“Robodebt” assault on Australian welfare recipients deliberately targeted the vulnerable

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Damning revelations continue to emerge about the federal government’s illegal Online Compliance Intervention debt recovery scheme—known as robodebt—used to automatically issue debt notices to allegedly overpaid welfare recipients.

After receiving computer-generated letters declaring that they owed the government massive debts, supposedly due to exceeding harsh income limits, welfare recipients were subjected to harassment by profit-driven debt collectors or the tax office, which garnisheed their tax returns.

The government threatened to **jail** people unless they paid the demanded amounts or produced documents, going back up to seven years, to disprove any alleged over-payments. People living in poverty were treated like criminals for failing to keep accurate records of income.

Despite government denials, it is now known that the robodebt system was used increasingly against the most vulnerable members of the working class—i.e., those suffering homelessness, medical conditions, mental ill-health, family and domestic violence, or facing crisis situations or caring responsibilities.

Last August it was leaked that the program was expanded significantly to include people aged over 65 and other sensitive groups, such as disability support pensioners. The government claimed at the time it was not “considering any proposal to commence online compliance for vulnerable Australians.”

Yet at least 11,000 disability pensioners paid back supposed debts in full from 2016 and the repayments increased by 230 percent between 2017–18 and 2018–19, from $2.3 million to $7.7 million. Part repayments were not included in these totals.

Then the Liberal-National Coalition government admitted in November it had obtained more than $15 million through the robodebt system from 9,149 people with a “vulnerability indicator.”

It is now clear also that the government knew the scheme was illegal long before it conceded that in the Federal Court last November. In 2017, longstanding Administrative Appeals Tribunal member Terry Carney ruled in five appeals cases that the failure of a person to “disprove” the possibility of a debt was not a legal foundation for a debt. The onus remained on Centrelink to establish a debt and its size. Carney was then removed from the tribunal.

Yet the government is still refusing to say how much money must be paid back to welfare recipients, or set a deadline for refunds. Answering a question about robodebt in the Senate on February 13, Families and Social Services Minister Anne Ruston said: “I am not in a position to pre-empt the outcome of the court’s deliberations.” She was referring to a class action of about 10,000 people against the robodebt scheme launched late in 2019.

Moreover, the government is pushing ahead with measures to revamp the scheme. Ruston said “program changes” would make the scheme “more robust.” The government would no longer use “income averaging” data from the Australian Tax Office as the sole reason for determining a debt. In other words, the scheme is to be recalibrated and pursued with a slightly different format.

The Labor Party’s shadow minister for government services, Bill Shorten, last week urged the government to apologise to those wrongly charged with debts, and to repay the money. But it was the last Labor government that launched the “data matching” offensive against welfare recipients.

While assistant treasurer in the Greens-backed Gillard Labor government in 2011, Shorten stated that income

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compliance detection would be stepped up. “The new matching data link is expected to increase the number of former customers identified for this process by an additional 65,000, above current detection levels, over four years,” he vowed.

Both Labor and the Coalition have followed the orders of the corporate elite in deepening the attack on welfare entitlements. The aim is to ramp up the pressure on the poor to accept low-paid employment on substandard conditions, further drive down wage levels for all workers, and hand out more corporate and high-income tax cuts.

The Murdoch family’s *Australian* hailed this decades-long offensive last week. It gloated in its February 10 editorial that 13.5 percent of citizens aged 16 to 64 are in receipt of a welfare payment, the lowest proportion since 1989. It compared the figure to 1994, when it was 23.6 percent. It noted that the proportion had been reduced to 17.2 percent by the end of the 1996–2007 Howard Coalition government and then to 16.5 percent by 2013, when the subsequent Rudd and Gillard Labor governments were defeated.

The editorial continued: “The statistics do not reveal the full picture of reform, however. One of the most important trends in recent years has been the shift to the Newstart Allowance (with a basic rate of $559 a fortnight, and an obligation to look for work) from the more generous Disability Support Pension ($850.40 a fortnight).”

The newspaper commended the last Labor government for launching the drastic tightening of the eligibility criteria for the disability pension, so that from a peak of 793,000 recipients in 2012 the number fell to 680,300 by mid-2018. The editorial concluded that governments must do much more to slash welfare, complaining that it cost one third of federal revenue.

Under these “reform” prescriptions, the poor and powerless are to be hounded into submission. Figures reported in June 2019 showed that 42 percent of people on Newstart actually have an illness or disability that prevents them from working full time.

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