

“Robodebt”-style offensive against welfare recipients continues in Australia under Labor

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Amid rising unemployment and a deepening cost-of-living and housing crisis, mounting evidence is emerging of ongoing punitive and illegal cutoffs of welfare payments to impoverished recipients, especially jobless workers, under the Albanese Labor government.

All the evidence points to a continuation of the notorious “Robodebt” methods used to unlawfully demand repayments of nearly \$2 billion from at least 433,000 welfare recipients from 2015 to 2019 under Australia’s previous Liberal-National government.

Recent weeks have produced revelations of financially crippling penalties wrongly inflicted on unemployed workers on JobSeeker or Youth Allowance benefits through the Targeted Compliance Framework, which can cancel a person’s sub-poverty payments for four weeks or more. These developments include:

- The unlawful cancellation of welfare payments to 1,000 people, supposedly due to a departmental failure to update policy documents that gave officials a discretion not to terminate benefits if someone had less than two weeks’ worth of payments in their bank account.

- The wrong suspension of 1,326 people from benefits, allegedly due to a departmental IT coding error.

- Another, as yet unexplained, “IT error” that reportedly led to payment cancellations.

- Unknown numbers of jobseekers had their payments put on hold, reduced or cancelled after their compulsory job search applications were processed “slower than usual.”

- The admission of unlawful income-apportionment practices at Services Australia dating back to 1991, affecting possibly more than five million debts worth over \$4 billion.

The latter admission, obtained by a Freedom of Information application, may be an understatement. According to a Services Australia document, “best estimates to date... is at least 5.3 million debts held by 2.9 million Australians, totalling \$4.3 billion, may be impacted by income apportionment,” adding: “This estimate does not include debts attributed to deceased persons [or] debts that have been overturned in full.”

When a welfare recipient’s payment is cancelled under the Targeted Compliance Framework, they remain without it for at least four weeks and must reapply to receive income support again after that date.

Often, these people did not know enough to complain, because they were sent vague and poorly worded debt notices. Advocacy groups have said these documents contain little detail about how the alleged debts were calculated and make the recipients feel “chased,” “persecuted” and “confused.”

In July, Economic Justice Australia issued a paper on the IT problem that affected 1,326 people and found none of them had ever complained.

In addition, Services Australia has sought to recover debts from up to 11,000 individuals who received payments such as JobSeeker or JobKeeper during the first wave of the COVID-19 pandemic. Those who have attempted to contact Services Australia to query these debts, or request more information, have encountered significant obstacles.

Last year, Services Australia revealed that only 23 percent of calls to its predecessor, Centrelink, were answered in July and August 2023, with the rest either abandoned by the caller or answered with a recorded “congestion message.”

Before Robodebt was finally shut down due to a mounting public outcry, it shattered lives, all in efforts to slice billions of dollars off the welfare budget, while boosting military spending.

Robodebt 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.

This was not an aberration. Robodebt had a long pre-history. It fully automated debt accusations against welfare recipients based on false income-averaging tax data, ramping up a decades-long offensive against alleged welfare “rorting.” This was pursued aggressively by earlier Labor governments, those of Hawke and Keating from 1983 to

1996, and Rudd and Gillard from 2007 to 2013.

The only major difference with Robodebt was that previously an official checked the debt letters before they were dispatched. Up to 20,000 debt collecting notices were issued a year. Under the fully automated Robodebt model, this accelerated to around 20,000 a week. All the time, the onus was imposed on the recipients to somehow disprove the debts, often without being told how the alleged overpayments occurred.

Five years on from the supposed scrapping of Robodebt, and 18 months after the current Labor government's Royal Commission inquiry into the system, which legally shielded all those politically responsible, the war on welfare is escalating.

Like the Liberal-National Coalition and Labor governments before it, the Albanese government enforces a "mutual obligation" regime that compels most welfare recipients to undertake an arbitrary number of job applications, training courses or volunteer activities each month in order to keep their payments.

The Targeted Compliance Framework, adopted in 2018 by the Morrison Coalition government and maintained by Labor, punishes dole recipients who have "committed mutual obligation failures," as identified by "demerit" points assigned by privatised job service providers.

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 also through harsher rules for disability pensions, and higher means tests and eligibility requirements for various entitlements, including aged pensions.

In 1990, the Hawke government's social security minister Senator Graham Richardson announced a data-matching regime between his department and the tax office, declaring it would protect taxpayers against "over payments" and "cheats."

The Gillard Labor government took this offensive forward by cutting thousands of single parents off benefits and imposing severe tests for disability payments, a process now being intensified by the Albanese government by slashing access to the National Disability Insurance Scheme (NDIS), mainly through more severe eligibility tests, especially for children diagnosed with autism.

Consistent with this record, despite the latest revelations, Employment and Workplace Relations Minister Murray Watt has doubled down. He reiterated the Albanese Labor government's support for mutual obligations, saying it is "widely supported by the Australian community."

This is under conditions in which the Reserve Bank of Australia, backed by the government, has hiked interest rates since May 2022 to suppress workers' wage demands by

driving up unemployment. This is designed to throw more people into the hunt for scarcer jobs, often with worse pay and conditions, assisted by sub-inflationary wage deals enforced by the trade union bureaucrats.

Figures released this month showed that more than 930,000 jobless workers are relying on welfare payments—almost double the official seasonally adjusted number of 595,300, or 3.9 percent. A recent Anglicare Australia jobs availability snapshot found that there were 33 contenders for each advertised entry-level position.

These developments expose the often-recycled claims of the Labor government to be ensuring that Robodebt abuses are never repeated. For example, before he recently quit parliament, NDIS and Government Services Minister Bill Shorten claimed that Services Australia was at the final stages of implementing all 26 recommendations made to it by Labor's Robodebt royal commission.

"Robodebt was a shocking betrayal and failure of lawful treatment towards vulnerable people who needed support from the Government," he stated. "We can never fully undo the harm, but we can at least promise those who went through it and everyone else—never again."

This is clearly a sham. The Albanese government also has rejected calls to lift JobSeeker jobless payments above about half the poverty line, while ensuring that the wealthy enjoy super-profits and massive income tax cuts, and hundreds of billions of dollars are set aside for AUKUS and other US-led war preparations.

Decent welfare entitlements, on which the recipients, including the jobless, disabled and retired workers can live, are a basic social right. But to achieve that means a conscious struggle against the entire political and corporate establishment, including the Labor government, for a socialist program to overturn the capitalist profit system, placing the banks and major corporations under public ownership and democratic workers' control.



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