

# Australian Robodebt inquiry covers up political responsibility for systemic cruelty to welfare recipients

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Despite declaring the scheme a “crude and cruel mechanism, neither fair nor legal,” that “made many people feel like criminals,” the Australian Labor government’s royal commission into the punitive Robodebt welfare system has let those centrally responsible go legally scot-free.

In her near 1,000-page report released yesterday, the royal commissioner, former Queensland Supreme Court chief justice Catherine Holmes, documented how calculated and callous was the treatment of those dependent on welfare, including jobless and disabled workers, sole parents, students and aged pensioners.

Robodebt not only illegally claimed nearly \$2 billion from at least 433,000 welfare recipients. Lives were shattered, all in efforts to slice billions of dollars off the welfare budget. In 2015, the Liberal-National Coalition government expected Robodebt to save \$1.7 billion over five years.

Collectively, ministers in that government knowingly caused immeasurable grief, stress, financial suffering, trauma and, inevitably, suicide among some of the most vulnerable members of the working class—including those suffering homelessness, medical conditions, mental ill-health, family and domestic violence, or facing crisis situations or caring responsibilities.

From 2015 to 2019, when immense public outcry finally forced a halt to it, the brutal automated system falsely alleged massive debts owed by welfare recipients. It set relentless private debt collectors on them, arbitrarily cut benefits or garnished income tax returns, and deliberately blocked all communications and objections except via an online platform that many welfare recipients had neither the means nor the ability to negotiate.

When Robodebt victims, including the loved ones of those who had committed suicide, publicly objected to their persecution, government ministers unlawfully released selected information from their welfare files to “friendly” media outlets, such as the *Australian*, in efforts to blacken their names and intimidate other victims.

In the words of the report, the barbarity and unlawfulness of the scheme became obvious soon after it was fully launched in September 2016, following a pilot trial: “The beginning of 2017 was the point at which Robodebt’s unfairness, probable illegality and cruelty became apparent. It should then have been abandoned or revised drastically, and an enormous amount of hardship and misery (as well as the expense the government was so anxious to minimise) would have been averted. Instead the path taken was to double down, to go on the attack in the media against those who complained and to maintain the falsehood that in fact the system had not changed at all. The government was, the DHS and DSS ministers maintained, acting righteously to recoup taxpayers’ money from the undeserving.”

Yet it appears that none of the ministers responsible will be held to

account. In a sealed section of her report, Holmes referred some individuals—reportedly just four—for possible criminal or civil action by the Australian Federal Police, the National Anti-Corruption Commission and professional conduct bodies for public servants and practising lawyers.

The former ministers most criticised in the report—ex-prime minister Scott Morrison and fellow former social security ministers Alan Tudge, Christian Porter and Stuart Robert—said they have not been named in the sealed section nor referred to any law-enforcement agencies. Seemingly confident of protection, each has contemptuously denied any wrongdoing, and they will have their legal expenses covered if they challenge any of the adverse comments against them.

Instead, it seems that departmental officials and lawyers have been singled out for referrals. Yet the report itself describes how public servants at all levels were placed under intense and threatening pressure by the government ministers, and any reservations were quashed, to implement the Robodebt scheme to meet welfare-cutting targets.

Despite terrible individual cases reported to the media and the Robodebt inquiry, no reliable statistics exist on the number of suicides that resulted. In 2018, however, the Senate was provided with figures showing that, from July 2016 to October 2018, some 2,030 people had died after receiving a Robodebt notice.

The Robodebt process was based on “income-averaged” data from the Australian Tax Office that distorted the meagre incomes of victims who took often-irregular casual or part-time work because they could not survive on the sub-poverty welfare payments.

After receiving computer-generated letters declaring that they owed the government thousands of dollars, the victims were threatened with jail terms unless they paid the demanded amounts or produced documents, going back up to seven years, to disprove alleged over-payments.

As the report confirms, the Liberal-National government knew since at least 2016 that the regime was unlawful—even infringing the draconian provisions of the Social Security Act. Media reports, including on the *World Socialist Web Site*, had already exposed its arbitrary and false methodology and shocking personal toll on distressed welfare recipients.

In response to the royal commission report, Prime Minister Anthony Albanese labelled the Robodebt scheme as a “gross betrayal and human tragedy” that was wrong and illegal. Government Services Minister Bill Shorten said the previous government and senior public servants “gaslighted the nation.”

Robodebt was not an aberration, however. Whether fully automated or not, the “income compliance” programs began under the Hawke-Keating Labor government in the 1990s and continue to this day. They are part of a wider offensive to drive people off welfare and into cheap labour for the benefit of employers, and to meet the demands of the corporate elite for

ever-lower company and income taxes.

In January 2015 Morrison, then the newly-appointed social services minister, foreshadowed the Robodebt assault. In a media interview he said he would be a “strong welfare cop on the beat” because Australians were “not going to cop people who are going to rot [the social security] system.”

But Morrison was not the first government minister to declare such a war on welfare recipients. The royal commission report refers to a 21 August 1990 media release from the Hawke government’s Social Security Minister Senator Graham Richardson, announcing a data-matching regime.

The report noted that “In righteous-toned rhetoric of a kind often used by politicians announcing measures involving social security recipients,” Richardson had stated: “It means our income-support system is further protected against overpayments. This is only fair since the welfare system is funded by the taxpayers of Australia who expect it to be run fairly, efficiently and at the least possible cost. We should not be in the business of protecting cheats.”

The next Greens-backed Labor government, from 2007 to 2013, launched the “income averaging” system. In 2011, in the words of the royal commission report: “[T]he Minister for Human Services, the Hon Tanya Plibersek MP, and the Assistant Treasurer, the Hon Bill Shorten MP, jointly announced a new data-matching initiative which would involve automatic matching of data between Centrelink and the ATO on a daily basis, in conjunction with the automation of the tax garnishee process in respect of former recipients who had not entered a repayment arrangement.”

The report does not quote Shorten, the current government services minister who initiated the royal commission together with Albanese. In 2011, Shorten vowed: “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.” It would see “more people being referred to the tax garnishee process, retrieving more outstanding debt.”

The only major difference to Robodebt was that a Centrelink staff member checked the debt letters before they were dispatched. Up to 20,000 debt collecting notices were issued a year. Under Robodebt, this accelerated to around 20,000 a week.

Over the past four decades, Coalition and Labor governments alike have driven thousands of people off benefits or denied them eligibility in the first place. This has been achieved primarily through punishing “work tests” for unemployment benefits, harsher rules for disability pensions, and higher means tests and eligibility requirements for various entitlements, including aged pensions. The Gillard Labor government played a key part in this process by imposing severe tests for disability payments and cutting thousands of single parents off benefits.

Although the brutal Robodebt process was finally ended in late 2019, the underlying offensive against working-class living and working conditions is intensifying under the Labor government, supported by every other parliamentary party. Prices, utility bills, rents and home mortgage payments are soaring, while wages are being cut further and further in real terms.

In its May 9 budget, the Albanese government rejected calls to lift JobSeeker jobless payments above about half the poverty line, while ensuring that the wealthy enjoy super-profits and massive tax cuts, and hundreds of billions of dollars are set aside for US-led war preparations.

Token “relief” measures were tacked onto the budget—such as an insulting \$2.85 a day, not enough for a loaf of bread, for people starving on unemployment or youth allowance. That is deliberate hardship, inflicted to keep coercing workers into low-paid employment in industries such as retail, hospitality, childcare and the “gig economy.”

The royal commission’s 57 recommendations will do nothing to halt

this assault. They largely consist of tinkering with departmental and public service legal guidelines. The report did not even recommend a compensation scheme for affected victims, saying it would be difficult because hundreds of thousands of people were affected in varying severity.

Much of the money illegally extracted from Robodebt victims has reportedly been repaid—\$746 million was reimbursed to some 381,000 affected individuals and debts were written off amounting to \$1.751 billion. In November 2020, on the day it was set for trial, the government settled a class action by victims. But it included just \$111 million in compensation, of which \$10.3 million went to a law firm for costs. Data released by Services Australia showed about 45 percent of all victims would get less than \$100.

None of this anywhere near compensates for the pain and suffering caused, including the trauma and emotional strain and anxiety, and stress-induced medical conditions. One victim, a former student allowance recipient from Tasmania, yesterday told the Australian Broadcasting Corporation she had been tormented by getting up to 10 calls a day from debt collectors. But she received only \$13 from the class action.

While Albanese said his government would consider the 57 recommendations, he quickly rejected one. That was to amend the Freedom of Information Act to remove the automatic secrecy protecting cabinet documents. Albanese insisted that cabinet discussions must remain shrouded from public scrutiny.

The royal commission report concluded: “The ill-effects of the Scheme were varied, extensive, devastating and continuing.” It warned: “The Scheme’s systemic failures, the effects on individuals and the consequences for the broader community have undoubtedly corroded public trust in government and its institutions. The effects of this are lasting; perhaps irreversible.”

This distrust and hostility, which exists throughout the working class, is absolutely justified. It needs to be transformed into a conscious struggle, against the entire political and corporate establishment, including the Labor government, for a socialist program to totally reorganise society to meet the pressing social needs of the working class, the vast majority, not the private profits of the super-rich.

Decent welfare entitlements, on which the recipients, including the jobless, disabled and elderly can live, are a basic social right. But to achieve that means overturning the capitalist profit system, and placing the banks and huge corporations under public ownership and democratic workers’ control.



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