

## Government makes changes to error-prone robo-debt collection

Written by Michelle Grattan, Professorial Fellow, University of Canberra

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The government has overhauled its much-criticised robo-debt scheme which has seen many welfare recipients asked to repay money they do not owe.

A Tuesday email to staff in the Human Services department's customer compliance division said "additional proof" would now be required when using income averaging to identify overpayment and raise a debt.

"This means the department will no longer raise a debt where the only information we are relying on is our own averaging of ATO [Australian Taxation Office] income data," the email said.

"In the past we have asked people to explain discrepancies to us. In the future, even if someone does not respond to these requests, we will seek more information to help us determine if there is a debt."

There will also be a freeze on some existing debts while they are re-examined.

The email said the department would focus on those where the person had not replied to requests for clarification.

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**Read more:** [\*\*\*Robo-debt is only one way government stigmatises claimants. There's only so much a class action can do\*\*\*](#)

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An assessment would then be made about whether further information was available to clarify what debt there was.

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The Minister for Government Services Stuart Robert played down the changes and did not apologise for past errors under the system.

“The government makes no apologies for fulfilling our legal obligation to collect debts with income from clients and of course, with wider debt collection.”

He said the present income averaging system would continue to be used in assessing debt. The key “refinement” would be the addition of “proof points”.

Robert said he had asked for the review of the “small” cohort “who have a debt raised solely on the basis of income averaging so we can commence discussions with them and seek further points of proof”.

People did not need to contact the department – it would contact them.

A robo-debt class action lawsuit is investigating whether the more than 400,000 debt notices issued since mid 2016 were lawful. The claim is that “averaging” an individual’s fortnightly earnings based on a “simplistic application of an imperfect computer algorithm”, does not appear to be lawful.

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**Read more:** [\*\*\*Danger! Election 2016 delivered us Robodebt. Promises can have consequences\*\*\*](#)

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Opposition spokesman Bill Shorten said for years the government claimed there was “nothing wrong with its revenue raising monster.”

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"But now under immense pressure from Labor and with a looming class action [Robert] has hit the emergency brakes on this scheme.

"They're junking the reverse onus of proof where victims have to prove they don't owe the debts. That means robo-debt is being taken to the wreckers yard.

"Other changes signify the regime going forward will not be robo-debt as we know it."

But Shorten said questions remained, particularly what happened to those who had been wrongly assessed and to the money wrongly collected.

*Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.*

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