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Committee Secretary
Senate Standing Committees on Community Affairs
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Canberra ACT 2600

Submitted online

Inquiry into the Design, Scope, Cost-Benefit Analysis, Contracts Awarded and Implementation Associated with the Better Management of the Social Welfare System Initiative

The Federation of Ethnic Communities' Councils of Australia (FECCA) is the national peak body representing Australia's culturally and linguistically diverse (CALD) communities and their organisations. FECCA provides advocacy, develops policy and promotes issues on behalf of its constituency to Government and the broader community. FECCA strives to ensure that the needs and aspirations of Australians from diverse cultural and linguistically diverse backgrounds are given proper recognition in public policy.

FECCA supports multiculturalism, community harmony, social justice and the rejection of all forms of discrimination and racism so as to build a productive and culturally rich Australian society. FECCA's policies are developed around the concepts of empowerment and inclusion and are formulated with the common good of all Australians in mind.

We thank the Standing Committee on Community Affairs for this opportunity to provide input into the Inquiry into the Design, Scope, Cost-Benefit Analysis, Contracts Awarded and Implementation Associated with the Better Management of the Social Welfare System Initiative.

Key Message

FECCA recognises the importance of a sustainable and accountable welfare system and the principle of collecting overpayments of benefits made to individuals. FECCA also acknowledges some effort was made by the Department of Human Services to identify particularly vulnerable members of CALD communities by excluding those with a vulnerability indicator prior to dispatching debt notices. Notwithstanding, FECCA is concerned about confusion and anxiety among those in the CALD community who may not have been identified by a vulnerability indicator and who have received welfare debt compliance letters. This is particularly the case for older migrants. FECCA is further concerned about reports that some persons have repaid debts which they do in fact not

owe.¹ FECCA also maintains concerns about the methods of notification and collection of the alleged outstanding amounts. There is suggestion that the conduct of the Department's agents breaches accepted guidelines for proper conduct in the collection of outstanding monies.²

The nature of work for persons from CALD communities

Many people from CALD backgrounds are employed in insecure work, meaning that they have unpredictable working hours and varying income throughout the year. It has been suggested that the data-matching process used to investigate welfare compliance is dividing the yearly income reported by an individual to the ATO evenly across the 12 months of the year, leading to discrepancies with income reported to Department of Human Services.³ The complex working patterns, increased job mobility and inconsistent monthly income of many people from CALD backgrounds mean that they are at greater risk of being wrongly identified as having a debt.

Difficulty Communicating with Centrelink Regarding Process

Of particular significance for persons from CALD backgrounds is the issue of communication with the Centrelink staff regarding the debts and the process for challenging contested decisions.

Reports claiming that consumers with queries are directed online and that staff are prevented from assisting with and resolving complaints have disproportionate impact upon CALD Australians.⁴ It is often the case that CALD persons are affected by the intersection of multiple vulnerabilities. There may be gaps in their financial literacy, institutional literacy, digital literacy, English literacy and combinations of those factors. In some cases it is only through face-to-face human interaction that CALD persons are able to effectively communicate with government and other service providers.⁵ FECCA acknowledges the efforts by the Department to provide individuals from CALD communities appropriate assistance when presenting to shop fronts and accessing Centrelink through other channels. We also recognise the consultative process through the Department of Human Services' National Multicultural Advisory Group. FECCA repeats its previous assertions that adequate resources must be dedicated to accommodate CALD persons with multiple vulnerabilities when accessing government services, particularly in cases of complex interactions such as resolution of discrepancies.

It should also be highlighted that many migrants and refugees come from countries where the relationship between officialdom and citizen differs from that understood, accepted and legislated for in Australia. This means that migrants may be less likely to challenge official letters such as those sent as part of the welfare debt compliance system or may perceive these letters to be accusations of impropriety or confirmed debts. It is FECCA's strong belief

¹ Towell, N "Centrelink robo-debt program creating a 'climate of fear'" *Sydney Morning Herald* March 9 2017 <http://www.smh.com.au/federal-politics/political-news/centrelinks-robodebt-creating-a-climate-of-fear-20170307-gut1z7?deviceType=text>

² Tennant, D "Finding a Simple Solution to Managing Debt Collection Rules" *Pro Bono News* 2 February 2017 <https://probonoaustralia.com.au/news/2017/02/finding-simple-solution-managing-debt-collection-rules/>

³ Australian Council of Social Services "Policy Briefing Paper: Centrelink Debt Recovery Program" 31 January 2017.

⁴ McGrath, P. "Leaked Centrelink memo shows staff told not to process debt disputes in person" *ABC News* 13 Jan 2017. <http://www.abc.net.au/news/2017-01-12/centrelink-memo-shows-staff-ordered-not-to-process-debt-disputes/8177652>

⁵ FECCA "Digital Access and Equity for Multicultural Communities" Multicultural Access and Equity Report 2016 <http://fecca.org.au/wp-content/uploads/2017/01/feccadigitalconsultationreport.pdf>

that Centrelink should only initiate contact with clients through the welfare compliance system if there is clear evidence of an overpayment or debt.

Conclusion

FECCA appreciates that debt management is a necessary part of the social welfare network and that automated services are often useful for ensuring limited personnel are free to deliver more complex services. However, FECCA maintains that the multiple complications associated with the Better Management of the Social Welfare System Initiative render it inappropriate, ineffective and inefficient. FECCA further submits that the Committee should be cognizant of the continuing impact on vulnerable persons, particularly those from CALD communities who may experience an intersectionality of vulnerabilities.

FECCA welcomes the opportunity to provide submission to the Committee and remains available for further contribution. To discuss any aspects of this submission please contact FECCA Director, Dr Emma Campbell on (02) 6282 5755 or by email at emma@fecca.org.au