

Australian government intensifies welfare “debt” crackdown

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In an attempt to meet corporate demands to slash social spending, the Liberal-National government of Malcolm Turnbull is escalating a welfare offensive initiated by the previous Labor government. Using an automated data-matching system introduced by Labor in 2011, it is dispatching thousands of “debt notices” every week, demanding that current and former welfare recipients repay hundreds, and sometimes thousands of dollars.

In order to intimidate people relying on pensions, family tax benefits, unemployment benefits or other welfare payments, the government is sending out corporate debt collectors. It is also threatening to jail people unless they pay the demanded amounts or produce documents to disprove any alleged overpayment.

The campaign is an intensification of bipartisan efforts by Labor and Liberal-National governments alike to victimise welfare beneficiaries and dismantle the right to benefits. There is widespread public outrage, because thousands of workers, students and unemployed people have reported receiving automated notices falsely accusing them of having been “overpaid” while on welfare.

The “crackdown” was initiated last July, but only became public knowledge after a series of media reports in December. The government is sending up to 20,000 “debt notices” per week, through an automated computer system, compared to the previous rate of 20,000 per year.

While corporate and income taxes are being cut for the wealthy and billions are being spent on the military, the campaign is aimed at extracting over \$4 billion over the next four years from current and former welfare recipients, who are among the most vulnerable and oppressed sections of the working class.

An estimated 1.7 million “debt notices” will be dispatched. Already, almost 170,000 notices have been sent over the past six months. Notices worth around \$45 million are reportedly being sent out every day.

Posts on social media, along with media reports, have documented scores of cases of notices falsely asserting that individuals, including some who have not received any welfare for a number of years, owe the government substantial sums of money.

The most commonly reported instance of alleged “overpayment” is a product of the very design of the automated system. It compares data from Centrelink, the government agency responsible for welfare payments, with tax returns lodged to the Australian Taxation Office (ATO).

The program assumes that annual income reported to the ATO was received throughout the year. It does not take into account the possibility that a welfare recipient only worked irregularly.

In one case, Jack Rogerson, a 21-year-old autistic man, was told by Dun & Bradstreet, a debt collection agency contracted by Centrelink, that he had a \$3,000 debt. He reported being confused and was preparing to pay the debt. Rogerson’s mother successfully challenged the claim, and said she was shocked that her son was being “heavied” by debt collectors.

Dun & Bradstreet has a \$10.8 million contract with Centrelink. Two other debt collectors, Australian Receivables and Probe, each have contracts worth \$2.5 million. Many of those served with debt notices have reported being harried by the agencies and being forced into a “payment plan.”

Those targeted have included single parents, vulnerable youth and people in working class areas. In one case reported by the *Sydney Morning Herald*, Janette Suffield, a registered nurse in Campbelltown, in

Sydney's west, was sent a notice for a \$3,000 debt. She has filed an appeal and says she received welfare during 2015, when she was recovering from surgery.

According to the *Australian*, refugees have also been targeted. One asylum-seeker from Afghanistan was sent a \$2,000 debt notice. He commented: "That money is a lot of money to someone who was only on \$215 a week. I have sent them multiple emails and they keep saying, 'Your income was not taken into account.' I reported it, [and] that means they probably made a mistake."

Those who appeal the notices have reported spending hours on the phone waiting to talk to a Centrelink operator. Centrelink's official Twitter account has been directing some people who complain on the social media site to the Lifeline charity, which assists people going through suicidal crises.

The government has bluntly defended the system, with Social Services Minister Christian Porter contemptuously declaring last Tuesday that it was "working incredibly well."

The government's crackdown is part of a broader assault on welfare. The government is also tightening eligibility requirements for the disability pension, cutting off thousands of injured workers, and 315,000 aged pensioners are facing the prospect of losing part or all of their entitlements via more draconian assets tests.

At the end of last year, 15,000 students did not receive their government benefits, supposedly as a result of a "computer glitch." Affected students reported having to borrow money from friends and family to pay rent and buy food over the Christmas period.

Senior Labor Party politicians have postured as supporters of those affected by the government crackdown, calling for the program to be "suspended" while a "glitch" in its design is supposedly resolved. At the same time, they have voiced support for the ideological rationale behind the offensive, echoing the insistence of the government and the corporate media that "welfare cheats" must be punished.

In reality, the last Labor government established the automated debt system in 2011. Current Labor leader, Bill Shorten, who was then assistant treasurer, declared at the time that it would see "more people being referred to the tax garnishee process, retrieving more outstanding debt."

As a result, the amount of alleged debt recovered from Centrelink's threatening welfare letters jumped from \$1.8 billion in 2010–11 to \$2.2 billion in 2013–14. Now the program is being ramped up in a bid to obtain an extra \$4 billion over the next four years.

While Labor is hypocritically calling for the temporary suspension of the automated process, it is also counting on the \$4 billion in budget "savings" for its proposed economic measures. Linda Burney, Labor's human services spokesperson, told the *Australian*: "Labor absolutely supports measures which effectively recoup wrongly paid welfare. That includes data-matching and some automation."

Gillard's government, propped up by the Greens, also forced about 100,000 single parents onto the poverty-level Newstart allowance for the unemployed. Some of the country's most impoverished families lost hundreds of dollars a month.

Labor is committed to further attacks on welfare. Last September it helped the Turnbull government pass an omnibus savings bill, cutting \$6.3 billion from social spending over four years. Labor supported provisions such as 9 percent annual interest charges on alleged unpaid welfare debts, and abolition of a previous six-year statute of limitations on debts.

Decades of cuts by successive Labor and Liberal-National governments have resulted in Australia having one of the most punitive welfare systems among "developed" countries. Poverty levels among those who receive Newstart—the equivalent of \$38 a day for a single adult—stand at 55 percent. The unemployed are continually harassed by Centrelink and private job agencies, and in many cases, forced to perform unpaid labour for charities and business to receive their benefits.



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