

Senator Rachel Siewart

Chair
Community Affairs References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

22 March 2017

Dear Senator Siewart

Mental Health Australia is pleased to respond to the Committee's inquiry into the design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative. The purpose of this letter is to highlight a range of issues that have arisen following the implementation of measures to recover debt in the social welfare system. In particular, how the automated debt collection processes may impact people experiencing mental health issues, and the adequacy of associated Centrelink communication and review processes.

In Mental Health Australia's view, some of the distress and anxiety reported by Centrelink customers who have received automated collection notices could have been avoided if debt collection processes and communication protocols were informed by genuine engagement with mental health consumers, carers and the sector.

In 2013, the Department of Human Services (DHS) abolished the Consumer Consultative Group, the Service Delivery Advisory Group and the Mental Health Advisory Working Party¹. This was despite numerous calls for the agency to work in partnership with the mental health sector in the design of Centrelink services that respond appropriately to people with mental illness^{2,3,4}.

The dismantling of community engagement forums, with no explanation from DHS, leaves few apparent mechanisms for mental health consumers and carers to be included in the design of service delivery protocols that are appropriate and responsive to their needs.

¹ Department of Human Service, *Annual Report 2012-13*, 2013

² ACOSS, *ACOSS Statement on Centrelink Auto-Debt Recovery Program: Government must abandon Centrelink's Auto-Debt Recovery Program to prevent further harm*, 2017

³ Senate Select Committee on Mental Health, *A national approach to mental health – from crisis to community First report*, 2006 p. 263.

⁴ Commonwealth Ombudsman, *Falling through the Cracks: Centrelink, DEEWR and FACHSIA Engaging with customers with a mental illness in the social security system, Commonwealth of Australia*, 2010



Centrelink interactions with customers experiencing psychosocial disability

People experiencing mental illness have double the unemployment rate (6%) of those without mental illness (3%) and may require income support. As one in five Australians have a mental illness, this cohort should be a significant consideration in the design and delivery of Centrelink services.

In addition, some Centrelink customers (such as those receiving the Disability Support Pension) will have more complex needs. For people experiencing severe and persistent mental illness, their symptoms can significantly impact day-to-day living and social functioning. Those living with a psychosocial disability associated with mental illness may experience problems with memory, organisation and planning that can impede their ability to engage with social services and navigate compliance processes.

A high-functioning social welfare system that meets the needs of people with mental illness and psychosocial disability, would be fair, easy to access and navigate, and avoid exacerbating known health conditions wherever possible. To achieve this, Government should partner with consumers, carers and other mental health stakeholders in the design and implementation of social services.

Although a responsible and viable social welfare system will have measures to ensure recipients are being paid fairly, the automated welfare debt collection process appears to be causing distress for many Centrelink customers, including those with mental illness. Many people with mental health issues do not disclose their mental health status or history to Centrelink when claiming income support. This is to be anticipated, given widespread stigma and discrimination regarding mental illness in the broader community.

While DHS has clarified that “welfare recipients who are identified as vulnerable are not part of the online compliance system”⁵, it should not be a requirement for Centrelink customers to disclose mental health issues for debt collection activity to be conducted in a manner that is sensitive to their needs. Customers may have mental health issues recorded by Centrelink due to the nature of their payment or by voluntary declaration. Outside of this, as acknowledged by the Commonwealth Ombudsman, “no one can or should force a customer to disclose personal medical information”⁶.

Automated debt recovery and review process and vulnerable customers

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

Although customers who are notified of debt are given the opportunity to verify the automated claim and instigate a review, placing the burden of proof upon the customer is likely to cause significant distress. This may be particularly stressful when the debt raised is several years old or is not accurate, as highlighted by the many reported cases of automated debt recovery errors.

⁵ McKenzie-Murray, M., *Centrelink's debt collection 'pushed him over the edge'*, The Saturday Paper Website, 2017

⁶ Commonwealth Ombudsman, *Falling through the Cracks: Centrelink, DEEWR and FACHSIA Engaging with customers with a mental illness in the social security system*, Commonwealth of Australia, 2010 p. 18.



Given the often complex and burdensome nature of Centrelink processes, combined with the strain on service centre resources, initiating a review may be distressing and confusing even for the best informed or most resourceful customers⁷. Customers experiencing mental illness are particularly vulnerable as they may not have the capacity to acknowledge the debt, fully understand their rights and options for review, or to negotiate repayment⁸.

Centrelink guidelines or protocols relating to interactions with customers who are distressed or presenting symptoms of mental illness are not publically available. Therefore, Mental Health Australia has no evidence that adequate risk-mitigation processes exist to support customers with mental health issues who are in the midst of debt collection activity and need support to navigate the process or deal with more immediate issues.

On a practical level, Mental Health Australia recommends that a DHS mental health consumer and carer social service advisory group be reinstated immediately. The mandate of the group 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.

In addition, the Department of Social Services' peak body funding arrangements, which I note are currently under review, should provide additional funding for advocacy organisations for the additional work on policy development, advocacy and consumer engagement that the new automated processes will undoubtedly generate.

Yours sincerely



Frank Quinlan
CEO

⁷ Commonwealth Ombudsman, *Department of Human Services: Investigation into Service Delivery Complaints about Centrelink*, 2014

⁸ Commonwealth Ombudsman, *Falling through the Cracks: Centrelink, DEEWR and FACHSIA Engaging with customers with a mental illness in the social security system*, 2010

