

Submission on Social Services Legislation Amendment (Payment Integrity) Bill 2017

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WLPC is a Research Company investigating and applying ideas from Complex Adaptive Systems (CAS). One application of the ideas is to reduce the administrative costs of Social Security Payments by giving individuals secure private access to information about themselves held by the government. The research of WLPC is nonproprietary and is available for use by any government agency.

The purpose of the Social Services Legislation Amendment (Payment Integrity) Bill 2017 is to close perceived loopholes in Social Security payments as a way to improve the government's budget. The difficulty with the legislation is that it increases the complexity and hence the costs of the payments system. Social Service Payment recipients bear most of these costs through increased complexity of dealing with the Social Services. The government does not see these costs, but they are real.

An example is a requirement for old age pensioners to stop receiving their Pension Supplement if they are overseas for more than six weeks. The pension supplement is a strange provision, and it is hard to see why it is treated differently from the main pension, but it is. For the sake of a few dollars, every pensioner who goes overseas will need to check to see if their trip requires them to submit a form to Social Security and for Social Security to adjust their payments. Most pensioners will forget about the need to submit a form, or Social Security will have to spend a lot of money informing them. However, Social Security will one day check with Immigration records and will detect the failure to comply and will issue a robodebt notice. The money cost of now dealing with the debt will be high for both the government and the pensioner. The psychological cost and the anger associated with a pensioner receiving a robodebt notice for not following the rules is high. It leads to a breakdown in trust between the citizen and the government.

The same argument applies to all the changes in this Bill. They are meant to reduce the cost to the government, but they do not come with an adequate plan for ensuring a low cost of compliance.

Bills, such as this, should come with the condition that the cost of operation should not increase the cost to the community. If it increases costs, then it should not be implemented because the community as a whole is paying extra because the system is less efficient.

Today's changes in legacy information systems should have lower operating costs because of recent advances in technology. It means legislative changes to legacy systems should never increase operating costs.

For example, the requirement for pensioners to notify Social Security if they are going to be overseas for six weeks or more will have reduced operational costs if implemented as follows.

First, the Social Security Department should allow a person to access their information held by the department by the person proving their own identity rather than the department verifying the person's identity. It requires a change in the mindset of the department to trust its citizens, but the department can do it as it is easy to achieve in a reliable, secure, private, low-cost way with Complex Adaptive Systems.

The same approach is available to Immigration. Immigration can provide a service to all people who leave the country. As part of the exit procedures, a person could receive automatic access to their information held in any government body which holds information about them. The person is provided with a tool to check their records to see if they need to notify or comply with any regulations. It could be done at departure or automatically checked when the person books a passage out of Australia.

The technology of Complex Adaptive Systems is available today and will help Social Security any other government agency where the person's departure or entry to Australia may affect an existing relationship.

This submission recommends that the legislation should include some way to require Social Security to implement the changes in a way that reduces compliance costs of Social Services.

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