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Senate Community Affairs References Committee
Department of the Senate
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Submission to the Senate Inquiry into the design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative.

Personal details and supporting data supplied confidentially in original submission

Who am I – My experience with the implementation of the Better Management of the Social Welfare System initiative.

..... little other social support, I have, for the most part, been trapped in the un/underemployed, casual, contract, part-time employment-part Centrelink dependent merry-go-round.

I received a debt notice around Sept 2016 for a (now proven false) debt in the 2010-2011 financial year. My entire average yearly income was averaged out into fortnightly blocks which in NO WAY reflected the fact that from Jul – Nov I only worked approx. █ hrs per week (the period I was collecting and entitled to) supplementary benefits. I picked up further hours in late Nov taking me up to approximately █ hrs per week and was entirely self-supporting from that time.

The Issue

I believe the “**Better Management of the Social Welfare System initiative**” that is the current method of Centrelink related debt identification, is flawed and inaccurate and its implementation harsh, unjust and overly aggressive.

The whole process reeks of utter contempt for those who are un/underemployed or otherwise income challenged in some way. It also gives the appearance of a desperate cash grab by blitzkrieg-like (as in calculated to create psychological shock and disorganisation to the enemy) and bullying tactics targeting those who are vulnerable and assumed unlikely to forcefully or persistently protest their innocence or debt inaccuracies. To top it off, attempts to contact people (if you can make contact) and get information and assistance on these matters are met with vague, dismissive and unhelpful lip service. The whole process appears to be about avoidance and deliberate obstruction and withholding of information regarding debt notices.

I have no issue in exposing and catching cheats nor in reclaiming overpayments (accidentally or purposefully derived. However, treating all identified past and present customers as if they are deliberately trying to defraud the government is unacceptable and damaging all round.

In outlining and reviewing my personal experience I will be touching on the terms of reference (TOR) a), d), e), g) and h).

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.

In speaking of my experience only, the impact of receiving an unexpected notice of a sizable debt alone is a profoundly negative event. In hindsight, I believe there may have been some spam-like auto text, garbled auto messages that were attempted. Given the high volumes of time wasting spam one receives daily on phones and emails, I would never have believed or responded to that in any way. If someone needs to contact me, and it is important, common sense dictates it should be done via a reliable and formal channel. I would think a debt notice would fall into that category. Automation of an issue with such a potentially high personal and emotional impact should NOT ever be undertaken in this manner. It implies disrespect, that the receiver has no value and is not worthy of the senders time or attention.

When you live under the poverty line, you spend a great deal of time micromanaging and prioritising every financial detail in your household, scrutinising every purchase for need and value for money. It is an exasperating and emotionally draining necessity. You have to plan, often months in advance to enable to afford items and services that you used to not think twice about. To receive a demanding debt notice of such a magnitude, with no explanation, from over six years ago, with a very limited amount of time to respond, just plunges a financially stressed person into shock, panic, despair and depression. I was extremely stressed and upset. Unless you are in this position yourself, you cannot truly empathise. It is devastating. I have no doubt believing that individuals with high anxiety, mood, disabilities or other deficits (for lack of a better word) that affect ability to cope have reported suicidal intentions. It just increases (many-fold), the already present

feelings of despair, disillusionment and hopelessness that bubbles along just below the surface of many of the long-term unemployment and otherwise financially stressed. "Psyc 101", The situation a person is currently in will heavily influence their perception of an event. Much more thought into this process should have been considered. For the most part, I would expect the majority of people on the receiving end of these notices may fall into this susceptible category.

d)The adequacy of Centrelink complaint and review processes, including advice or direction given to Centrelink staff regarding the management of customer queries or complaints.

Unbelievably inadequate, substandard across the board. Unhelpful and evasive.

I found the online process woefully inadequate. There was NO capacity to enter further details or was there ANY details that gave any insight as to what this debt issue was about. My tax return is nearly always prepared by an agent or accountant; so why would I question it. It has been checked, audited, etc. etc., so of course, it should be correct. Of course, my overall ANNUAL income was correct.

I could not in ANY way fathom what on earth this was about. Even if I had at that time still had my reporting details, bank details and payslips, they would have been of no use, as they alone could not unveil what this extremely erroneous and flawed data matching system calculated.

I made several calls to both the debt compliance centre and to Centrelink to try and find out why a debt had been issued. I was adamant I had done nothing wrong. Even from just memory, I could tell them approx. dates and hours and contracts that I worked under in that financial year (all the same employer). NO ONE would tell me anything. It was: can't give out that information, don't have access, etc. The best response I got was "oh It'll be about the dates", but the person would not elaborate. If I have a legitimate debt raised against me, I SHOULD be informed of how it was derived. After another call to Centrelink (transferred from compliance centre) and on persistent questioning from me, that CS officer said she would send me an FOI form which I could use to request the information from the DHS.

I strongly suggest that CS officers were meant to stall and avoid helping. After receiving all this information, I cannot understand why this should have been withheld from me. Why was even finding out about the FOI like trying to extract teeth from a hen? Why did no one willingly offer this information? How can I fight a false debt without evidence or knowing what action I need to take?

It was only through the media coverage and "#notmydebt" that I realised what was likely behind the debt. My experience has been, that unless you have the determination and drive to chase this up doggedly, the government is perfectly happy to sit back and collect money it is NOT owed from people who can least afford it. Strangely, once you have irrefutable proof, doors seem to open (albeit grudgingly), but no apology is offered, and no haste is applied in rectifying their error or in refunding ill-gotten payments.

Shameful behaviour is an understatement.

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;

It took a month for the DHS to reply to my FOI request. I was furious when I saw what information had been used against me. It was incorrect, totally inaccurate. I was dumbstruck. How can a comparison of annual income to reported variable fortnightly income, be an acceptable basis **to assume a valid debt!** It is statistically incompatible. It took only four days for me to get both 6yr old bank statements and payslips which confirmed the debt was a fabrication, totally erroneously derived from that data process. What an unbelievable waste of mine, the government and others, time, money and resources. At the time of writing, although not finalised, my debt has been recalculated and should be NIL, and I should receive all my repayments back.

The whole process could have easily been avoided had this **very** OBVIOUS error been checked before embarking on this debt recovery pathway. Money saving process.....I think not.

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

h) The government's response to concerns raised by affected individuals, centrelink and departmental staff, community groups and parliamentarians.

I can only comment on what I've seen and heard in the media, #notmydebt, PSunion. That is **contemptible inaction**. In discovering how my debt was derived and my experiences in chasing this leave a very bitter taste in my mouth. I also have absolutely NO doubt that the error rate of false debts is substantially higher than officially claimed.

I think it is also very wrong that people (as I was) are forced to make repayments immediately regardless of whether the debt is real or accurate. Increasing a person's level of poverty for NO good reason is unethical and inhumane. There should be consultation in and consideration regarding an individual's circumstances and capacity to survive.

Unfortunately, the whole incident comes across as a blatant, desperate money grab from easy targets, and I agree with how it is portrayed in the media as a whole. I am well aware that most media "facts" are not based on scientific fact and pander to popular and political favour. Sadly, my experience leads me to concur with the general media portrayal – a desperate callous money grab from the vulnerable.

** I see today [REDACTED] that Clink is continuing to take "debt" repayments out of my next benefit. I believe payment collection should be suspended immediately, till the verification process has been finalised.

I could pass comments on other TOR but these would be more opinions only than based on personal experience. However, I will make a couple of notable comments:

- The one thing I have noticed over the years and it is glaring. The drastic reduction in staffing, the increasing disengagement of staff and the increasing inability to provide a satisfactory level of customer service.
- I have an unpredictable and variable income, partially dependent on Clink benefits for this financial year too. **Is the government really going to persist with this system and repeat this whole process with me again?**

Pls find attached scans of the data used in formulating my "debt." **ADEX & payslips supplied confidentially**

UPDATE 26/3/17

Originally I was very stressed and confused by the debt and busy with study assessments tasks. Initial enquiries led nowhere. At that time, I let it go and resigned to begin making payments. After life had settled somewhat, (over Xmas-NY) and more media information came to light, I got angry and re-visited it, as I was still certain this debt was not real. Hence the application to the DHS for my "debt" information and a further Clink review. As detailed above, **it was a FALSE debt**. It has been finalised, and I have been **fully re-imbursed**.

I am, however, still **far from happy** about the **stress (emotional and financial)** inflicted upon me and the **waste of my time, attention and resources** that have so **unnecessarily been diverted to this issue**.

How many people resigned to accepting their debt without persistent challenge?

**** I nearly did.****

It is **NOT** an easy or simple task; it is an **emotional and energy taxing experience**.