

**REFERENCE MEMO**

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# **Robodebt**

## ***Post Royal Commission Considerations***

**The cultural reset at Services Australia,**

**and what it means for every technology decision the agency makes from here**

*To be read and considered as a companion memo to the Services Australia briefing document. Written for Business leadership who are about to walk into an agency that has been re-engineered around a Royal Commission report. The document is not a list of recommendations and not a literature review - it is an argument about what the agency has become, and why every technology pitch into it now has a political layer that wasn't there in 2019.*

*Companion to*

**Services Australia briefing memo**

*Prepared by*

**Geoff Neal - Hadleigh Digital Solutions**

*Date*

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## 1. The thesis

Robodebt did not damage Services Australia. It re-engineered it. The agency that exists in May 2026 is structurally different from the one that ran the Online Compliance Intervention between 2016 and 2019, and the differences are not cosmetic - they are baked into the leadership, the legislation, the procurement evaluation criteria, and most importantly the unspoken pattern of what survives a meeting and what doesn't. Anyone walking into Services Australia in 2026 with a technology proposal who treats Robodebt as an event in the past is going to fail an unspoken test. It is not in the past. It is in the room.

Three things have happened simultaneously, and the way they reinforce each other is the actual story.

**First**, the cultural reset is institutional, not personal. The Hazlehurst CEO appointment in January 2024, the Public Service Act amendments adding Stewardship as a fourth APS Value, the suspension without pay of former DHS Secretary Kathryn Campbell from her \$900K AUKUS adviser role, the 16 referrals to the APS Commissioner for Code of Conduct breach investigations, the additional 3,000 service delivery staff onboarded in 12 weeks at the start of 2024, the 130 additional ongoing social workers - these are not gestures. They are the institutional response to a Royal Commission finding that bureaucrats had misled cabinet and ignored legal advice. The agency knows it must be a different agency. It is acting like it.

**Second**, the technology decision lens has fundamentally shifted from "can it" to "should it, and how do we prove we asked the question." The Automation and AI Strategy 2025-27, published in May 2025, is the artefact. It is explicit about human-in-the-loop review, opt-out by default, off-switches by design, no AI as the sole arbiter for entitlement decisions, and a named accountable officer (Vanessa Roarty as GM Automation and Architecture). The two-year pause on automation in social security claims after Robodebt was real and operationally observable. The post-pause restart is calibrated and cautious, not enthusiastic.

**Third**, "Robodebt 2.0" is now a phrase that ends careers. When the Department of Employment and Workplace Relations' Targeted Compliance Framework unlawfully terminated 964 jobseekers in August 2025, the Commonwealth Ombudsman flagged it as analogous to Robodebt, and welfare advocates dubbed it Robodebt 2.0 within hours. The political class has internalised that any future automated welfare error becomes a Royal Commission. That fear is now baked into every procurement evaluation in the agency. Vendors who don't acknowledge it are signalling they don't understand the room.

*Pull those three threads together and what you have is an agency where every technology decision now passes through an additional political and ethical filter that didn't exist before 2023. Capability still matters. Cost still matters. But assurance, explainability, auditability, and the political defensibility of the underlying procurement now rank ahead of capability in the evaluation hierarchy. That ordering is the change. Once you see it, you can't unsee it.*