



Community and Public Sector Union
Michael Tull ♦ Assistant National Secretary

13 February 2020

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

by email: community.affairs.sen@aph.gov.au

Dear Committee Secretary

Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020

As the primary union representing Australian Public Service employees, the Community and Public Sector Union (CPSU) is committed to providing a strong voice for our members in key public policy and political debates.

The CPSU welcomes the opportunity to make a submission to this inquiry into the Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020.

Our submission focuses on concerns that our members in Services Australia have about the proposed changes to how employment income is assessed for social security purposes and data sharing with the Australian Taxation Office.

Members are not opposed to these changes in principle. However, members were concerned that these changes are being pushed through before the massive backlogs in debt reviews and questions about robodebt's legality are addressed. It appears that these changes are focused on ensuring the continuation of robodebt into the future.

Members are concerned that there is an ongoing lack of public trust in the income assessment process, arising from the robodebt debacle. The current mismatch between income discrepancies and when it is identified in the current system is unacceptably long. The public needs to have confidence that proposed changes will mean any discrepancies are identified promptly and their size and frequency are substantially reduced. Greater transparency of data sharing and income assessment processes and a time limit to debt determinations would help reassure the public. This requires consideration of legislative change and for Services Australia to engage with stakeholders such as the CPSU, Australian Council of Social Services, National Social Security Rights Network and Legal Aid to ensure an agreed understanding of processes.

Members were also concerned about the lack of details about how the changes may affect the process of raising of debts. For example, it is unclear how often a debt would be raised as payment cycles differ between employers. Because of the difference between social security payment cycles

and employer payment cycles, there is the likelihood that the narrow margin of error may result in incorrect debts being raised because of mismatches.

While the use of Single Touch Payroll may make it easier for some individuals, the CPSU does note that some payments cannot be reported through Single Touch Payroll such as payments to contractors and other non-directly employed staff. The CPSU also notes there is no obligation to give Payment Summaries to employees if a finalising declaration is made by the employer stating wages have been fully reporting using Single Touch Payroll. Members were concerned about potential complications for community members who seek a review for a debt(s) that has been raised against them.

Furthermore, members have informed us that community members are being contacted by Services Australia (and previously by DHS) and asked for permission to average if payslips are unavailable. Members are concerned that some of these community members may not understand what this means. It may give rise to a debt being raised that may not have occurred if data was correctly matched for the relevant periods. Further, it may provide the basis for a previously raised robodebt to be maintained as a debt despite the amount not matching the actual debt, if any, owed.

It is our view that the use of Single Touch Payroll provides significant benefits but that ensuring any debts raised are accurate and legally enforceable will continue to require human intervention by a properly trained and experienced Services Australia officer.

Finally, members are deeply concerned about the level of desperation they see in community members because the rates of payment are too low to support their basic needs. It is critical and urgent that the adequacy of payments is addressed. In our view, the Government should be addressing this and ensuring that unlawfully raised robodebt debts are all cancelled.

The CPSU is happy to provide information on the matters raised in this submission. Please contact Osmond Chiu, Senior Policy and Research Officer,

Yours sincerely

Michael Tull
ASSISTANT NATIONAL SECRETARY