtain their own information held by Centrelink under Freedom of Information law and some are reporting it has been near impossible to tell how the debt has been calculated because the information provided is so abstruse[21]).

These actions would never be accepted with a private creditor.

There have been many reports of external debt collectors acting inappropriately when contacting people about an alleged debt.[22] External debt collectors contracted by Centrelink must comply with federal and state consumer laws. It is also understood that the Department approves all telephone scripts and protocols, including SMSs and letters.[23] It is therefore a concern that there have been reports of debt collectors claiming they will seize assets, demanding immediate payment or unaffordable repayments and threatening to take the person to court.[24] We are concerned that debt

[20] Minister for Human Services (2017) 'Alan Tudge defends Centrelink 'robodebt' program' *RN Breakfast, ABC Radio National* 9 March http://www.abc.net.au/radionational/programs/breakfast/alan-tudge-defends-centrelink-robodebt-program/8338292
Campbell, Kathryn (2017) Evidence to Senate Inquiry into 'Design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative', 8 March

[21] Cosier, Colin (2017) 'Background Briefing' ABC, 5 March

[22] Triple j Hack (2017) 'Centrelink's outsourced debt collection accused of claiming to be Aus. Gov.' 21 February http://www.abc.net.au/triplej/programs/hack/private-debt-collector-accused-of-claiming-to-be-government/8291050
Butler, Josh (2017) 'This Man Took Out A Bank Loan To Pay Back Centrelink Debt Collectors' 25 January http://www.huffingtonpost.com.au/2017/01/24/this-man-took-out-a-bank-loan-to-pay-back-centrelink-debt-collec/

[23] Australian National Audit Office (2013) 'Recovery of Centrelink Payment Debts by External Collection Agencies' Audit Report No.40 2012–13 https://www.anao.gov.au/sites/g/files/net2766/f/201213%20Audit%20Report%20No%2040.pdf p.65

[24] Trible j Hack, Ibid.,
Butler, J., Ibid.
Kachor, Kate (2017) 'Centrelink debt letter scandal worsens' 5 January, http://finance.nine.com.au/2017/01/05/16/25/centrelink-debt-letter-scandal-worsens

collectors are being retained on commission, rather than on a flat rate as is the ATO's usual practice, and the impact that this might be having on their conduct.

The 2013 ANAO report into 'Recovery of Centrelink Payment Debts by External Collection Agencies' found that they had a disproportionate rate of complaints in relation to Centrelink debts under recovery, accounting for 27% of complaints about debt recovery when they only typically collect around 10% of Centrelink debts.[25]

7. Lack of information (this relates to term of reference k)

There has been a lack of formal information provided to the public about the program as well as any refinements made, despite such information being of major importance to people issued with a discrepancy or debt notice. For example, the Minister announced minor changes to the program in an article in *The Australian* published 16 January 2017, including that where an alleged debtor could show that the did not receive correspondence from Centrelink, they could request a review and there would be a stay on recovery of their alleged debt.[26] However, no fact sheet or detail about this change was made available, despite repeated requests for it.[27] The same occurred when the Minister announced on 14 February 2017 that there would be a stay on all debt recovery where the debt is under review. No information outside media interviews was provided, including whether alleged debtors would have to request a stay on debt recovery or if this would be done automatically once a review of the debt was launched.

Centrelink finally published information about the stay on debt collection on 1 March 2017. Disappointingly, the information suggests that people would have to request a stay on debt recovery when they request a review, stating "you can ask us to review your Centrelink debt and pause debt repayments until your review is finished".[28] Many people may not think to ask for a stay on debt recovery whilst their case is under review, particularly if this information is not included in the correspondence received (which for most so far would be the case). It is also unknown if this information will be included in future discrepancy and debt notices. ACOSS believes that where a debt is under review, reassessment or appeal, there should be an automatic stay on debt recovery.

Not My Debt (2017) 'Debt collectors threatened to recover my wages in full' https://www.notmydebt.com.au/stories/notmydebt-stories/debt-collectors-threatened-recover-my-wages-full

Ibid. 'I'm living in limbo as to what's next. It's not fair' https://www.notmydebt.com.au/stories/notmydebt-stories/im-living-limbo-whats-next-its-not-fair

[25] ANAO, Ibid. p.18

Department of Human Services (2016) Annual Report 2015-16 https://www.humanservices.gov.au/sites/default/files/8802-1610-annualreport2015-16.pdf p.118

[26] Rosie Lewis (2017) 'Fallout over Centrelink's debt-recovery program prompts facelift' http://www.theaustralian.com.au/news/nation/fallout-over-centrelinks-debtrecovery-program-prompts-facelift/news-story/4e1ea4a0381b423e401852d00f0303dc

[27] ACOSS sought this information in a meeting with the Minister as well as in subsequent correspondence.

[28] Department of Human Services (2017) 'Press pause on your Centrelink debt while it's reviewed' 1 March, https://www.humanservices.gov.au/customer/news/press-pause-your-centrelink-debt-while-its-reviewed accessed 2 March.

8. Lack of resourcing of Community Legal Centres and Legal Aid Commission (this relates to terms of reference a and d)

The program has placed extraordinary pressure on Community Legal Centres and Legal Aid Commissions helping people with social security matters because of its scale and its fundamental flaws. Some centres have experienced a three-fold increase in demand thanks to the program.[29] These centres have already had their funding cut and face further cuts of around 30% from July this year.[30] The major concern is that people affected by the program and those who have other Centrelink matters may not be able to get the legal assistance they need because these centres lack capacity to handle the increased caseload. The complexity of social security law means that many people are unable to address Centrelink issues and ensure their rights are upheld. This has been a particular problem with the OCI program because of the lack of information provided to people targeted, the poor design of the online portal as well as the serious flaws in the system.

9. Vulnerable people (this relates to term of reference a)

Vulnerable people are excluded from the program if they have a vulnerability indicator on their record with Centrelink. However, many people affected by this program no longer receive a Centrelink payment and any vulnerability they may have (for example, mental illness or domestic violence)[31] would not necessarily be recorded. In these cases, the Department would not know if the person was vulnerable or not. We also do not have a definitive list of how the Department assesses whether someone has a vulnerability.

Yours sincerely,

Cassandra Goldie
ACOSS CEO

[29] Black, Jessica (2017) 'Legal Aid, union continue anti-debt campaign' http://www.bordermail.com.au/story/4426031/legal-aid-releases-centrelink-debt-advice/?cs=12

[30] National Association of Community Legal Centres (2016) 'MYEFO fails to halt funding cliff for Community Legal Centres and Aboriginal and Torres Strait Islander Legal Services' Media Release 19 December http://www.naclc.org.au/cb_pages/news/MediaReleaseMYEFOfailstohaltfundingcliffforCommunityLegalCentresandAboriginalandTorresStraitIslander.php

[31] DHS 'Vulnerability Indicators' http://operational.humanservices.gov.au/public/Pages/job-seekers/001-10050000-01.html