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Senator Rachel Siewert
Committee Chair
Senate Standing Committee on Community Affairs
PO Box 6100
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CANBERRA ACT 2600

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

Dear Senator

Thank you for your invitation to provide a written submission to the Inquiry into Centrelink's compliance program, on issues relevant to the Northern Territory.

I note the concept of Centrelink's compliance program is to ensure that income support recipients receive the correct payments and meet their obligations, that potential overpayments and discrepancies are checked and that appropriate debt recovery processes are utilised. The aim of Centrelink's compliance program is to manage and pursue debt recovery when a payment recipient is identified as receiving money they are not entitled to or as receiving an overpayment. I note the use of techniques including data matching, identity checks, data mining and payment reviews to identify potential recipients of overpayments or incorrect payments.

I note that there has been a mixed response to Centrelink's compliance program, including reports of issues regarding many reported Centrelink debts later being found to have been miscalculated, reports from recipients of stress being caused by the automated debt recovery system used and issues with the onus being placed on individuals to appeal their reported debts.

In the Northern Territory, as of December 2018, there were 15 196 residents receiving Newstart payments, 2255 receiving Youth Allowance and 9557 on the Age Pension. The Northern Territory's population of 254 854 is geographically dispersed and has very low population density. Over 50 000 people in the Northern Territory live in remote areas outside of the main urban centres of Darwin, Alice Springs, Tennant Creek, Katherine and Nhulunbuy, including in over 600 homelands and 96 Aboriginal communities. Aboriginal Territorians make up 30.3 per cent of the population, and 49 per cent of Aboriginal Territorians live in rural or remote areas.

The nature of the Northern Territory population has implications for the appropriate application of Centrelink's compliance program, as factors such as remoteness give rise to challenges regarding access to services, access to internet, telecommunications and online banking and access to translators or services and resources in language. The lived application of this approach means that if recipients are cut from payments, connecting back to the correct income support is not straightforward, and delays in accessing payments mean that women and children go without material basics.

The Northern Territory Government understands the original intent of the Centrelink compliance program of ensuring recipients receive correct payments. However, the Northern Territory Government has concerns regarding the ongoing impact of the Commonwealth Government's automated debt collection processes upon current and past income support recipients, particularly the implications of the compliance program potentially affecting vulnerable members of the community such as people who live in remote areas, people who are over 65, people who are homeless and people with disabilities.

It is not clear whether there is any policy intention to expand the affected cohort of Centrelink's compliance program to include groups considered sensitive/vulnerable, such as people who live in remote areas, people who are over 65, people who are homeless and people with disabilities. Expansion of this program to these vulnerable cohorts would be overly punitive and would hold significant implications for Territorians.

Given the Northern Territory's unique demographic and geographic makeup, the application of Centrelink's compliance program involves extra sensitivities and complications in this context. As such, the method used currently to enforce Centrelink's compliance program has the potential to become an additional source of stress for vulnerable and low income Territorians living in remote areas, who, as outlined previously, already face significant disadvantages in terms of access to services, connectivity and support.

Thank you for the opportunity to provide this advice.

Yours sincerely 

✓ MICHAEL GUNNER

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