



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

Federation Chamber

PRIVATE MEMBERS' BUSINESS

Centrelink

SPEECH

Monday, 13 February 2017

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Date Monday, 13 February 2017
Page 129
Questioner
Speaker O'Brien, Ted, MP

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Mr TED O'BRIEN (Fairfax) (11:34): I am still relatively new to this parliament, but I have to say that already, sadly, I have been blown away by the utter incompetence of the people opposite. Amidst all of the bluster and all of the frothing at the mouth that we have heard already this morning, the member for Lyons—who, I am sure, is otherwise a very good man—has obviously not done his research. If he had, he would have realised that the very methodology being used for the collection of invalid welfare payments by Centrelink was actually created by the Labor Party. It was created by Richo, of all people. They may not remember Richo, but since 1990 all Labor governments—Hawke, Keating, Rudd, Gillard and Rudd again—have used the very same methodology that is being used by the coalition government today. Where there has been any tweaking it was actually done by the current Leader of the Opposition, and so the Labor Party can hardly claim ignorance in this regard.

It is very simple. There are two sets of data. There is a set of data that comes in through the Australian Taxation Office, and there is a set of data that goes to Centrelink, indirectly or directly, from the recipients of welfare payments. Where there is a discrepancy between these two datasets, the system flags that money might be owed—that somebody has possibly received more money than they were due. This was also the case under the Labor Party. Labor though, being Labor, were woeful in their execution and their collection. The coalition inherited the system in 2013 and we have stuck with it.

If there is a difference between Labor's system and the coalition's system, it is that the coalition has digitised the otherwise archaic manual system that the Labor Party was using. Here is how it works. The computer basically identifies a potential mismatch between those two datasets. Where there is a discrepancy, a letter is triggered and sent to the recipient. Two weeks go by. If there has been no response, if Centrelink does not hear anything, they trigger a second letter, which is a fair and reasonable thing to do, because you never know whether or not the recipient received that first one. If there is no response, or if the data discrepancy cannot be explained to justify the payments already given, then a third letter is sent, along with a debt. The debt is then pursued and recovered, subject to all the normal appeal procedures et cetera, and all the discussions that are undertaken between the recipient and Centrelink. That is what plays out in about 80 per cent of the cases. In the other 20 per cent of the cases, recipients are indeed able to explain the discrepancy and for those there are no debts collected and the case is closed. This is a normal, responsible process—one that the Labor Party was woeful in trying to execute that the coalition is doing very well.

The member for Lyons mentioned that the coalition thinks that everyone who is collecting welfare is dodgy. That is unfair and an absolute porky. I personally believe there is no doubt that there are dodgy people out there—absolutely, I am sure there are. But I believe that the vast majority of people who receive welfare in this country are good, honest, decent Australians. I do not know about you, but if I inadvertently owed a debt, I would like to be told about that as soon as possible. That is the reasonable thing to do.

Labor is not arguing against the methodology. Labor is not arguing about the need to collect debt. What they are arguing about is the digitisation—the efficiency by which this is done. They are happy for this archaic manual system to not tell people about it for years and years to come and to then give them a nasty surprise at the end. Look at the scoreboard. At the end of the day we have already had \$300 million collected by this. The forward estimates say \$4 billion will be collected by this system. This goes to the heart. We have about \$170 billion in our federal budget for welfare. There is only one side that is taking it very seriously to ensure that every dollar and cent of taxpayer money spent on welfare is due. I support this, and thank God we have the coalition in government.