Australian government “pauses” hounding welfare recipients in face of massive jobless queues

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The Australian government said last Friday it would partly suspend the pursuit of alleged welfare debts for six months during the coronavirus crisis, a measure triggered by a growing public outcry and the political establishment’s fear of social unrest.

Even though tens of thousands of newly unemployed people struggled to apply for welfare assistance on huge jobless queues, Services Australia was still deploying 1,500 “compliance officers” to pursue alleged debts until the pause was announced on Friday.

Outraged welfare recipients had taken to social media, as well as some corporate media outlets, to reveal threatening “accounts payable” letters they had received from Centrelink, the government’s welfare agency, demanding payment of supposed over-payments.

In addition, Prime Minister Scott Morrison’s Liberal-National government is still delaying repaying hundreds of millions of dollars to recipients who were unlawfully accused of over-claiming benefits under the government’s discredited automated “robodebt” scheme, even as the government channels billions of dollars in “rescue packages” to big business.

Friday’s decision, described as a “pause” on “certain debt activity,” was announced by Government Services Minister Stuart Robert, who said it would allow the redeployment of staff to process benefits claims. But he said “fraud and serious non-compliance” action would continue, leaving the door open to continuing to hound thousands of welfare recipients.

At the same time, Services Australia issued a notice that it intends to use Medicare records for a data-matching program that would include “detecting over payments and recovering debt.” The Medicare information would be used to “make sure Centrelink payments are only made to people who are entitled to those payments” and “help the whole-of-government approach to identify serious and complex fraud.”

The notice indicates that, having been compelled by a Federal Court ruling to abandon the automated “robodebt” scheme of computer-generated debt allegations, the government will now use Medicare data to pursue supposed welfare benefit over payments.

“Services Australia expects to match approximately 9.8 million unique records held in its Centrelink database,” it said. “Based on fraud criteria, Services Australia anticipates it will examine approximately 5,000-9,000 records per year.”

Families and Social Services Minister Anne Ruston last month issued a “public interest immunity” claim to prevent her department officials answering questions in a Senate committee hearing about the robodebt “income compliance scheme,” which is now the subject of a class action by about 10,000 people.

The class action—“Katherine Prygodicz & Ors versus Commonwealth of Australia”—accuses the government of unjust enrichment and negligence, basically for gouging illegal repayments out of poor and vulnerable welfare recipients and denying any duty of care to them.

Despite Ruston’s manoeuvre to avoid public scrutiny, a leaked confidential cabinet submission revealed that the government expects to lose the class action, so it will have to refund 449,500 debt repayments worth a total of $555.6 million.

However, the payments will not commence until July and will take 12 months to complete, according to the cabinet submission by Ruston, Stuart Robert and

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Attorney-General Christian Porter.

Services Australia stopped initiating reviews under the robodebt method of automatic income averaging last December, after the Federal Court ruled the method unlawful. But the government had not halted its broader debt recovery program, and was also denying cash advances to people whose "robodebts" had been frozen.

The government's callous, punitive and financially cruel regime had continued in the face of the enormous social distress caused by the COVID-19 disaster. Newly-sacked or laid-off workers were forced to wait in massive queues outside the government's Centrelink welfare offices to seek assistance.

They could not access the MyGov website to lodge claims because it crashed due to years of staff and resourcing cuts in Services Australia, the government agency in charge of the welfare payment system. Nor could people get through by phone.

After scenes reminiscent of the Great Depression of the 1930s, Ruston admitted last week that 123,000 people tried to access the website on March 24, the second day of the lengthy queues. Unable to get through to Centrelink by any other means, people had to queue dangerously, trying their best to uphold social distancing.

According to Australian Council for Social Services CEO Cassandra Goldie, the $555.6 million mentioned in the leaked cabinet submission represents just 70 percent of the $785 million that the government extracted via the robodebt system by August 2019.

The Labor Party's shadow minister for government services, Bill Shorten, last week said staff working on robodebts should be redirected to help Services Australia handle the thousands of people applying for welfare due to the COVID-19 pandemic.

Fearing a potential social explosion, Shorten called on Stuart Robert to settle the case and "immediately front the Australian public and apologise to the multitude of robodebt victims who have suffered so much because of this scandal."

This is sheer hypocrisy. 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 declared that income 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 promised.

One newly unemployed young mother, who worked in the welfare sector until she lost her job last week, told the WSWS about her experiences trying to access Services Australia.

"I tried but I couldn't get through. I'm waiting for them to call back, but I have been waiting five days. I haven't had any news. My partner was trying too.

"Everything the prime minister says is confusing. All the conditions are unclear.

"We also tried online, but we're not going to queue up. That's another contradiction. It is so unhealthy. They are not prioritising lives of workers. There are so many issues for us right now.

"These people in power don't care. Even the laws that exist can't cope with this situation.

"There is so much pressure and guilt. They are supposed to be for the whole of society, not just a sector. I'm not naïve, I know what they are like."

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