

# Robodebts

Helping the Welfare Rights Centre help its clients



**Welfare Rights Centre**

A community legal centre specialised in social security law and its administration by Centrelink

ABN 76 002 708 714

# What is a robodebt?

- Relates to declaration to Centrelink of income derived from employment
- Data-matching between Centrelink records of declared income and ATO records NOT NEW
- What's NEW:
  1. No preliminary investigation if records don't match
  2. Discrepancy **automatically** results in a "please explain" letter & one reminder letter
  3. Only one response allowed: go **online** to check/correct info
  4. If do not go online or do not complete all the online steps – account payable (i.e. debt notice) **automatically** generated
  5. If don't contact Centrelink, debt **automatically** referred to debt collectors.

# Why are so many of the robodebts wrong?

- Averaging
- Duplication: Income declared to Centrelink cited different employer name to name cited in tax return

# Averaging

- Amount declared to ATO averaged as a fortnightly “wage” it over entire financial year
- If in any particular fortnight, person “earned” more than what they declared to Centrelink at the time, the difference will be raised as a debt.
- Errors most likely to occur if person worked for part of the year, then claimed Centrelink payment

Simple example: Person earns \$12,000 in 2012/13

- Period actually worked: 1 July 2012 – 2 February 2013 (32 weeks)
- Actual fortnightly wages: \$750
- Claims Austudy: 3 February – 30 June 2013
- Does not work – declares nothing to Centrelink
- Centrelink data matches
- Centrelink averaging: “earned” \$460/fortnight but not “declared”
- Debt raised

# Diagnosing a robodebt

- Questions to ask the client:
  1. Did you receive a letter from Centrelink titled “Important Information about your employment income”?
  2. Have you been told (in the letter, by Centrelink, by the debt collectors) to go online to check/correct the income you declared to the ATO and dates you worked?
- If the answer is YES to either of these questions – your client has a robodebt.

# Helping clients with a robodebt

- Diagnose robodebt
- Send NSSRN “Centrelink’s Online Debt System” factsheet:  
<http://www.nssrn.org.au/factsheets/>
- Assist client to:
  1. Find former employers to obtain pay slips
  2. Obtain the debt schedule from Centrelink – may need to do FOI.
  3. access computer, website to confirm/correct their details – liaise with community organization such neighbourhood centres, migrant resource centres, local libraries, etc.
- Problems using online system?
  1. Complain to Centrelink 1800 123 468
  2. Not satisfied? Complain to Commonwealth Ombudsman 1800 123 468

# What NOT to do

- DO NOT advise the client to appeal the debt to an Authorised Review Officer
- Debt may **increase** after an Authorised Review Officer has assessed documentation
- Averaging of income over the course of a year can be “beneficial” to some people who have in fact under declared their income
- Refer to WRC for this advice

# Referring client to the Welfare Rights Centre

- Refer clients who still have debt after going through online process
- Ring WRC on 1800 226 028 Mondays and Wednesdays 9:30 am to 1:00 pm
- Vulnerable client?
  1. Obtain permission to disclose their information to WRC.
  2. Scan their documentation: Centrelink letters, pay slips etc
  3. Email WRC [sydney@welfarerights.org.au](mailto:sydney@welfarerights.org.au): attach documents, client contact info, size of debt, period of debt



# How can CLCs help Welfare Rights Centre meet the demand?

- Simple advices in non-debt matters
- Appeal advice for clients who have Centrelink payment claim rejected by Original Decision maker (ODM)
- 13 weeks to appeal to Authorised Review Officer (ARO) from the date ODM made decision
- If client off payment and has not source of income refer to WRC immediately.

“Centrelink  
debt hotline” –  
watch this  
space

Have you got a  
Centrelink debt?



Get free legal  
advice and  
information.

Call LawAccess NSW for information  
and a referral for free legal advice  
from Legal Aid NSW and welfare  
rights services.

**Ph: 1300 888 529**



# Robodebts Senate Inquiry

- Otherwise known as ...  
Design, Scope, Cost-Benefit Analysis, Contracts Awarded and Implementation Associated with the Better Management of the Social Welfare System Initiative Inquiry
- Submissions due: 22 March 2017
- National Social Security Rights Network preparing submission
- What can CLCs do?
  1. Make their own submission
  2. Email NSSRN to express support for abolition of automated debt recovery, and that this be referred to in its submission and offer case studies: [eo@nssrn.org.au](mailto:eo@nssrn.org.au) (Matt Butt, Executive Officer)

# Dealing with Centrelink and surviving on benefits

- Trailer for "[L. Daniel Blake](#)"