



Community and Public Sector Union

Centrelink's compliance program

September 2019

Introduction

In 2016, the Government launched an aggressive campaign to take back what it claimed were Centrelink overpayments, reducing a layer of human oversight when raising debts which became known as “robodebt”.

The CPSU previously raised significant concerns about robodebt to the inquiry into Centrelink Better Management of the Social Welfare System initiative in 2017. The decision to introduce an automated debt recovery scheme was driven by budgetary pressures and done without the consultation with DHS staff. The CPSU recommended human oversight be restored and the burden of demonstrating that a debt exists should be restored to the Department. Properly resourced human oversight is required to ensure DHS could be confident that overpayments identified, and debts raised were legitimate and accurate.¹ None of these recommendations were adopted.

In response to this inquiry, the CPSU recently surveyed members at DHS about robodebt and the results found:

- 78.7% believe robodebt should be scrapped.
- 95.0% think the Department should restore the role of staff in verifying the accuracy of information used to raise debt notices before they are issued.
- 20.3% have raised debts older than 7 years old
- 86.4% agree that the Department's use of statistics is having a negative impact on the handling of debts and potentially causing inaccurate debts to be raised.

The CPSU's concerns about robodebt remain as the program has been extended and the systemic issues have not been addressed.

Problems with robodebt process

Prior to robodebt, experienced employees in compliance would manually check discrepancies in tax information and Centrelink records as the data sets were different, but the new system removed this step, automating data matching and the sending out debt notifications.

Members outlined a range of problems with the robodebt process. One of the key criticisms is it oversimplifies by annualising income and apportioning it across the financial year. This does not take into consideration seasonal work, how people estimate their income or that DHS clients are more likely to move and less likely to hold onto paperwork from employers. The reliance on an automated process meant errors generated by incorrect data could not be easily fixed by DHS staff and an associated increased workload that places a significant strain on the existing workforce and ageing ICT systems. These problems have been exacerbated by the lack of contact from DHS at the time a data match identifies a discrepancy.

While the greater use of ICT can lead to some efficiencies, the robodebt debacle highlights the importance of human oversight and the limitations of automated decision-making. Big data can work with incomplete information but its use in automating fraud determinations without a role for trained staff in checking the debts has resulted in inaccuracies with significant and wide-reaching implications. An internal cost-benefit analysis of the effectiveness of the Department's data-matching

¹ Community and Public Sector Union (2017, March). Submission to inquiry into the design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative. Retrieved from <https://www.cpsu.org.au/resources/cpsu-submission-design-scope-cost-benefit-analysis-contracts-awarded-and-implementation>

process with the Australian Taxation Office found that 15% of detected discrepancies were not actually debts owed by people.²

While some changes to processes were made after reports by the Commonwealth Ombudsman, the situation has become worse as the Department of Human Services has experienced further job losses and privatisation. Rather than halting the program, the Government has continued with it with new issues about garnishing of tax returns and implementation of the scheme.³

The greatest impact of all this has been on DHS clients. As pointed out by the Government's former chief digital adviser, the problems have affected people least capable of dealing with government mistakes.⁴

Impact on clients

Many members commented on the detrimental impact of robodebt on DHS clients. Common themes were that it created significant anxiety and pressure on clients as information required to challenge debts such as online bank statements are not always available nor was it easy to obtain payslips from old employers.

It has been horrendous - some customers have paid huge amounts to have statements printed for accounts they no longer have or cannot print longer than 5 years ago with online banking...more often than not there is no overpayment. The amount of customers we have coming into the Service Centre stressed about the overpayment is ridiculous. So many just pay the debt and don't argue but if they supplied evidence of income they wouldn't even have the debt

Customers do not have enough knowledge of how these debts have been calculated and what information has been used to recalculate their entitlements. Because gross amounts are apportioned over PAYG periods, it does not allow for variable earnings, back payments and non assessible allowances etc. Often the customer is unable to obtain their historic payslips from employers for a variety of reasons. Having worked in the Business integrity area, I know that it often took several contacts to employers and often they needed assistance to even retrieve historic payroll data, before the payslip data was returned for assessment.

Robodebt has put people under sometimes unnecessary stress. Numerous errors and inexperienced staff have undermined confidence in staff and decisions. The media through sensationalism and incomplete stories has in some ways misled public opinion resulting in unrealistic expectations of review and reassessment outcomes.

It's terribly wrong. I have seen cases where people have had debts raised during periods that they were not actually receiving employment income. I have seen cases where debts have been raised twice. Inexperienced staff do not check or understand how to check whether the debt has already been wholly or partially raised.

² Christopher Knaus (2017, 11 January). Government knew about discrepancies in data-matching system before reducing human oversight. Guardian Australia. Retrieved from <https://www.theguardian.com/australia-news/2017/jan/12/centrelink-human-oversight-slashed-after-cost-benefit-analysis>

³ Shalailah Medhora (2019, 26 June). Centrelink can take money out of your tax return so get your robo-debt sorted ASAP. Triple J Hack. Retrieved from <https://www.abc.net.au/triplej/programs/hack/centrelink-robodebt-tax-return-garnish/11249482>

⁴ Tony Yoo (2017, 6 January). Turnbull's former digital tsar says 'blind faith' in data led to the Centrelink debt debacle. Business Insider Australia. Retrieved from <http://www.businessinsider.com.au/turnbulls-former-digital-tsar-says-blind-faith-in-data-led-to-the-centrelink-debt-debacle-2017-1>

Robodebt has also undermined trust in government and confidence in the social security system. Members commented that some DHS clients are now hesitant to contact DHS about any matter.

The simplified data match, which is wholly inaccurate, has created a crisis of faith in the impartiality and accuracy of the debts raised within the welfare system. The process is flawed, the outcome is immoral. For customers who challenge the debt - good, but they have no faith in the outcome of an appeal. But what about the customers who have not challenged the outcome? They suffer in silence. The whole program is legislatively and morally indefensible.

It has made them super fearful of the department in the wrong way, they spend more time worried about if they have done something correctly and end up calling or going to the service centre to check. It is causing our vulnerable people to be scared to even claim a payment with the department for fear they will end up with debt. It is also costing our vulnerable people more money because they have to pay to prove it is incorrect.

Impact on staff

Given the impact robodebt has had and continues to have on DHS clients, the program is putting additional pressure on the Department's Social Work Services. Staff are trained to refer individuals to a social worker where necessary. While individuals identified as priority due to the risk of imminent harm can be assessed relatively quickly, for other matters it can take a long time for a social worker to be able to speak with the client. Like other areas of the Department Social Work Services are understaffed and underfunded. This is particularly concerning given the media reporting about the impact of robodebt on 'vulnerable' clients.⁵

Robodebt is also causing all sorts of issues elsewhere across the network, not only in compliance and integrity. Members have informed the CPSU that clients are attending service centres in increasing numbers after receiving notice that their tax returns had been garnished to pay off robodebts. Members commented that the pursuit of savings has created a drop in the quality of work and far greater workloads as inaccurate debts are reviewed and reassessed:

The pressure to get results encourages short cuts and people who get results through dodgy processes are lauded rather than queried about actions.

The huge amount of reassessments causes wasted effort when the focus should be on getting a true and accurate result in the first place.

The staff have been required to complete reviews in a process which goes against everything they have been taught. Record correctness and debt correctness is no longer required. The focus on completing reviews with information available and following the "process" has caused stress for permanent APS staff.

The pressure on staff whether it be debts, call times, processing times and all the focus on staff performance is all down to time. There is no focus on quality work. This is evident in all facets of DHS work and it is constantly showing. Pushing staff to get as many debts raised, to get call times lower and to make processing faster has led to humungous mistakes and errors in all facets of work. You need to get back to

⁵ Shalailah Medhora (2019, 18 February). Over 2000 people died after receiving Centrelink robo-debt notice, figures reveal. Triple J Hack. Retrieved from <https://www.abc.net.au/triplej/programs/hack/2030-people-have-died-after-receiving-centrelink-robodebt-notice/10821272>

quality service and stop bullying staff to flick pass customers to get them off the phone.

Customer aggression was another common theme from members as customers are forced to deal with long, confusing processes and highly stressful situations.

DHS staff are bearing the brunt of customer abuse and frustration in relation to these debts and the explanation of where they have derived from.

We have had to bear the brunt of it. Added aggression and verbal abuse. Having to spend extra time to calm our customers and counsel them although we aren't qualified counsellors. Just so they can remain calm and try and deal with the issue without taking it out on people not responsible for the debt.

Staff informed the CPSU that a recent cause of increased customer aggression has been the failure to notify about the policy change where tax returns were being garnished. One member explained "we are now starting to get customers attending service centres across the country regarding the new legislation imposed on customers too garnish their tax returns. I asked the question, did they notify customers and no, DHS did not notify customers about this policy change. Some customers are getting their entire tax return garnished from old debts and this has already caused customer aggression in my office and we are a low level aggression site.

Unsurprisingly, the increased workloads and customer aggression associated with robodebt is affecting the morale of staff, many of whom sympathise with customers and disagree with the raising of inaccurate debts.

There is no job satisfaction for staff, morale is at an all-time low.

It has taken a toll on DHS staff, because we can see that robodebt was a flawed strategy from the very beginning. There appears to have been no serious consultation with staff prior to its introduction, let alone any testing for faults. It is another example of DHS management discounting or ignoring the capacity for staff to enter complex subjects and adding value or preventing major problems rolling out.

We are embarrassed and ashamed; we try to reverse them every chance we get without it having to go through the appeals process because we can see with our own 2 eyes every time it is wrong. We are apologising all the time, our families have been victims of robodebts, people's opinion of Centrelink workers is at an all-time low. Even outside of work we are being abused by people who have been affected by this.

I have never before experienced the mental stress that comes with robodebts, many of the staff are mentally affected but too scared to say anything due to the treatment you receive from management

We have to participate in a dishonest process which seeks only to claw back money rather than identify legitimate overpayments.

Problems with the use of labour hire

The work that employees of DHS undertake is often complicated with very serious consequences for people's lives. One of the many significant decisions DHS can make in respect of an individual is to raise a debt. Yet this is one of the areas that the Government

targeted for the use of labour hire employees, in part to deal with the workloads arising out of the robodebt debacle.

Labour hire staff have high turnover and are often less experienced through no fault of their own. They are not provided with adequate support and their peers often lack experience they can draw on because of the high turnover.

The use of daily targets in DHS workplaces which rank DHS workers is problematic and of concern to both staff and labour hire workers. These measures are creating incentives to focus on quantity not quality, and are particularly difficult for labour hire workers who also lack job security.

There are reports that finalisations were being made to meet estimates provided to the Senate. The pressure of meeting targets has resulted in the minimisation of contact with the public as it would have slowed down the process of raising debts.⁶

The use of labour hire in DHS is being driven by the Average Staffing Level cap which arbitrarily restricts the number of Commonwealth employees at 2007-08 levels. Ending the use of labour hire will enable DHS to rebuild capacity, bring the work back in-house and facilitate a selection process to enable labour hire workers to compete for permanent roles so they can be properly trained and are able to provide a full range of services and support to customers.

Conclusion

The damage caused by robodebt to clients, staff and trust in the social security system is increasingly obvious. Previous changes have only been window dressing and fail to address the systemic problems with robodebt. One member recounted their experience with robodebt that assumed up the sentiments from members that robodebt does has made things much worse.

I've dealt with customers appealing the debts and the difficulties chasing information from employers, some as far back as 8 or 9 years ago. I had to sit through a training course where they told us how they would like us to review the debts. I've worked here for 26 years and fully understand how to review a debt. They were telling us not to help customers track down employers. They insisted we were not to contact employers ourselves. This was a radical change from previous years where we were expected to obtain proof of income before debts were raised and we would always verify income when we were reviewing a debt. Averaging income only ever occurred where all other attempts to obtain income details had failed. It has undermined confidence in DHS. That means staff are faced with a lack of trust from the public and ridicule from customers who hear the stories in the news and take it out on front line staff, most of which have never even raised a debt.

Addressing the problems raised by CPSU members require a raft of changes. The CPSU recommends the following to fix the situation including:

- suspending the Online Compliance Initiative and re-designing of the process;
- eliminating the ASL cap;
- reducing the use of labour hire and hiring more permanent trained staff;
- ensuring all debts are checked by permanent DHS staff for accuracy;
- ensuring clients receiving a debt are contacted directly prior to the issuing of the notice;

⁶ Emily McPherson (2019, 9 August). EXCLUSIVE: What happens inside Centrelink's 'toxic' debt recovery offices. 9News. Retrieved from <https://www.9news.com.au/national/robodebt-what-happens-inside-centrelink-offices-australia-news/d073fdfa-01a0-4d33-bcfe-a2df387417e9>

- ending the role of targets in driving debt raising; and
- not going back more than seven years for debts and reviewing how many years back DHS goes for debts, taking into account difficulties in obtaining payslips and older bank statements.

Unless these recommendations are adopted, robodebt will continue have a damaging impact on DHS staff and clients and will further erode public trust and any confidence that Australia's social security system puts clients first.