



**AASW**

**Australian Association  
of Social Workers**

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## *Submission to the Senate Community Affairs References Committee*

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

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## Introduction

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### Who we are

The Australian Association of Social Workers (AASW) is the professional body representing more than 10,000 social workers throughout Australia. We set the benchmark for professional education and practice in social work and have a strong voice on matters of social inclusion, social justice, human rights and issues that impact upon the quality of life of all Australians.

### The social work profession

The social work profession is committed to the pursuit of social justice, the enhancement of the quality of life, and the development of the full potential of every member of society. Principles of social justice, human rights, collective responsibility and respect for diversity are central to the profession and are underpinned by theories of social work, social sciences, humanities and Indigenous knowledge. Social workers work with individuals, families, groups and communities. Professional social workers consider the relationship between biological, psychological, social, cultural and spiritual factors and how they impact on a client's health, wellbeing and development. Accordingly, social workers maintain a dual focus in both assisting with and improving human wellbeing and identifying and addressing any external issues (known as systemic or structural issues) that may impact on wellbeing, such as inequality, injustice and discrimination.

### Our submission

The AASW welcomes the opportunity to contribute to this inquiry into Centrelink's automated debt recovery scheme. While social workers work with people from every strata of society, we have a particular commitment to those who are most disadvantaged. We understand that fiscal responsibility and balancing the budget are legitimate priorities for the government. Nevertheless, there is a variety of ways in which this can be done. Respect for the dignity of each person underpins all the efforts of social workers. It should also underpin all Government policy. Our commitment to promoting the human rights of every person means that the goal of balancing the budget does not justify the harassment of people who have received income support payments.

## Response

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### ***“Concerns in relation to:***

- a. the impact of Government automated debt collection processes upon the aged, families with young children, students, people with disability and jobseekers and any others affected by the process;”***

For any group of people, the unannounced arrival of either a letter claiming a potential debt or a debt collector's notice would be an unwelcome source of distress. People who are relying on Centrelink payments while moving between insecure work or meeting their mutual obligation requirements experience considerable levels of stress. The unrelenting demands of ensuring a predictable level of income from intermittent work can only be appreciated by people who have experienced them. Within this group of people there is a disproportionately high number of people with physical and mental health concerns, low levels of literacy in English or constraints on their abilities. These daily challenges are particularly acute if they are combined with responsibility for caring for children or other family members.

More than 1900 of our members are Accredited Mental Health Social Workers, and have extensive and longstanding experience of working with people living with high levels of mental illness including depression, anxiety or paranoia. When working with people experiencing these issues, social workers are careful to ensure that all aspects of their work support the therapeutic goal of building trust and optimism. They know that this calls for transparency, accountability and integrity in the way they deliver services. Our members have observed how the unexpected arrival of letters alleging longstanding discrepancies or debts departs from these principles. Instead the letters have reinforced their clients' perceptions of an inscrutable, bewildering and hostile world.

The income security system was originally intended as a guarantee of security in periods when people could not earn an income. By contrast for many people the income security system has been a source of confusion and financial stress. This is particularly the case in the instances where the original letters were not delivered and the formal debt collection notice was the first communication that people received.

We draw the committee's attention to the instances in which the consequences appear to have been far more serious, for some people whose mental health was already precarious.<sup>1</sup> While greater research is needed to understand the full impacts, the AASW condemns the policy decisions that appear to have contributed to their distress.

The method chosen by the government places the onus of proof onto the recipient of the payments, requiring them to demonstrate that they have not been overpaid. This reversal of the presumption of innocence into a presumption of guilt raises represents a denial of natural justice. The AASW objects strongly to such treatment of vulnerable members of the community.

***“Concerns in relation to:***

- c. the capacity of the Department of Human Services and Centrelink services, including online, IT, telephone services and service centres to cope with levels of demand related to the implementation of the program;***

Professional social workers have been employed in Government departments including the Department of Human Services and Centrelink for many years. We note with concern the reports of incidents of hostility towards Centrelink employees that have been inspired by the debt recovery process. Under the Occupational Health and Safety Act 2004, every employer has a positive duty to ensure a healthy and safe workplace for its employees and every person affected by that work, either in the workplace or elsewhere. We call on the Departments of Human Services and Centrelink to make every reasonable and practicable change to the current debt recovery process to ensure they meet their obligations under the Act.

***“Concerns in relation to:***

- e. data-matching between Centrelink and the Australian Taxation Office and the selection of data, including reliance upon Pay As You Go income tax data;***

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<sup>1</sup> McKenzie-Murray, M. (2017, February 18-24). "Centrelink pushed him over the edge". *The Saturday Paper*, p. 1.

Casualised and insecure work is a longstanding feature of the Australian workforce and has been facilitated by employment legislation and policies introduced by Coalition and Australian Labor Party governments. According to the ABS, the defining feature of this work is that people are not entitled to paid leave, including sick leave; and the numbers of people in this category has remained at around two million people over the last ten years<sup>2</sup>.

Therefore, the task of designing a system that guarantees income when people are unable to work, while accurately assessing the level of payment to which they are entitled is not a new one. Although the twin goals of responsiveness and timeliness are admittedly difficult ones to balance, there have been instances in the past and overseas in which these twin goals appeared at odds and were reconciled creatively<sup>3</sup>. We believe that it should not be beyond the capability of the Government to identify a solution that addresses overpayments more constructively than the current situation.

As well as reversing the onus of proof, requiring that people prove that they were not overpaid, the process by which this is to occur imposes tighter requirements on recipients of income support payments than on other taxpayers. We have already pointed out that the Centrelink debt recovery requires that people keep their income statements for longer than the Australian Tax Office does. This means that the government has more stringent requirements for income support recipients than for the highest paid members of the workforce, and represents a significant injustice.

**“Concerns in relation to**

***g. the error rates in issuing of debt notices, when these started being identified and steps taken to remedy errors;***

The AASW believes that the high rates of error that have been observed have compromised the integrity of the social security system.

We understand that until July last year, the process of comparing income declared to the ATO against income reported to Centrelink relied on human oversight to ensure that the results were accurate and represent actual overpayments.<sup>4</sup> We also understand that it was in July that the process was changed to generate a letter automatically, and as a result letters have been sent which inaccurately allege overpayment.<sup>5</sup>

We also understand that the second stage of the process has also had the human oversight removed. When the initial letters received no response, there was no human checking as to possible causes such as incorrect addresses. This meant that debts were raised in instances where when there was no justification for them; and the matter was automatically been handed over to external debt collectors. In some cases the demands of the debt collector has been the first communication people have received.<sup>6</sup>

Avoiding overpayment is an element of ensuring the integrity of the income support system; and that it is important to maintain the public’s confidence in that system. Since Federation, Australia’s income support system has played an important role in underpinning our social cohesion. It has provided the

<sup>2</sup>Australian Bureau of Statistics. (n.d.). *Forms of Employment, Australia, November 2013*. Retrieved from [www.abs.gov.au/ausstats/abs@nsf/latest products/6359.0](http://www.abs.gov.au/ausstats/abs@nsf/latest%20products/6359.0)

<sup>3</sup>Whiteforde, P. &. (2017, February 27). *Timing it Wrong: benefits, income TTests and overpayments abd debts*. Retrieved from Inside Story: <http://insidestory.org.au/timing-it-wrong-benefits-income-tests-overpayments-and-debts>

<sup>4</sup>ibid

<sup>5</sup> ibid

<sup>6</sup> ibid

basis for a healthy and stable democratic process. The guarantee that the most vulnerable will be supported has exemplified the ethos of a fair go for all.

The process as described above represents a serious departure from that tradition. As an attempt to boost confidence, it has backfired. As well as undermining the motivation of the recipients' perceptions of integrity, it has in fact eroded the public confidence in our social security and welfare system by cementing obvious inaccuracies into the process.

***“Concerns in relation to***

***h. the Government’s response to concerns raised by affected individuals, Centrelink and departmental staff, community groups and parliamentarians;***

The AASW has been dismayed to observe the responses of the Minister for Human Services to the concerns raised by individuals and the media. On at least one occasion, the Minister has counteracted the criticism of the heavy handed approach and the claims of mismanagement by characterising the recipients of over payments as deliberately fraudulent. In an interview, the Minister’s described “dozens and dozens and dozens, hundreds and thousands of instances” of people “egregiously” and “deliberately doing the wrong thing”. The Minister then estimated that the amount of outstanding money that had been identified was \$300 million, before later admitting that only \$24 million has been recouped so far.<sup>7</sup>

There are two important points to be made to this response. The first is that people relying on income support payments are entitled to the same presumption of innocence as everyone else. Their welfare dependant status does not justify the government’s assumption that there was a deliberate fraud. Neither does the amount of money that could have been overpaid justify the reversal of the onus of proof.

The second is that, regardless of the cause of the original overpayment, our submission has already described how inaccurate letters and unjustified debt notices are the result of mismanagement of the implementation. It is this implementation which has been criticised, and this sits firmly in the domain of the department’s decision making.

Similarly, in her evidence to the senate Inquiry, the Secretary of the Department of Human Services, Kathryn Campbell, said that the reason that people had been surprised when they were visited by debt collectors was that they had previously “refused to engage”. This explanation ignores the evidence that has already been presented that this was the result of Centrelink relying on outdated information rather than more recent data available through the electoral role.

The AASW has already publicly expressed our condemnation of the release of personal information of individuals who spoke out against Centrelink’s automated debt recovery processes. We would like to re-iterate our concern at the breach of privacy this entails. This is an abuse of the government’s power and appears to be designed to intimidate others into silence.

The AASW contends that these responses have contributed to a widespread perception of a punitive and uncaring government. Indeed, we are alarmed at how closely the government’s responses and actions have echoed longstanding discourse of blaming vulnerable and low income people for their situation. This oppressive and unjust narrative has been used as a justification for cutting support for

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<sup>7</sup> Alan Tudge, m. f. (2017, March 9). Alan Tudge defends Centrelink 'robodebt' program. (F. Kelly, Interviewer)

vulnerable people since the 18<sup>th</sup> and 19th Century. It has no place in the contemporary Australian social fabric.

Submitted for and on behalf of the Australian Association of Social Workers Ltd



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