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**Submission to the Senate Community Affairs
Legislation Committee's inquiry on Social
Services and Other Legislation Amendment
(Simplifying Income Reporting and Other
Measures) Bill 2020**
February 2020

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About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. With a combined expenditure of \$1.82 billion, and a workforce of 20,500 staff and 9,000 volunteers, the Anglicare Australia Network contributes to more than 50 service areas in the Australian community. Our services are delivered to 450,000 people each year, reaching over 1.33 million Australians in total. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas.

Anglicare Australia has as its Mission “partner with people, families and communities to build resilience, inclusion and justice.” Our first strategic goal charges us with reaching this by “influencing social and economic policy across Australia... informed by research and the practical experience of the Anglicare Australia Network.”

Contact

Imogen Ebsworth
Deputy Director
Anglicare Australia
PO Box 4093
Ainslie ACT 2602
T: 02 6230 1775
anglicare@anglicare.asn.au

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Simplifying income reporting

Anglicare Australia welcomes the opportunity to make this submission on the Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020.

The Bill is intended to simplify and automate reporting obligations for people in receipt of income support payments who receive employment income. The assessment of employment income will change so that it is based on “income-received” rather than “income-earned” each fortnight. The Australian Taxation Office will be able to share real time income information from a social security recipient’s employer with Services Australia (formerly Department of Human Services) using the Single Touch Payroll program.

Anglicare Australia supports measures that simplify reporting obligations and help ensure that each person receives the rate of payment they are entitled to. However, it is imperative that the Government acts on the lessons learnt from its failed “Robodebt” scheme before it implements any automation processes that can have detrimental effects on peoples’ lives. This is particularly important for processes and systems that serve some of the most vulnerable groups in our society. In this submission Anglicare Australia will highlight underlying issues that need to be addressed if the system is to work for its beneficiaries. These issues should be addressed before these measures are implemented.

We recommend that the Committee supports this Bill, on the condition that the Government can provide comprehensive and transparent evidence of user testing for these proposed changes. The Government must also show that it has considered any unintended consequences or potential risks of harm, and the steps needed to ameliorate them.

A system benefiting its users

Anglicare Australia agrees with the National Social Security Rights Network that the success of automated systems depends on investment, rather than seeing automation as a cost-saving measure. Anglicare Australia believes that it is not a sufficient goal merely to reduce overpayments or correct inaccuracies. The real objective must be to use the data provided to inform the design of a better, more responsive income support system. This would involve:

- Rigorously testing the automated system for errors to ensure that it generates accurate data, and supports accurate decision-making.
- Putting the end user at the centre of its design. The Government must thoroughly consult and test the system with people receiving payments and the organisations supporting them. This work must focus on understanding how the automated system will impact on vulnerable people, and how any stress and unintended consequences that the system may cause can be addressed, and acted upon.

- Setting up support systems that work for the most vulnerable groups of people who have to rely on the system.
- Ensuring there is a responsive, fair and accessible mechanism for challenging the accuracy of any decisions made in reliance on the automated system.

It is clear from the Government's Robodebt scheme that no decision taken to change a person's access or level of government income payment, or to generate a debt, can be done fairly if based solely on an automated algorithm, but must be checked by a human being. Unfortunately, Centrelink has a long history of making mistakes or having system glitches.ⁱ If the Government intends to raise debts based on this system, it is vital that these lessons are learned.

Another lesson from Robodebt is that it unfairly shifted the administrative burden to the income recipient to prove a system error, rather than the relevant Department. Any new measures relying on automation should ensure that the responsibility remains with the Government to ensure the debts it raises are accurate, and review evidence and decisions when challenged.

System design with people affected

User-testing is vital to ensuring communication of the changes are effective and that there are no unintended consequences of the system. There appears to have been no user testing of the recommended automated processes prior to introducing this Bill. Instead, the Government plans to notify recipients through a bulk mail-out and targeted messaging in advance.ⁱⁱ This approach has not worked for users in the past and has been widely condemned, including by previous Senate inquiries into Centrelink's compliance program.

The Committee must recommend that user testing with a diverse range of cohorts to capture the experience of peoples of different ages, abilities, literacy, and access to technology. The Bill can only be supported if the Government can provide comprehensive and transparent evidence that it has conducted such testing, and incorporated the needs of vulnerable groups into the new system's design and responses.

For example, it appears that the new reporting process relies heavily on the assumption that most Centrelink payment recipients will have internet access and a level of proficiency to engage with the process. However, the experiences of our member organisations suggest there will be a major cohort without the necessary IT access nor proficiency to use the new reporting process.

Anglicare Australia's recent *Paying the Price of Welfare Reform* report,ⁱⁱⁱ which examined the impact of Centrelink automation on Anglicare Australia's clients and staff, showed that for many clients one of the biggest problems with the push to automation is the consequent lack of face-to-face contact with competent Centrelink staff. A visit to a Centrelink service centre now often results in staff asking people to use the computers or the phones in the centre, rather than speaking to a member of staff. For those who have low or no computer literacy, speak English as a second language, or face other barriers to access, using a computer can be very difficult. It can create unnecessary barriers and a process of alienation as can be seen in this case study of Rose, 57, claiming the Disability Support Pension and caring for her elderly mother:

They said to me I legally had to do it on a computer and the last time I went down there they wouldn't let me get out of it. I had to. The woman was there yelling at me. She said go and sit down then. I sat down and then she came up and said well have you started yet. I said I don't know how. She said well click on the mouse. I said I don't know what that means. She was so rude. I was crying in the end and she didn't get any nicer. I shouldn't have to do that, I shouldn't have to feel belittled. It was so unpleasant. I just wanted to give someone a form.

These experiences point to the need for Centrelink service access to be tailored to meet the needs of its diverse clientele, rather than assuming "one size fits all." There must be readily accessible alternatives to online systems, so that clients can engage with Centrelink in a way that takes account of their individual circumstances. Careful consideration of how these cohorts will report their employment income is necessary in the design and implementation of the new process. This is particularly important in light of Centrelink's own occasional errors in payments and systems. Correcting these can be very difficult without flexible systems.

It is important to remember that trust in the use of automation in the social security system has been considerably eroded by the Robodebt scheme's reliance on income averaging to raise debts, without a legal basis. Anglicare Australia agrees with the National Social Security Rights Network that it will be paramount to demonstrate that the changes are carefully implemented with adequate consultation, effective communication and beneficial impact on vulnerable members of the community.

The only way to accurately monitor compliance is with a properly resourced engagement, governance and design process that includes system users and the services that support them. This would help ensure that potential issues are addressed before any redesigned program is launched. Any new system needs to be tested, and a risk assessment of the program must be conducted before launching. The results of these processes should be made public before parliament is asked to legislate this change.

Onus on the Government and human oversight

In the Minister's introduction of this Bill, he emphasised that tax information obtained through Single Touch Payroll will not be automatically applied and will not remove the obligation for recipients to report their income accurately.^{iv}

Given the vulnerability of many social security recipients, and how well placed the Government is to access accurate information about a person's income from the Australian Taxation Office, we recommend that the weight of ownership of reporting obligations should lie with Services Australia. The onus should rest on the Government to take into account all data necessary to make accurate decisions. Critically, the Government must ensure there is human oversight of the administration of social security payments to mitigate the risk of error. The complexity of the social security system, as recognised by Services Australia, necessitates the involvement of qualified Centrelink staff to ensure it is complying with social security law.

A key flaw in the Robodebt system was its placing of the onus on individuals to instigate a challenge and prove that they do not owe a debt. The barriers that people need to overcome in order to mount a challenge and communicate with Centrelink can be immense. Our own research on Centrelink automation shows that people spend hours and even days attempting to connect with Centrelink staff on the phone or navigate lengthy periods where online systems are down, only to be denied human oversight as a matter of policy.

Supporting people affected

The Government has typically responded to issues with income reporting and debt recovery for people receiving income payments by advising them to contact Centrelink, assuring them that the system is fair and that staff are there to help. Case studies from across our Anglicare Australia Network show the effort people make to be honest about their circumstances, but that the system design denies them good faith and human oversight in return.

It is essential that Centrelink keeps the dedicated phone number and contact channels they established for those challenging debts after the Australian National Audit Office's review of the Robodebt scheme. There must also be face-to-face support for any person who identifies

that they cannot navigate the system. Such face-to-face support should not be limited to particular demographics, but available on demand. This is particularly important in a transitional period. With the best of intentions on the part of Centrelink payment recipients, there will likely to be reporting errors made and the Government has a responsibility to ensure that people are not negatively affected.

Anglicare Australia emphasises the Government's obligation to assist people in claiming benefits that are due to them. We remind the Committee too that many people do not receive the full range of allowances and payments they are entitled to. A research paper drawn from the Anglicare Australia Network, *Missing out: Unclaimed government assistance and concession benefits*, found people living on the lowest incomes simply weren't aware of their entitlements.^v

It is also important to consider the unintended consequences of Centrelink reforms and client self-services aimed to reduce government spending. These measures have shown to have a harmful impact both on customers and support services by exacerbating the conditions they seek to address.^{vi} A third of workers (33 percent) surveyed for our research said Centrelink affected the ability of clients to engage with services. It is difficult to support people if they are worrying about how they are going to feed their children. Similar to Maslow's hierarchy of needs whereby physiological, security and safety needs have to be satisfied before an individual can engage with other needs, clients had difficulty in engaging with the goals of different services while their lives were dominated by Centrelink issues and securing a stable income. Hence, special consideration should be put in place to ensure any automation processes are properly implemented.

Anglicare Australia recommends that Centrelink be resourced to strengthen and extend its mechanisms to identify, track and support vulnerable clients. We call on the Committee to explore how Centrelink's systems could include assistance pathways for vulnerable people who have barriers such as low literacy, physical and psychosocial disabilities, have complex needs, or are in crisis. This should include investigating the provision of specialist advocacy services to assist Centrelink clients who are struggling to navigate the system. Service Australia must also commit to collecting and using detailed feedback from vulnerable clients and those with complex needs during the period of Centrelink system reform, to improve policy, service design and implementation.

Conclusion

Anglicare Australia notes that many parts of the public service are familiar with, and are champions of, co-design. In stepping back from the failed automated debt collection project, the Government should take the opportunity to co-design an income support system which interfaces fairly with the complex realities of the work, education, and care.

The purpose of income support is to ensure people have enough to live on, whatever their employment status or life circumstances. In part that is to allow people to contribute to and be an active part of their communities, whether they are employed or not, and whether they are wealthy or not. It is also to make the finding and keeping of work easier, not harder.

Most fundamentally, it demonstrates the value we accord all citizens. There can be no doubt that income support in Australia is inadequate, most starkly for those who find themselves reliant on the Newstart and Youth Allowance payments. Services Australia, and the Government more broadly, has a wealth of information about the struggles people have in trying to get by relying on a safety net that is poorly designed and underfunded. The real objective of any automation process must be to use the data provided to inform the co-design of a better, more responsive income support system.

ⁱ For example, in 2019 Centrelink accidentally reactivated an old Robodebt algorithm.

ⁱⁱ Tudge, A. (2020) [Second Reading Speech](#).

ⁱⁱⁱ Hinton, T. (2018) [Paying the Price of Welfare Reform](#).

^{iv} Op cit ii.

^v Baker, D. (2010) [Missing out: Unclaimed government assistance and concession benefits](#).

^{vi} Op cit iii.