

Chapter 3

Communicating with Centrelink

I sat with my daughter—and I have worked for the public sector for many years—and attempted to go through the questions which were in this form with her. Some of the questions were nonsensical. I had no idea what was being asked. You cannot progress unless you answer the question, so people are making a guess. They are putting in whatever information in order to get the form completed. They do not understand.¹

Power imbalance

3.1 Throughout this inquiry, the committee heard wide-ranging evidence regarding the difficulty individuals and organisations faced in communicating with the Department of Human Services (department) to discuss online compliance intervention (OCI) related debt matters. Communication problems included letters not being received, trouble contacting the department via phone, difficulty in receiving intelligible income data used to calculate purported debts, hard to navigate online communication portals, difficult to understand correspondence and a lack of material translated into other languages. These were all listed as individual barriers to effective communication between the public and the department.

3.2 However, a number of organisations raised a separate critical issue that acts as a barrier to all forms of communication – that there is a significant power imbalance between income payment recipients and the department, and communication therefore does not take place on a level playing field.

When confronted with a large public entity like Centrelink, many people feel that they simply must comply with the requests and that they have a limited capacity to advocate for themselves and limited confidence in the system's willingness to interact with them. I think this has been exacerbated by the loss of human oversight of these processes.²

3.3 In discussing the impacts of this power imbalance, where individuals tend to assume 'the department is right', organisations pointed to a number of adverse outcomes for individuals, such as people paying purported debt notices without question and people accepting pre-filled income data that averages their income without checking it for accuracy, leading to incorrect debt calculations. The evidence presented to the inquiry points to a tendency among individuals to assume the department is correct, and when a person does see an error, they feel they do not have the power to change it.

1 Sally, *Committee Hansard*, 16 May 2017, p. 57.

2 Professor Karen Healy, National President, Australian Association of Social Workers, *Committee Hansard*, 18 May 2017, p. 17.

A lot of people get one of the letters and assume that the debt is correct, so they go into an agency and say: 'I've got this Centrelink debt and I can't afford it. What can I do?' That is when the agency says: 'Maybe you better actually check to see whether the debt's correct. Go to the Welfare Rights Centre.'³

3.4 The Australian Council of Social Service (ACOSS) cited communication at the commencement of the program as having created a climate of fear among debt letter recipients:

We also know that, because of the communications from the responsible minister in the lead-up to this program being unleashed, there has been a perception created that if you do not comply you may go to jail.⁴

3.5 The Queensland Council of Social Service put forward the view that in order to achieve procedural fairness in the OCI process, government is responsible for ensuring that communication is clear and effective:

The government has a responsibility to provide clear and comprehensive information to individuals affected. The government has a responsibility to ensure that there is sufficient support for clients affected. The government has a responsibility to provide a number of channels of support: digital, phone or face-to-face. The government also has a responsibility to provide a myGov website that is easy to access and navigate.⁵

3.6 As discussed in Chapter 2, evidence from multiple submitters also points to the shift in the onus of communicating. Where the department previously checked income discrepancies, by communicating directly with employers, under the new OCI system, the onus for seeking that information and communicating it to the department in a highly proscribed form is now the responsibility of the income payment recipient:

In the past, DHS would investigate these discrepancies and would seek to obtain sufficient information from the person or employer to enable an accurate assessment to be made. Under the new process, DHS does not seek to obtain sufficient information to enable an accurate debt assessment to be made. It is instead used as the online platform, which is an automated

3 Mr Mark Leahy, Manager, Welfare Rights Centre South Australia Inc., *Committee Hansard*, 10 April 2017, p. 38.

4 Dr Cassandra Goldie, Chief Executive Officer, Australian Council of Social Service, *Committee Hansard*, 8 March 2017, p. 2.

5 Mr Mark Henley, Chief Executive Officer, Queensland Council of Social Service, *Committee Hansard*, 18 May 2017, p. 10.

system that makes a debt assessment based on the data match information alone if the person does not provide further information for any reason.⁶

3.7 The outcome of this communication with the department is critical for individuals – if they get it wrong they could incur a debt they do not owe. This chapter will review the various challenges people find in communicating with Centrelink, and the impact that challenges have specifically on their purported debt matters and more broadly on their lives.

Initial letters

3.8 Chapter 2 provided a breakdown of the OCI process, whereby the first stage is the data-matching process itself, and where a possible reported income discrepancy is found, an initial letter is sent to the individual asking for clarification around that income discrepancy.

3.9 The department provided evidence around this first stage of communicating with people who may have an income discrepancy. Firstly, the department explained that initial contact was not a 'debt notice.'⁷ Instead, the department referred to this step as a 'request for clarification':

We match data with the tax office to see if there is a difference between the information the ATO has about employment and the information the recipient has told us. If there is a difference, we do not make an assumption about whether that is a debt or there is no debt; we simply ask the person to clarify the difference and provide either confirming information or updated information.⁸

3.10 However, the National Social Security Rights Network expressed concern that, as individuals tend to assume the department is correct, the wording of the letter itself could lead individuals to not provide detailed and accurate information:

The very first version of the letter said, 'Go online to confirm your ATO information.' 'Confirm' is an extremely confusing word to use because generally the ATO information is correct... A number of people simply went online and all they did was confirm it and then averaging resulted or

6 Ms Genevieve Bolton, Chairperson, National Social Security Rights Network, *Committee Hansard*, 19 April 2017, p. 10.

7 The first letter sent to income payment recipients is a letter seeking clarification of income if a possible income reporting discrepancy has been found. Once an income sum is agreed to, or a person does not provide supporting evidence of income within the deadline period, a purported debt estimate is generated and formal debt notice is sent. In the case where a person has not responded to the letter seeking clarification, the income is averaged on an annualised basis in order to estimate the debt amount, and a formal debt notice is sent to the individual.

8 Ms Malisa Golightly, Deputy Secretary, Integrity and Information Group, Department of Human Services, *Committee Hansard*, 18 May 2017, p. 21.

they did not go online because, understandably, they said, 'It's correct. I probably don't need to worry about this.'⁹

3.11 People with Disability Australia were also critical of the confusing nature of the initiating letters from the department, stating that 'We raised concerns with the Ombudsman early on that the initial letter sent to welfare recipients failed to include crucial information and provided information that confused and frustrated some of the people who contacted us.'¹⁰

3.12 One individual who received a letter, Michael, pointed out that the subject line of the letter itself does not encourage people to open the communication, because the letter 'is marked "general" in the inbox. It is not labelled "urgent", "please respond", or "information needed". It is labelled "general". I think that seems foolish.'¹¹

3.13 The Welfare Rights Centre, South Australia pointed to the difficulties individuals had in responding to the letters because the person may 'lack the internet literacy to adequately respond to the letters and some letters are never received as the customer has moved.'¹² These two issues are discussed in detail below.

3.14 The Council on the Ageing Tasmania pointed out that beyond internet literacy, general literacy levels are also a barrier to some people responding.¹³ General and internet literacy is discussed in greater detail in the later section on communication barriers.

Incorrect addresses

3.15 The inquiry received evidence from a range of organisations relating to the apparent lack of updated contact details held by Centrelink, which resulted in many individuals not receiving the initial 'clarification' letters.¹⁴ ACOSS estimated that this

9 Mr Matthew Butt, Executive Officer, National Social Security Rights Network, *Committee Hansard*, 19 April 2017, pp. 42–43.

10 Mr Dean Price, People with Disability Australia, *Committee Hansard*, 19 April 2017, p. 2.

11 Michael, *Committee Hansard*, 16 May 2017, p. 57.

12 Mr Leahy, *Committee Hansard*, 10 April 2017, p. 33.

13 Mrs Susan Leitch, Chief Executive Officer, Council on the Ageing Tasmania, *Committee Hansard*, 26 April 2017, p. 6.

14 Dr Goldie, *Committee Hansard*, 8 March 2017, p. 2. See for example Welfare Rights Centre, South Australia, Inc., *Committee Hansard*, 10 April 2017, p. 33, Victor Olenych, *Submission 9*, p. 4, Fair Go for Pensioners, *Submission 32*, p. 3, Mount Druitt Ethnic Communities Agency, *Submission 34*, p. 3, Office of the Australian Information Commissioner, *Submission 108*, p. 4, Gerard McPhee, *Submission 114*, p. 5, Elizabeth Stary, *Submission 141*, p. 1.

resulted in over 6 500 people hearing about their purported debt from a debt collector rather than from Centrelink.¹⁵

3.16 The department discussed this problem at the second Canberra hearing, and outlined changes it made to the distribution of postal letters. The department initially used the 'last known address' to post letters. Around 5 000 people did not receive initial letters as the 'last known address' was not up to date.¹⁶ The department said it now sends letters via registered post and that, after an initial settling in period, 'the registered post system is more mature and we are able to reach that 10 000 mark' of letters being delivered each week.¹⁷ The department also acknowledged that in some cases, lack of up to date details meant that letters were sent to deceased people.¹⁸

3.17 ACOSS provided evidence that while the use of registered mail will resolve the issue of whether initial contact can be verified, '[t]hat does not address the matter of people who have previously been contacted under this program, who have not received that information, and are currently trying to address an alleged debt.'¹⁹

3.18 The issue of people who first heard about a purported debt from a debt collection agency instead of the department is discussed in further detail in this chapter below. The process by which people challenge the estimated debt amounts is discussed in chapter 4.

People 'not engaged'

3.19 The department discussed the difficulty they face, across many different payment areas, in having people engage with the department's requests for information. The department provided evidence that in one payment area, over 20 per cent of people did not respond to requests for information:

Last year we sent out about 300,000 [reminders] and, even after we had sent reminders, still [65,000] people received a debt because they had not updated their details, they had not engaged with us. Of those 65,000 people who had a debt, about 21,000 subsequently had the debt reduced to zero—because they had done everything; they just had not told us. This is a pattern that we have. We actually have to suspend a number of payments

15 Dr Goldie, *Committee Hansard*, 8 March 2017, p. 2.

16 Mr Jonathan Hutson, Deputy Secretary, Enabling Services, Department of Human Services, *Committee Hansard*, 18 May 2017, p. 28.

17 Mr Jason McNamara, General Manager, Integrity Modernisation, Department of Human Services, *Committee Hansard*, 18 May 2017, p. 36.

18 Ms Kathryn Campbell CSC, Secretary, Department of Human Services, *Committee Hansard*, 18 May 2017, p. 48.

19 Ms Charmaine Crowe, Senior Policy and Advocacy Officer, Australian Council of Social Service, *Committee Hansard*, 8 March 2017, p. 7.

every year from recipients who we ask for information—we ask them to update their details; we ask them to notify us of earnings—and they do not give it to us. After we have tried on a number of occasions, we actually have to suspend their payments in order for them to engage with us again. So I think it is going to be a key lesson learnt for us about just how many people are not responding to calls for action.²⁰

3.20 The department further stated that it had underestimated 'how many people would not clarify and would not engage'²¹ after receiving the initial letters and claimed that much of the communication difficulties specific to the OCI program were caused by this lack of engagement by individuals:

I think it is a problem when the recipient or the former recipient does not engage with us. That is why the refinement has been to ensure as best as possible that we can engage with the recipient. Sometimes we will really struggle to engage with either a recipient or a former recipient because they do not want to be engaged with us, or it may be that for whatever personal reasons they do not want to engage.²²

3.21 Witnesses raised a number of reasons as to why many individuals do not respond to communications from the department.

3.22 ACOSS provided evidence that often, communication with individuals is not done through a printed letter sent to an individual's residence. Instead, a person can be contacted via text message or email, letting them know there is a letter from Centrelink available on their myGov account. ACOSS submitted that in the case of the OCI, many people ignored such communications, thinking it was not relevant because 'they no longer have anything to do with Centrelink, and they thought they had done the right thing. They just thought it was an administrative error.'²³

3.23 Other witnesses pointed to many people's long-term reluctance to engage with Centrelink processes:

[W]e know of many people who have received letters from Centrelink and never open them. Clients will come in with a bundle of 10 letters from Centrelink that they have never opened. While that could be seen as being irresponsible, for many people it is a sense of hopelessness or helplessness in the face of a system that they often do not understand well.²⁴

20 Ms Campbell, *Committee Hansard*, 8 March 2017, p. 60.

21 Ms Campbell, *Committee Hansard*, 8 March 2017, p. 57.

22 Ms Campbell, *Committee Hansard*, 8 March 2017, p. 55.

23 Ms Crowe, *Committee Hansard*, 8 March 2017, p. 9.

24 Ms Kate McGarry, Senior Manager, AnglicareSA, *Committee Hansard*, 18 May 2017, p. 12.

Timing

3.24 The inquiry heard evidence that the timing of the department sending out initial letters was poorly chosen. The Federation of Ethnic Communities' Councils of Australia (FECCA) pointed out that during the Christmas period when many people received initial letters, advocacy services for Culturally and Linguistically Diverse (CALD) Australians were closed, leaving people to 'deal with it on their created difficulties for individuals due to the lack of legal advice available, but also because of the increased stress that vulnerable individuals and families experience during Christmas. The Financial Counsellors Association of Western Australian described a typical call for assistance:

'So I've had this letter, but I've got all these other debts. I'm just about to start my kids at school, I've got to buy uniforms, I've got to buy books, school fees. I've had a moratorium on my utility, I've got to now find the money for that, I've got the credit card debt after Christmas, and now this has come.'²⁵

3.25 Mission Australian echoed this evidence of the distress caused by the timing of letters:

In the lead-up to Christmas Mission Australia in Tasmania experienced a significant increase—around 20 per cent—in the number of calls from people who were overwhelmed or traumatised by the amount of debt they owed to the government and the urgency with which they had to pay that back. The majority of these callers were not aware of the supports available to them or how to challenge the claims of debt. The huge amounts of debt and the tight time frames to respond to them left people anxious and distraught—for example, some clients received these letters just before Christmas and did not know whether they could afford food or last-minute gifts. Then, towards February, we got feedback from some people that they were unable to provide school supplies and uniforms for their children as they were paying back a debt to Centrelink.²⁶

3.26 Ms Campbell, Secretary of the department, claimed that much of the distress was caused, not by the letters themselves, but by the media attention, stating 'I think that in the lead-up to Christmas and into January people became even more distressed because of the significant media attention around these issues. I think that half of the stories that appeared in the media were not part of this system—they were general

25 Ms Beverley Jowle, Executive Officer, Financial Counsellors Association of Western Australia, *Committee Hansard*, 21 April 2017, p. 24.

26 Mr Noel Mundy, State Director, Mission Australia, *Committee Hansard*, 26 April 2017, p. 22.

debt matters but, because of some of the stories in the media, there was a belief that all debts were wrong.²⁷

3.27 The department also provided evidence that seasonal variations are taken into account, and stated 'there was a significantly lower number of debt assessments initiated in December, because we are aware that that is a difficult period.'²⁸ However, Ms Campbell, Secretary of the department went on to say:

It is a difficult management system around when you can and cannot send out letters. If we do not send them out in November, December and January then we have to send out letters in February, March and April, and then people say, 'It's Easter.' It is very difficult to find a good time of year to send a letter to someone asking them to clarify their details.²⁹

Committee view

3.28 The committee notes that for the 6 500 people who did not receive their initial letters before the department moved to using registered mail, those people lost the opportunity to 'clarify' income data discrepancies. A significant proportion of those 6 500 people would have had their purported debts reduced or acknowledged as incorrect, had they had the opportunity to provide information to the department.

3.29 The committee remains highly concerned that a proportion of this cohort appears to have paid these purported debts without question, meaning the department was likely recouping monies it was not owed, from people who could least afford it.

3.30 The committee notes it is clear there is a significant communication problem when 65 000 from 300 000 people do not respond to requests from the department to engage. When the proportion of non-respondents is so high, it is also clear the communication problem lies not with the recipients, but with the department. These communication problems were exacerbated under the OCI program, but are clearly a broader systemic issue.

3.31 There is no doubt that the sending of a significant number of letters in the period before Christmas caused additional distress to people receiving the letters.

Communication barriers

3.32 The inquiry heard evidence from a range of organisations and individuals, that communication barriers experienced by people were not adequately taken into account by the department in its communication strategy for the OCI program. These barriers

27 Ms Campbell, *Committee Hansard*, 8 March 2017, p. 38.

28 Ms Campbell, *Committee Hansard*, 18 May 2017, p. 38.

29 Ms Campbell, *Committee Hansard*, 18 May 2017, p. 38.

included having a vulnerability indicator, language barriers, or a communication disability.

Vulnerability flags

3.33 The department uses a system of a 'vulnerability indicator' on a person's record to indicate a jobseeker who has a 'psychiatric problem or illness, cognitive or neurological impairment illness or injury requiring frequent treatment, drug/alcohol dependency, homeless, recent traumatic relationship breakdown, significant lack of literacy and language skills or a nationally approved vulnerability.'³⁰

3.34 The department submitted that vulnerable people are not subject to the OCI program, including 'those who are culturally and linguistically diverse, if the person is in a period of bereavement, affected by a natural disaster or resides in a geographic location with limited access to digital services. The identification of vulnerable recipients is based on the information the department has on record.'³¹

3.35 ACOSS noted that the OCI program would likely include some vulnerable people who do not yet have a vulnerability flag on their record:

That may happen, for instance, where the person did not have a vulnerability at the time they received a Centrelink payment from where the alleged debt arose, but have subsequently acquired one—for instance, they may be subjected to domestic violence or have depression and anxiety. Those people may well be caught up by this program.³²

3.36 The National Social Security Rights Network agreed with this view, and went further to state that this system may not be appropriately targeted because 'these indicators are applied to job seekers and, as the example below shows, may not be applied to recipients of non-activity tested payments such as sickness allowance.'³³

3.37 FECCA also pointed out that while many individuals have a vulnerability flag, and would therefore not have received letters, many vulnerable people would still be subject to the debt-recovery program:

By definition, those receiving support from Centrelink will likely have vulnerabilities, whether or not they are severe enough to be noted with a

30 Department of Human Services, *Assisted Compliance Rules*, quoted in Commonwealth Ombudsman, *Centrelink's automated debt raising and recovery system*, April 2017, p. 20, http://www.ombudsman.gov.au/_data/assets/pdf_file/0022/43528/Report-Centrelinks-automated-debt-raising-and-recovery-system-April-2017.pdf (accessed 7 June 2017).

31 Department of Human Services, *Submission 66*, p. 4.

32 Dr Goldie, *Committee Hansard*, 8 March 2017, p. 3.

33 National Social Security Rights Network, *Submission 107*, p. 12.

vulnerability indicator in their record. That vulnerability is likely to be compounded if you are from a CALD background.³⁴

3.38 By contrast, Basic Rights Queensland submitted that indicators aside, most income support payment recipients are vulnerable:

Centrelink does say it has those vulnerability indicators but then, by definition, most of the people who contact us are quite vulnerable in one way or another—it is just that it hasn't been officially categorised as such.³⁵

3.39 The Tasmanian Council of Social Service (TasCOSS) agreed with this view, stating 'any human service system we have in place in this country should actually already acknowledge the level of need that anyone accessing a safety net might have, rather than people having to be stereotyped or stigmatised by having a flag next to their name.'³⁶

3.40 TasCOSS put forward the view that the reason for this, is that there are sensitivity issues around creating those vulnerability indicators in the first place, which may mean many vulnerable people are not identified as such:

The need for an individual or the desire of an individual to disclose vulnerability is very personal. Many people have gone through their whole life very carefully guarding the fact that they may be illiterate, for example, and they become very clever at how they deal with covering that up. Equally, someone with a mild intellectual disability will be very proud of the fact that they fully function within the community within their capacity and do not want to be classified as a person with a disability, and nor should they.³⁷

3.41 TasCOSS also submitted that vulnerabilities often co-exist in areas of socio-economic disadvantage such as Tasmania, where the impact would be felt harder than in other regions:

It was always likely that the system would have a particularly egregious impact in Tasmania. Tasmania has the highest rate in the nation of children living in low-income, welfare-dependent families (30%), the highest youth unemployment rate (16.2%), and the highest rate of female sole-parent pensioners (5.5%). It also has high levels of inadequate adult literacy (less

34 Dr Emma Campbell, Federation of Ethnic Communities' Councils of Australia, *Committee Hansard*, 18 May 2017, p. 10.

35 Ms Georgina Warrington, Director, Basic Rights Queensland Inc., *Committee Hansard*, 16 May 2017, p. 9.

36 Ms Kym Goodes, Chief Executive, Tasmanian Council of Social Service, *Committee Hansard*, 26 April 2017, p. 11.

37 Ms Goodes, *Committee Hansard*, 26 April 2017, p. 10.

than 50% of Tasmanian adults have literacy skills at or above OECD level 3). Tasmanians, like many in rural and remote parts of Australia, have very limited access to legal assistance services and effectively no access to pro bono legal services.³⁸

3.42 Mental Health Australia concurred with this view, and stated that 'it should not be a requirement for Centrelink customers to disclose mental health issues for debt collection activity to be conducted in a manner that is sensitive to their needs.' Mental Health Australia pointed to the disbanding of mental health specific consultative groups within the department as being a contributing factor to the failure of the department to appropriately institute risk-mitigation processes to support people with mental health issues.³⁹ To rectify this problem, Mental Health Australia recommended:

[T]he Department should employ a co-design methodology to ensure that debt recovery processes, and Centrelink services more broadly, are fit-for-purpose and have necessary protocols to protect vulnerable cohorts, including people experiencing mental health issues. As a mechanism for co-design, the Department should immediately reconvene the Consumer Consultative Group, the Service Delivery Advisory Group and the Mental Health Advisory Working Party as a core element of the Department's continuous improvement process, which would be supported by user testing.⁴⁰

Literacy

3.43 A common concern raised by multiple witnesses, is the level of literacy of recipients of the departments communications, and the style of language used by the department, which together can create a significant communication barrier. The Law Society of South Australia noted:

The initial notices are received frequently by poorly-educated individuals and not infrequently by individuals who have a limited command of the English language. It is to be expected that some will interpret the initial notice as actually being a notice of demand.⁴¹

38 Tasmanian Council of Social Service, *Submission 64*, p. 8.

39 Mental Health Australia, *Submission 49*, pp. 2–3.

40 Mental Health Australia, Answers to questions on notice, 21 April 2017 (received 30 May 2017), p. 1.

41 Mr Tony Rossi, President, Law Society of South Australia, *Committee Hansard*, 10 April 2017, p. 34.

3.44 This view was echoed by #NotMyDebt, who stated 'The multistage review process is convoluted, protractive and oppressive, especially for vulnerable clients with low literacy, self-esteem, language skills or mental health.'⁴²

3.45 The Youth Network of Tasmania agreed the communication from the department was overly complex, and noted that in relation to younger income support recipients:

[I]t is also about the complexity of the language and complexity of the information they are required to provide and about the understanding of the disclosures that they need to make every step of the way.⁴³

3.46 The Launceston Community Legal Centre told the inquiry that the complexity of language used by the department meant that in order to achieve progress, an individual was best served by a professional who understood the specialised language:

[T]he best and most helpful way for those matters to be handled is for me or someone to assist the client to get all of their material evidence together and get it into Centrelink. There is a particular set of words you have to use. It is what I call Centrelink English, which is quite different to Australian English. If you do not use the right words, you do not always get the right outcomes.⁴⁴

3.47 Ms Basterfield, a consultant speech pathologist, concurred with this view of the complexity of language used by the department, but stated she simply referred to it as 'government English'.⁴⁵

3.48 TasCOSS told the inquiry that literacy can be a greater challenge, depending on location. TasCOSS pointed to the multiple levels of intersecting communication barriers faced in their jurisdiction:

Tasmania has the highest rate of population receiving any kind of income support payment and across all different payments available. Tasmania has the highest proportion of our population with a disability, including an intellectual or a learning disability. Nearly 50 per cent of the Tasmanian adult population has very low levels of functional literacy and numeracy. A recent national report released by Telstra shows that Tasmania has the lowest levels of digital access and digital capability. Tasmanians, like many Australians living in rural and regional areas, have limited access to legal

42 Ms Lyndsey Jackson, Coordinator, #NotMyDebt, *Committee Hansard*, 10 April 2017, p. 42.

43 Mrs Lisa Amerikanos, Board Member, Youth Network of Tasmania, *Committee Hansard*, 27 April 2017, p. 4.

44 Ms Emma Smith, Welfare Rights Advocate, Launceston Community Legal Centre, *Committee Hansard*, 27 April 2017, p. 16.

45 Ms Catherine Basterfield, Access Easy English, Consultant Speech Pathologist and Owner, *Committee Hansard*, 27 April 2017, p. 25.

assistance and extremely low levels of access to pro bono legal services. So, putting aside any other issues that have occurred with this system, these factors alone mean that dealing with any system that relies on online written communication will be fraught with difficulty. This should have been foreseen by the government and it should have been addressed.⁴⁶

English as a secondary language

3.49 A number of submitters raised concerns around Centrelink clients for whom English is a secondary language. The Welfare Rights Centre South Australia maintained that:

Another problem is that the letters go out in English, regardless of whether the person can read English. Communicating with people from non-English speaking backgrounds has always been problematic for Centrelink, but even more so when the decision to communicate is made by an automated decision-making system.⁴⁷

3.50 ACOSS contended that language barriers for culturally and linguistically diverse (CALD) people in and of themselves are often not enough to cause a 'vulnerability flag' on a person's account, but such communication barriers do in fact often create serious disadvantages for CALD people.⁴⁸

3.51 FECCA also raised issues relating to the intersecting difficulties faced by the CALD community, which went beyond simple language barriers:

Many migrants and refugees learn English as their second language and report that, at times, they struggle to use Centrelink's automated systems due to comprehension difficulties. Some claim that they may be entering their details incorrectly due to a lack of understanding of the system. Clients are exasperated at the lengthy call-wait times and the limited non-automated support. They suggest that it is almost impossible to receive face-to-face support from a person without waiting for significant periods of time and, once they do, they are referred to an online form, which is no good to them. Older clients, new migrants and refugees report that they have difficulty in completing the online forms because they do not have a computer and the internet, and nor do they understand how to use digital technology. Furthermore, they do not have someone who is available on a routine basis to provide assistance with income data reporting. Some clients have been told that they have needed to provide pay slips, bank statements and letters from their employers dating back to five years ago. This has

46 Ms Goodes, *Committee Hansard*, 26 April 2017, p. 8.

47 Mr Leahy, *Committee Hansard*, 10 April 2017, p. 34.

48 Dr Goldie, *Committee Hansard*, 8 March 2017, p. 3. See also Dr Emma Campbell, Federation of Ethnic Communities' Councils of Australia, *Committee Hansard*, 18 May 2017, p. 10.

proven difficult for some clients, as their previous organisations have closed and no longer exist.⁴⁹

Disability-related communication barriers

3.52 Children with Disability Australia told the committee they were not aware of any communication assistance that had been put in place to help people with a disability or their families in navigating the OCI system.⁵⁰

3.53 This evidence is supported by the personal experience of Michelle, who provided evidence to the committee that when she attended the Centrelink office to query her debt notice, she was directed to use the phone system, despite the fact she is deaf and had a communications support person with her:

At first they asked me to ring and I said, 'Hang on, I'm deaf.' My support worker was getting agitated going, 'Look, she's deaf—this can't happen.' They tried to force her to become the contact person, and that person did not want that; that person respects my privacy. They ended up forcing her to ring, and she did not want to and then walked out. My carer ended up walking out because they forced us to ring, whereas they should have done their job and assisted me.⁵¹

3.54 LawRight provided evidence relating to a client they assisted who has 'the reading age of a five- or six-year-old and the maths age of a six- or seven-year-old.' LawRight did not specify whether this person had a vulnerability flag, but submitted that in communicating with this person, the department sent 'a printout of payments made to the client dating back to 2001' but that the print out was not accompanied by any explanatory notes and was so complicated that even the LawRight lawyer did not understand the information.⁵²

3.55 Access Easy English submitted that there is a requirement for important information to be provided to people with a disability-related communication barrier in an 'Easy English' format, but found that 'CentreLink complaints processes and forms are not presented in a way these particular clients can use, to raise their concerns about access to written information.' To address the deficiency, Access Easy English recommended the department implement a 'whole of CentreLink/DHS approach to Accessible Information, in particular, Easy English.'⁵³

49 Ana, Mount Druitt Ethnic Communities Council, *Committee Hansard*, 19 April 2017, p. 68.

50 Ms Stephanie Gotlib, Chief Executive Officer, Children and Young People With Disability Australia, *Committee Hansard*, 11 April 2017, pp. 34–35.

51 Michelle, *Committee Hansard*, 10 April 2017, p. 56.

52 Ms Fiona Thatcher, Lawyer, LawRight, *Committee Hansard*, 18 May 2017, p. 32.

53 Access Easy English, *Submission 116*, pp. 7–10.

Geographic barriers

3.56 The committee received evidence of the impact that geographic barriers to communication has had on individuals. In particular, the committee notes that the need to travel long distances to Centrelink offices and/or legal services has increased the hours individuals have spent in resolving purported debt matters:

There are alleged debts that people have travelled hours to a Centrelink office to talk to somebody about, because they could not reach anybody through their call centre network, only to find after two visits that a debt had not occurred. The one example that a member told me about was somebody that had to get on a bus for an hour and 15 minutes to get to a Centrelink office not once, not twice but three times before the matter was resolved.⁵⁴

3.57 The National Union of Students stated travel distances have impacted students who tried to attend Centrelink offices to resolve their cases:

We have had students in rural and regional areas drive out or catch the bus to be told that they could have just done it at home and then they subsequently have had to wait even longer.⁵⁵

3.58 This issue was also discussed in media reports on the OCI program, with the ABC's Background Briefing radio program outlining the case of Greg Steen, who lives over 100 kilometres from his nearest Centrelink Office. After a number of trips Mr Steen had travelled over 1000 kilometres to resolve his purported debt matter.⁵⁶

Committee view

3.59 The committee notes evidence that there is a broad systemic problem with the way the department engages with vulnerable clients, which has been exacerbated by the OCI system.

3.60 The committee is deeply concerned for the people in the system who have not been properly identified as vulnerable, noting that to some extent, everyone who uses income support payments is vulnerable in some way.

54 Ms Lisa Newman, Deputy National President, Community and Public Sector Union, *Committee Hansard*, 8 March 2017, p. 17.

55 Ms Jill Molloy, Welfare Officer, National Union of Students, *Committee Hansard*, 11 April 2017.

56 Colin Cosier, 'How Centrelink's "robo-debt" ran off the rails,' *Australian Broadcasting Corporation, Radio National*, 5 March 2017, <http://www.abc.net.au/radionational/programs/backgroundbriefing/2017-03-05/8319442#transcript> (accessed 19 June 2017).

Debt notices

3.61 The inquiry received a range of evidence that people often first found out about their purported debt when they received a debt notice from the department, or when they were contacted by a debt collector. As noted earlier in this chapter, an estimated 6 500 people did not receive the initial letter requesting income clarification from the department, due to incorrect addresses being used. ACOSS noted that '[w]hile Centrelink could not track down these people to provide them with the information about a discrepancy or, indeed, an alleged debt, debt collectors have seemingly had no trouble doing so.'⁵⁷

3.62 Whether or not a person knew about the purported debt, the receipt of the formal notification of the purported debt was noted by many individuals and organisations as a stressful experience for people:

Life is stressful enough on Newstart, living from week to week and trying to find work and making a better life for yourself. It is only made worse by stressful events such as receiving a debt notice. I can only imagine the suffering someone who received a larger debt would experience.⁵⁸

3.63 This experience was echoed in evidence presented by advocacy organisations such as the Welfare Rights Centre South Australia Inc:

Many clients are extremely distressed by such letters and believe they are being accused of cheating. I personally spoke to a young woman who suffers from anxiety, who was extremely agitated and upset. She was crying and repeatedly told me that she was not a cheat. She was frightened that the debt, which was \$17,000, would result in her going to jail.⁵⁹

3.64 Tom characterised the debt notice as a fishing expedition, stating 'the debt notice was like a fraud; it was like a scam. You cannot send a letter saying, 'I accuse and you are guilty.'⁶⁰

57 Ms Crowe, *Committee Hansard*, 8 March 2017, p. 3.

58 Jade, *Committee Hansard*, 10 April 2017, p. 25.

59 Mr Leahy, *Committee Hansard*, 10 April 2017, p. 34. Many organisations discussed the level of distress the OCI program caused for individuals. See for example: #NotMyDebt, *Committee Hansard*, 10 April 2017, p. 42, National Council of Single Mothers and their Children, *Committee Hansard*, 10 April 2017, p. 46, Victoria Legal Aid, *Committee Hansard*, 11 April 2017, p. 28, Children and Young People With Disability Australia, *Committee Hansard*, 11 April 2017, p. 34, Australian Unemployed Workers Union, 11 April 2017, p. 42, Tasmanian Council of Social Service, *Committee Hansard*, 26 April 2017, p. 8, Welfare Rights Centre, *Committee Hansard*, 19 April 2017, p. 45.

60 Tom, *Committee Hansard*, 11 April 2017, p. 62.

3.65 The inquiry also received evidence of individuals who first became aware of a purported debt, because deductions were made from their income support payments. In these cases, the individuals had not received any prior communication regarding the purported debt matter. Queensland Advocacy Incorporated (QAI) discussed the case of a client who told QAI 'she did not receive a notice or letter, but she simply noticed that there was \$86 missing from her Newstart allowance of \$536 per fortnight. This is obviously a substantial proportion—more than 10 per cent—of the allowance.'⁶¹

3.66 Financial Counselling Australia outlined its understanding of the process for Centrelink to begin automatic deductions from income support payments, and the impact this can have on individuals:

When the Centrelink system identifies a debt for a person currently in receipt of Centrelink payments, this triggers automatic deductions of 15% of that person's pension or income support as repayment. As people in receipt of Centrelink benefits typically already live below the breadline, 15% of income support can mean the difference between being able to afford essentials or needing rent/food relief from an emergency relief provider.⁶²

Access to information

3.67 Throughout this inquiry, individuals and legal and advocacy organisations from around Australia gave evidence that the department withheld information that a debt letter recipient needed to understand how the purported debt was calculated. This included information to enable them to work out what income information may be incorrect and have the effect of creating an incorrect debt amount. Many organisations stated they resorted to Freedom of Information (FOI) requests to force the department to release information that was denied on initial requests.

It seems to me to be quite ludicrous that we even have to go to freedom of information. I used to think that the child support letters were incredibly complex, until this started. But at least with the child support letters, if a person who had sought our service had a difficulty, I could read about the period over which that debt was incurred, what incomes were taken and the percentages of shared care, and then we could work through it together. But, as someone trying to assist, I will ask the question: 'Why do you have that debt? How long have you had it for? What payments do you receive?' People say, 'I don't know—I just have this debt.'⁶³

61 Dr Nick Collyer, Systems Advocate, Queensland Advocacy Incorporated, *Committee Hansard*, 16 May 2017, p. 26.

62 Financial Counselling Australia, *Submission 123*, p. 3.

63 Ms Terese Edwards, Chief Executive Officer, National Council of Single Mothers and their Children, *Committee Hansard*, 10 April 2017, p. 46.

3.68 Many individuals provided copies of the information they received from the department, to show how difficult the data was to understand:

This thick wad of paper is the FOI, and it is total gibberish. It is just rubbish. None of the income numbers in there make any sense, and none of them correlate. I cannot make any sense of it.⁶⁴

3.69 Even when information was provided, individuals had difficulty in understanding how the department had calculated a purported debt amount. Tom, a retired Chartered Public Accountant, described the information he was provided with as 'pure kafka' and said that as a trained financial professional, he found the department's explanation of how the purported debt was calculated as 'crazy' and stated 'I am a practical person. I am a trained accountant. I cannot listen to stuff like that.'⁶⁵

3.70 The Australian Privacy Foundation put forward a similar view, stating that in trying to establish that a purported debt is owed, the onus of communication sits with the department:

I use the fundamental justice principles, which are that you either make your case for the debt being owing or you do not have a case. Failing to provide information is a separate issue of the responsibility obligations between the individual and Centrelink. When it comes to debt, the justice system is quite clear. It is just that Centrelink does not want to comply with those principles.⁶⁶

3.71 The Welfare Rights Centre South Australia contended that despite requesting information to clarify an income discrepancy, in many cases that information already sat within the department's information systems:

Some customers do not have the information necessary to demonstrate their compliance. If, for example, a debt is raised up on the basis of income earned seven years ago, it is unlikely the client would have the information necessary and it is unreasonable to expect them to. The irony is that in many of these cases Centrelink already has the information necessary on the customer records which a human decision-maker could assess.⁶⁷

3.72 The difficulty in accessing appropriate information was raised by legal services as being a key impediment to providing advice and assistance to individuals in relation to their purported debt matter. Basic Rights Queensland told the inquiry:

64 Geoff, *Committee Hansard*, 11 April 2017, p. 60.

65 Tom, *Committee Hansard*, 11 April 2017, p. 59 and p. 62.

66 Ms Katherine Lane, Immediate Past Chair, Australian Privacy Foundation, *Committee Hansard*, 19 April 2017, p. 31.

67 Mr Leahy, *Committee Hansard*, 10 April 2017, p. 34.

Centrelink's debt calculations are not actually freely available to the public. There is a debt calculator on the online compliance site where Centrelink customers can enter their figures and get an estimate, but experience from our colleagues interstate indicate that once a person has appealed a debt that calculator is no longer accessible. This means it is really difficult for advocates like us to actually assist a person... The system is failing to meet minimum requirements of procedural fairness because, despite the fact that it is actually possible to provide the correct information, it is not always accessible and there is insufficient information about how to use it.⁶⁸

Committee view

3.73 The committee is deeply concerned with the lack of clarity in information provided regarding individual purported debt matters. This includes both sufficient depth of information as well information provided in an appropriate form particularly for vulnerable people and people with communication barriers.

3.74 The questionable action of reversing the burden of proof onto income payment recipients, where people are being asked to prove they do not owe a purported debt, is discussed in great detail in chapter 4. What makes this reversal more problematic, is the lack of information provided to individuals and their advocates, that they need in order to prove the purported debts are not correct.

Centrelink communication channels

3.75 The department has three main communication channels for individuals to interact with Centrelink: storefronts, online portals and via phone. The inquiry received evidence of difficulties people faced with all three communication channels.

3.76 The department discussed the various communication channels available to individuals, and told the inquiry that individuals were encouraged to use phone and online communication portals, as frontline staff at Centrelink offices have not necessarily had the appropriate training to assist people with the OCI process:

We encourage staff to get recipients to go online, and one of the main reasons for that is that, once they are online, they can also contact the 1800 number. If you go to a Centrelink office—there are 350 throughout Australia—it is not always likely that the person there will be deeply experienced in these matters.⁶⁹

68 Ms Warrington, *Committee Hansard*, 16 May 2017, pp. 2–3. The issue of access to information as a barrier to legal advice was raised by a number of legal services. See for example Ms Tara Simpson, Legal Services Commission of South Australia, *Committee Hansard*, 10 April 2017, p. 15, Mr Mark Lehey, Welfare Rights Centre, South Australia, Inc., *Committee Hansard*, 10 April 2017, p. 36, Ms Paula Hughes, Lawright, *Committee Hansard*, 16 May 2017, p. 30.

69 Ms Campbell, *Committee Hansard*, 18 May 2017, p. 61.

3.77 The inquiry received evidence that this encouragement of use of online portals was not always considered by Centrelink officers to be the best way to resolve purported debt matters. The Community and Public Sector Union told the inquiry:

Frontline service officers reported when they get customer details on the screen, when they are face-to-face with people, they would often find errors that they would be able to correct very quickly but they were told, quite quickly, not to do that and to push people back onto self-service portals to get them to use the online system to correct their own details. They also reported that people in the debt management teams were instructed only to deal with a very small portion of the debt management process despite their experience telling them that there were errors in other parts of the record.⁷⁰

3.78 Multiple witnesses to this inquiry, both individuals and organisations, stressed the need for flexibility in the communications channels. While a large proportion of people may find online systems convenient, many people require telephone or face-to-face assistance for a variety of reasons. These issues are discussed in the following section.

Centrelink online portals

3.79 As outlined in earlier this chapter, the premise of the OCI program is to require individuals to provide detailed income data to retrospectively verify their eligibility for income support payments. In the first instance, the department directs people to provide this information via its OCI online portal.

3.80 The online portals, both myGov and the OCI-specific website, were described by many as being very difficult and complex to navigate, and 'inhibits people's ability to provide accurate information that is very much needed when looking at whether or not someone owes a debt.'⁷¹

3.81 For many people subject to the OCI program, simply accessing the online world is a challenge. The Legal Services Commission of South Australia told the inquiry:

They do not have internet and they may not have mobile phones, so their preference is to go personally to Centrelink and seek assistance. It was specifically noted by her that those who have casual jobs or intermittent positions prioritise other necessities, and the internet and mobile phones may not necessarily be high on those lists.⁷²

70 Ms Newman, *Committee Hansard*, 8 March 2017, p. 16.

71 Ms Crowe, *Committee Hansard*, 8 March 2017, p. 7.

72 Ms Tara Simpson, Legal Services Commission of South Australia, *Committee Hansard*, 10 April 2017, p. 19.

3.82 This evidence was repeated by People with Disability Australia, who told the inquiry:

[W]e know that there is a problem with access to the internet, generally, for a lot of people. Whether that is because of where they live, whether that is because there is not community access in the communities that they live in, it is definitely a problem. Having someone to call, having someone to talk to, having a place to go and see people in person is absolutely imperative.⁷³

3.83 One witness pointed out that although many people could access the internet through places such as a library, there were privacy concerns for sending personal data over a publicly accessible internet system. Susan stated that 'I could tell you a little about having to give my bank records, which I had to do in a public library. I was very scared someone was going to access my bank details over the wi-fi.'⁷⁴

3.84 Access Easy English submitted that a significant proportion of the Australian population, 52 per cent, has non-functional numerical literacy which is 'critical literacy for the correct administration in areas such as meeting attendance, planning and time management, adherence to conditions in CentreLink letters, to name a few.' Of greater import, Access Easy English submitted that in testing of problem solving technology-based information (online information), 62 per cent of users were found to be non-functional, and furthermore, 1 in 5 households do not have access to the internet.⁷⁵

3.85 Even for highly digitally literate people, communicating via the online portal created difficulties in uploading information requested by the department. Basic Rights outlined a process a client took to upload income data to show there was no debt owed:

They went through an enormous process to try and address this. They made seven separate attempts to upload the correct pay documentation—keep bearing in mind that this is a tertiary educated person. As they could not get this to work, they photocopied the pay slips and sent them by registered mail on 26 October.⁷⁶

3.86 Conversely, Ian explained his difficulty in communicating with the department was that while he was told he must submit information via the online portal and not via an email, the department said it would accept information via fax:

73 Mr Dean Price, Advocacy Project Manager: Social Justice, People with Disability Australia, *Committee Hansard*, 19 April 2017, p. 39.

74 Susan, *Committee Hansard*, 11 April 2017, p. 61.

75 Access Easy English, *Submission 116*, p. 4.

76 Ms Warrington, *Committee Hansard*, 16 May 2017, p. 2.

I said, 'Yes, I'll email it to you.' They said, 'No, we don't use email here.' I said, 'What! It's the 21st century.' They said, 'We don't use email here.' They said, 'You could send it by myGov.' And I said, 'Well, I don't have a myGov account.' ... The only other option they gave was to fax the letter through to them. And, of course, who has a fax machine in their home? To go to the post office, I think it was going to cost me \$4.50 a page to send this letter through. It was a letter of some eight or nine pages—so \$40 to get a letter to Centrelink.⁷⁷

3.87 However, evidence was received that suggests the difficulties experienced are not limited to simply accessing the online portals, but stem from the design of the online website itself. The National Social Security Rights Network stated the key problem was the usability of the site:

The outstanding impression I have had so far is that the majority of people who have struggled are not people who are unwilling to use online channels, they have just had great difficulty using this. There are some people for whom on line is inappropriate or difficult or they do not have access, but the main cause of problems is that DHS fundamentally underestimated how usable their system was.⁷⁸

3.88 People with Disability Australia agreed the online portal was not user-friendly and described the online portal as having 'some good features to that but they were not easy to use, they were not easy to navigate and it was not necessarily clear how to navigate around those. So without that guidance, those tools may be available but they are difficult to access.'⁷⁹

3.89 UnitingCare Queensland noted that many of its clients required assistance to navigate the OCI website:

However, in working with these clients, the main concern we found was with the online service portal and having zero to minimal capacity to navigate that system. They all stated that that caused a great deal of distress and that that they needed help via a financial counsellor to navigate that system.⁸⁰

3.90 The usability of the OCI website formed part of the investigation of the OCI process by the Commonwealth Ombudsman. The investigation report details examples where the website does not provide sufficient warning that 'accepting' the ATO annual

77 Ian, *Committee Hansard*, 10 April 2017, p. 26.

78 Mr Butt, *Committee Hansard*, 19 April 2017, p. 39.

79 Mr Price, *Committee Hansard*, 19 April 2017, p. 39.

80 Ms Jodie Logovik, Program Manager, Financial Wellbeing and Resilience, UnitingCare Queensland, *Committee Hansard*, 18 May 2017, p. 50.

income figure data will result in income averaged fortnightly and a higher chance of a purported debt being calculated.⁸¹

3.91 The report further expresses concern that even where people are aware they must enter fortnightly earned income data in order to avoid a purported debt being calculated, the OCI website itself does not provide a simple method to insert this data. The report uses an illustrative example of a 'reasonably well-educated' user who attempted to update her income data but 'found the questions in the system too narrow, as they only asked her to confirm her employers and her group certificate amount. After Ms D completed the OCI process, the system advised her she owed a debt of \$2203.24.'⁸²

3.92 The committee received evidence from the department that the OCI portal was developed within the department, and did not receive extensive outside user testing. The department outlined the testing process to develop the OCI portal included:

- an internal exercise to identify if the online compliance system was working; and
- a pilot between July and September 2016 of 1 000 people selected for intervention, with monitoring to check for any process or system generated issues.⁸³

3.93 The department has confirmed that since the date of the above complaints, the OCI website has been updated, in February 2017. The department outlined the process it went through for subsequent user-testing of the updates for the OCI website:

It was an interactive process with users. We had a range of users we brought in to test screens with and to test explanations in the help with. So it was an interactive process. Overall, the feedback we had was to de-clutter the screens.⁸⁴

81 Commonwealth Ombudsman, *Centrelink's automated debt raising and recovery system*, April 2017, p. 12, http://www.ombudsman.gov.au/_data/assets/pdf_file/0022/43528/Report-Centrelinks-automated-debt-raising-and-recovery-system-April-2017.pdf (accessed 13 June 2017).

82 Commonwealth Ombudsman, *Centrelink's automated debt raising and recovery system*, April 2017, p. 11, http://www.ombudsman.gov.au/_data/assets/pdf_file/0022/43528/Report-Centrelinks-automated-debt-raising-and-recovery-system-April-2017.pdf (accessed 13 June 2017).

83 Department of Human Services, Answers to questions on notice, 8 March 2017 (received 19 April 2017), p. 1.

84 Mr McNamara, *Committee Hansard*, 18 May 2017, p. 45.

3.94 The department was asked whether the user-testing included vulnerable people and those with communication barriers. The department confirmed only that they used 'a broad sample of recipients and former recipients'⁸⁵ which included 'volunteer members of the public and departmental employees'⁸⁶ and that although other programs conduct testing across Australia, the subsequent refinements to the online portal were only tested by users in Canberra.⁸⁷

3.95 The pages of the website were provided to the inquiry as a briefing to the committee, and submitted in hard-copy. The updated website now includes a warning that dates of employment will impact the debt calculation – referred to as 'assessment of payments'. However, the warning appears at the point a person verifies their overall start and end dates of employment. See image 3.1 below:

Image 3.1



Source: Department of Human Services, Submission 66.1, Attachment A *Employment Income Confirmation* 1 June 201, p. 19.

3.96 If a person simply confirms the start and end dates of employment but does not go on to complete the fortnightly income stage of the website, they will potentially

85 Ms Campbell, *Committee Hansard*, 18 May 2017, p. 46.

86 Department of Human Services, Answers to questions on notice, 8 March 2017 (received 19 April 2017), p. 2.

87 Mr McNamara, *Committee Hansard*, 18 May 2017, p. 46.

be liable for an incorrectly calculated debt because of the department's practice of averaging ATO annual income data.

3.97 Concern was raised by ACOSS that if the program was expanded to capture income sources more likely to be received by the age pensioner population, difficulties already being found with the online portals would be far greater:

If this program is expanded to income from areas other than employment—what will mostly be the age pensioner population—there is a much higher risk that the person will have poor digital literacy and may not even have access to the internet. It is envisaged that this group is going to need much more support than that received by the people affected by the current program. There are also clear concerns about people's vulnerability. It is safe to say that the proportion of people in the age pensioner population who have some kind of vulnerability will be much higher than we have seen amongst the working-age population.⁸⁸

Centrelink storefronts

3.98 Evidence was received from a number of witnesses that individuals subject to the OCI program were denied service at Centrelink storefronts. The Community and Public Sector Union raised this as an issue of particular concern for their members:

Members have been particularly disturbed by reports of managers instructing frontline staff not to correct errors that they find and instead to push customers onto self-service mechanisms and/or refer them to a different part of the department—namely, the OCI teams.⁸⁹

3.99 However, the department discussed this issue and responded that letter recipients were encouraged to use phone and online communication portals, as frontline staff at Centrelink offices have not necessarily had the appropriate training to assist people with this particular issue:

We do not have the capacity to train all our staff up to do every element of business across the Department of Human Services, so we stream into expert type areas. This is an expert type area, so what we wanted was for recipients to engage with the system and then engage with the 1800 number, which has the people who are expert on this, rather than any of our service staff in the offices.⁹⁰

3.100 However FECCA pointed out that CALD community members can often have greater difficulty communicating via phone and online than in person:

88 Ms Crowe, *Committee Hansard*, 18 May 2017, p.21.

89 Ms Newman, *Committee Hansard*, 8 March 2017, p. 7. See also p. 16.

90 Ms Campbell, *Committee Hansard*, 18 May 2017, p. 61.

Given the reports that Centrelink staff were told not to process debt disputes in person, if they are unaware of Centrelink's multilingual phone service, language may discourage them from using the phone service to challenge their debt letter. Many CALD Australians have limited digital literacy, and FECCA has done a lot of work around this. Low levels of English language mean they are unable to navigate government services through online portals. So they just pay, whether or not they are liable for that debt.⁹¹

3.101 Conversely, other witnesses pointed to the general inappropriateness of having to discuss highly personal details in the Centrelink office. The National Council of Single Mothers and their Children stated '[i]f you are completely stressed out and go into a Centrelink office, you are publicly asked what your issue is and someone makes a notation on a tablet if you cannot do that yourself and then you wait in a very public space.'⁹²

3.102 Some witnesses pointed to Centrelink offices as being inappropriate spaces for vulnerable people due to the level of aggression that can now be found in Centrelink storefronts:

I am 67 and I am afraid to go into the Footscray Centrelink office. The number of times that I have been in there where there has been someone who has become so frustrated with the system that they are angry and threatening everything from, 'If I had a bomb, I'd blow the place up,' to, 'Someone should bring in an AKA and just shoot the place up,' means that I now do as much as possible on the phone.⁹³

3.103 The department stated there has been no increase in aggressive behaviour from customers at Centrelink storefronts and stated 'We do have a small number of incidents—and those incidents occur every day—where people are aggressive and take it out on the staff members. But we have not seen an increase in the last few months on that issue.'⁹⁴

3.104 Evidence received by individuals, and backed up by organisations, points to the incidents cited by the department above as often being used by Centrelink staff as an excuse not to provide service to difficult people:

But there are a lot of cases where I have spoken to people who have said, 'I just questioned the Centrelink staff member on this issue, and the Centrelink staff member felt unsafe by being questioned'—maybe their tone

91 Dr Campbell, *Committee Hansard*, 18 May 2017, p. 11.

92 Ms Edwards, *Committee Hansard*, 10 April 2017, p. 48.

93 Mrs Marilyn King, President and Advocate, Willing Older Workers W.O.W. Inc., *Committee Hansard*, 11 April 2017, p. 47.

94 Ms Campbell, *Committee Hansard*, 18 May 2017, pp. 61–62.

of voice was a little higher than usual because they were frustrated. Instead of engaging with them as humans and trying to work out their problem, the staff member says, 'I don't like the tone you're speaking to me with, and I want you to leave.'⁹⁵

3.105 An example of this was provided by Michelle, who told the inquiry:

They actually ordered me out of the office and that made me feel even worse... I was not abusive, threatening or angry. I was frustrated. I was complaining about a letter and then I was dismissed. Sadly, it made me feel as if I had done the wrong thing, but I had not.⁹⁶

Centrelink phone systems

3.106 The issue of people not being able to reach the department by phone was a key concern raised by many witnesses and submitters throughout this inquiry. This was exacerbated by the initial letters being sent out without the dedicated OCI phone number being included. Although the department has since updated the letters to include this information, the Commonwealth Ombudsman has pointed out the number is printed on the second page of the letter and 'is not obvious to the reader'.⁹⁷

3.107 The committee heard that people experienced difficulties getting through on the phone in the first instance, as well as long wait times after the call was first answered by Centrelink. The Community And Public Sector Union told the inquiry:

More than 36 million calls to the Department of Human Services went unanswered last year as the department is no longer able to provide a basic level of service to Australians.⁹⁸

3.108 One witness, Jade, summarised the impact this can have on individuals by stating 'The fact that it is nearly impossible for people to reach Centrelink on the phone leads to people being more likely to accept the debt and not challenge it.'⁹⁹

3.109 The Victorian Council of Social Service quoted a complaint letter they received which stated:

95 Mr Owen Bennett, President, Australian Unemployed Workers Union, *Committee Hansard*, 11 April 2017, p. 48.

96 Michelle, *Committee Hansard*, 10 April 2017, p. 55.

97 Commonwealth Ombudsman, *Centrelink's automated debt raising and recovery system*, April 2017, p. 27, http://www.ombudsman.gov.au/_data/assets/pdf_file/0022/43528/Report-Centrelinks-automated-debt-raising-and-recovery-system-April-2017.pdf (accessed 13 June 2017).

98 Ms Nadine Flood, National Secretary, Community and Public Sector Union, *Committee Hansard*, 8 March 2017, p. 12.

99 Jade, *Committee Hansard*, 10 April 2017, p. 25.

On Wednesday 22 March, I phoned 132850, 16 times between 1 pm and 2 pm. The line was busy for the entire time. At 2.13 pm, I telephoned the 1300306325 line. I was then on hold for three hours and 12 minutes. This is outrageous and unacceptable. I know this is not a one-off situation as a staff member I eventually spoke to at Centrelink told me, not once but twice, that that kind of wait time is common on this line.¹⁰⁰

3.110 The Financial Counsellors Association of Western Australia stated this issue did not just impact individuals, but also impacted professionals who were attempting to provide assistance on debt matters and had experienced great difficulty in contacting Centrelink via phone when they were in a mediation session with clients.¹⁰¹

3.111 The department has previously provided evidence on the 'average speed of answer' times for the debt phone lines for the period beginning July 2016 to end January 2017. The committee notes the department's advice that the average waiting time for the 1800 Compliance phone line was 40 seconds and two minutes and four seconds for the Debt Recovery and Raising phone line.¹⁰²

3.112 IsCentrelinkDown described the call data presented by the department as 'number-fudging' because the department does not record call handling time at an organisational level, but instead resets the clock every time a call is transferred.¹⁰³

3.113 IsCentrelinkDown developed a testing program for the phone number given on the initial debt letter, 1800 076 072, and found that on average, a call to this number had a 27.44 per cent chance of not being answered, which went up to 50.0 per cent at 12.00pm when a large volume of calls were made during people's lunch breaks.¹⁰⁴

3.114 IsCentrelinkDown noted the cost to individuals as a result of lengthy wait times to have their questions answered:

Mobile calls to 13/1300 services are always charged with a flag-fall and a per-minute rate, making long hold times expensive. This makes no sense that we are lumping those with the least ability to pay for phone calls with 13/1300 numbers including crisis services. Meanwhile the DHS 'purchasing

100 Ms King, *Committee Hansard*, 11 April 2017, p. 50.

101 Ms Jowle, *Committee Hansard*, 21 April 2017, p. 20.

102 Department of Human Services, Answers to questions on notice, 2 March 2017, http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/clacctte/estimates/add1617/DHS/index (accessed 19 June 2017).

103 IsCentrelinkDown, *Submission 27*, p. 2.

104 IsCentrelinkDown, *Submission 27*, p. 5.

helpdesk' for the Dunn & Bradstreet contract is a 1800 number. This displays poor priorities.¹⁰⁵

3.115 Once people managed to have their call answered, they reported difficulty in having to explain a complex situation to one Centrelink officer, only to have to repeat the same information the next time they call and speak with a different staff member.¹⁰⁶

3.116 The National Social Security Rights Network also pointed to the confusion created when individuals calling Centrelink are unable to find the right section to speak with about their case:

[a] number of people have also expressed frustration and confusion about not being able to access the right information when they have attended a Centrelink office or called through on the general Centrelink numbers. That reflects, of course, some poor decision making about implementation, including not making the 1800 direct number to compliance officers apparent.¹⁰⁷

Committee view

3.117 The key concern with the OCI process, is the outsourcing of the income checking process to individuals. With this comes an inherent reversal of the burden of proof – the department claims an income discrepancy and requires an individual to seek the information required to prove the discrepancy does not exist. If the individual fails, they will owe a debt of potentially many thousands of dollars to the department.

3.118 The two fundamental resources a person needs to undertake this process is a method of communicating, and once that communication channel is opened, the receipt of information that is both comprehensive and comprehensible.

3.119 The department is clearly failing to provide those two necessary tools to allow people to challenge the income discrepancy, and is reaping the benefit through debt payments.

105 IsCentrelinkDown, *Submission 27*, p. 4.

106 Ruth, *Committee Hansard*, 10 April 2017, p. 55.

107 Mr Butt, *Committee Hansard*, 19 April 2017, p. 38.

