



**Submission to Senate Community Affairs
References Committee inquiry into
Centrelink's compliance program**

SEPTEMBER 2019

Mental Health Australia is the peak independent, national representative body of the mental health sector in Australia. We are pleased to contribute to the Committee's inquiry into Centrelink's compliance program, especially as it relates to the integrity of our social security system.

The purpose of this submission is to reinforce the significant impact of the compliance program for the many Centrelink customers who are living with mental illness. As raised in our evidence to the 2017 Senate inquiry,¹ Mental Health Australia again calls on the Department of Human Services to engage in genuine consultation with mental health consumers and carers in the design and delivery of its compliance processes to avoid causing further harm and undue distress.

The extreme and unnecessary stress caused by the manner in which the Centrelink compliance program has been undertaken is deeply concerning and well documented through previous inquiries and reviews. Mental Health Australia's hope is this Senate inquiry will shed light on the Government's lack of adequate response to the clear continued call for improvement, and will ensure appropriate safeguards are put in place to protect people in the future.

Mental illness and the social security system

People receiving income support payments are more likely than the general population to be living with a mental illness or experiencing severe psychological distress.² Nearly half (48%) of Newstart recipients report experiencing a 'mental or behavioural problem'.³

For people experiencing mental illness, their symptoms can significantly impact day-to-day living and social functioning. They may experience problems with memory, organisation and planning, which can impede their ability to manage complex administrative processes and navigate compliance processes.

Consideration of the impacts of mental illness should be central in the design and delivery of Centrelink services, given experience of mental illness is very common amongst Centrelink customers.

A high-functioning social security system would be fair, easy to access and navigate, and avoid exacerbating known health conditions wherever possible. The Government's implementation of the Centrelink compliance program has moved Australia further away from this goal.

¹ Mental Health Australia (2017), Submission to the Senate inquiry into the design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative

² Butterworth P, Burgess PM, Whiteford H (2011). Examining welfare receipt and mental disorders after a decade of reform and prosperity: analysis of the 2007 National Survey of Mental Health and Wellbeing. *Aust N Z J Psychiatry*. 45(1):54-62

³ Collie, A., Sheehan, L. & Mcallister, A. (2019) Monash Public Health & Preventative Medicine. The Health of Disability Support Pension and Newstart Allowance Recipients.



Distress caused by Centrelink compliance program

The implementation of the Centrelink compliance program has vastly increased the rate at which the Department of Human Services issues claims of overpayment to people who have received income support, based on discrepancies in self-reported income and employment data provided to the Australian Taxation Office. While there have been efficiency gains moving to a more automated data-matching mechanism, this has been at the expense of quality control and consumer safeguards. The Government has shifted the burden of proof onto citizens. Rather than Department of Human Services staff providing sound evidence of an overpayment and amount owing, people who have received income support are now presented with an income discrepancy and required to collect historical records themselves to prove this false. While error rates in the compliance program have been improving, overall one in six debts have been overstated by the Department.⁴

The compliance program has caused severe stress, often for people already experiencing vulnerability or disadvantage. The difficulty faced by many people subject to this process is well documented through the 2017 Senate inquiry,⁵ the Commonwealth Ombudsman's reviews,⁶ and extensive media coverage. Commonly reported concerns include:

- errors in calculation of debt
- poor communication processes
- inability to contact Centrelink staff to resolve issues
- time and administrative burden of proving a debt to be false
- stress of not being able to maintain everyday living expenses while repaying a legitimate debt.

The Ombudsman has previously noted that some people experiencing mental illness may be particularly vulnerable as they may not have the capacity to acknowledge a debt, fully understand their rights and options for review, or to negotiate repayment.⁷

It cannot be overemphasised how distressing the process of receiving a Centrelink compliance notice has been for many people. As outlined in hundreds of stories collected through the #NotMyDebt campaign webpage, many Australians already facing extremely challenging situations have received inaccurate debt collection notices which have exacerbated hardship and symptoms of mental illness.⁸

⁴ Department of Human Services, as cited by Henriques-Gomes, L. (2019). The Guardian. Centrelink cancels 40,000 robodebts, new figures reveal

⁵ Community Affairs References Committee (2017), Design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative

⁶ Commonwealth Ombudsman (2017), Centrelink's automated debt raising and recovery system; Commonwealth Ombudsman (2019), Centrelink's Automated Debt Raising and Recovery System: Implementation report

⁷ Commonwealth Ombudsman (2010), Falling through the Cracks: Centrelink, DEEWR and FACHSIA Engaging with customers with a mental illness in the social security system

⁸ #NotMyDebt Shared Stories, www.notmydebt.com.au, accessed 16 September 2019



Further safeguards are needed

While improvements have been made to communication processes, error rates and other flaws in the Centrelink compliance system following recommendations from the 2017 Commonwealth Ombudsman review, it is Mental Health Australia's view that protections for people experiencing, or at risk of, mental illness are still not strong enough.

The Government has put in place some mechanisms which recognise the compliance process is not suitable for some people experiencing vulnerability or disadvantage. The Government has excluded particular cohorts from the compliance program, and developed a policy that other Centrelink customers who have been identified as experiencing a "vulnerability indicator" (including "psychiatric problem or illness"⁹) should be offered additional support by a Department of Human Services officer to assist them through the compliance process.

As identified in the 2017 Commonwealth Ombudsman review however, the process for identifying "vulnerable people" is too narrow and not wholly fit-for-purpose, as it was designed for alternate systems in managing jobseeker compliance.¹⁰ Given the high proportion of people receiving income support who are also living with mental illness, far more people are likely to be experiencing vulnerability than documented in the system and provided appropriate support. Given widespread stigma and discrimination regarding mental illness, many people with mental health issues may not disclose their mental health status or history to Centrelink when claiming income support.

Recommendation 1: Mental Health Australia recommends all Centrelink processes incorporate mechanisms to protect customers experiencing symptoms of mental illness, regardless of whether the agency has prior knowledge of these issues.

There have been numerous calls for the Department of Human Services to work in partnership with the mental health sector in the design of Centrelink services that respond appropriately to people with mental illness. Despite this, in 2013, the Department abolished consumer and service provider consultation groups, including the Mental Health Advisory Working Party. While the Department of Human Services has more recently undertaken some consultation with community groups and peak bodies, there is no specific working group with a focus on mental health consumers and carers. Mental Health Australia is not aware of any obvious means for Centrelink customers, and mental health consumers and carers, to be genuinely involved in designing improvements to Centrelink services.

In Mental Health Australia's view, some of the distress reported by Centrelink customers who have received debt collection notices would be avoided if processes and protocols were informed by genuine engagement with Centrelink customers, including people with lived experience of mental illness, carers, and the mental health sector.

⁹ Department of Human Services, Operational Blueprint: Vulnerability Indicators 001-10050000, as cited in Commonwealth Ombudsman, (2017), Centrelink's automated debt raising and recovery system, p.20

¹⁰ Commonwealth Ombudsman, (2017), Centrelink's automated debt raising and recovery system.



Recommendation 2: *The Department of Human Services should re-instate a mechanism for engaging with mental health consumers and carers around service improvement.*

The mandate of this mechanism should be to inform improvements to Centrelink service protocols and strengthen safeguards to protect customers experiencing mental health issues. This will ensure implementation of debt collection processes and review mechanisms that are fair, safe and appropriate.

Conclusion

The efficiencies of greater reliance on automated data matching processes should not come at the expense of vulnerable people our social security system exists to support. While genuine over-payments should be investigated and re-claimed as appropriate, the integrity of our social security system also depends on this compliance program being implemented in a fair, reasonable and humane way. This means listening to, and working with, people with lived experience to ensure Centrelink processes avoid exacerbating symptoms of mental illness and experiences of vulnerability wherever possible.



Mental Health Australia



Mentally healthy people,
mentally healthy communities

Mental Health Australia is the peak independent, national representative body of the mental health sector in Australia.

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