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Page 1 of 2

CENTRELINK 'VICTIMS' OWE THOUSANDS

Debt scare backfires on Labor

EXCLUSIVE

SIMON BENSON
NATIONAL AFFAIRS EDITOR

Labor's attempts to mount a repeat of its discredited Medicare campaign against Centrelink's automated debt recovery system has been exposed, with at least two-thirds of those publicly claiming to be victims of Centrelink found to owe significant debts to the taxpayer.

In an embarrassing blunder for the opposition, it has also been revealed that a third of the people used to fuel a media campaign against the government were not subject to the automated system.

An assessment of the 52 cases of people publicly claiming they were being harassed by Centrelink with automated debt notices has revealed that 18 had in fact been identified under a manual system set up by the former Labor government.

The opposition had called for the automated debt recovery program — designed to assist in the recovery of an estimated \$4 billion in welfare overpayments — to be suspended. But Labor could

not guarantee yesterday that all the so-called victims, whose names it had supplied to the media, were "innocent".

The assessments, carried out by the Department of Human

Services following inquiries by *The Australian* and requested by the opposition, contradict the majority of the claims of supposed inaccuracies made by the 52 self-identified public cases in which people complained of being victims of the automated system.

The department also confirmed that a number of those who claimed to have been wrongly targeted had in fact accepted that the debt was owed, with some even having entered into repayment programs.

One claimant, seized upon by Labor after being championed in a television program as a victim, was discovered to have been claiming the Youth Allowance while not studying and failing to declare income from several jobs, leading to a debt to the taxpayer of

almost \$12,000.

Another had been working for a full year but had not declared a job, leading to a welfare repayment debt of \$4000.

A woman who claimed to have been wronged had failed to

declare income of \$37,500 from a small business while on carer and parenting payments. The woman had already entered into a repayment agreement.

Of the 34 self-identified cases subject to the new system, almost 60 per cent had been found to have been overpaid for failing to declare other income or employment. A further 12 per cent who had been found to owe money had asked for a reassessment. The remaining number of aggrieved welfare recipients had not bothered to contact Centrelink.

The opposition, which is using the Medicare scare-type tactics which almost cost the Coalition government, admitted yesterday that it had supplied the names of many of those involved to the



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Page 2 of 2

media but could not ascertain the veracity of their allegations, despite demanding that Human Services Minister Alan Tudge take up their cases.

"We can't guarantee that in every case they are innocent," a

Continued on Page 2



'ALTERNATE FACTS'

Welfare recipient complained in the media of being unfairly assessed

THE TRUTH During the 2012-13 and 2013-14 financial years, the recipient declared no employment income despite the ATO showing \$45,000 income for the same period. The recipient is now paying back \$26,322.04. **MORE CASES P2**

Centrelink debt scare backfires on Labor

Continued from Page 1

spokesman for Labor's human services spokeswoman Linda Burney said, adding that people were vetted with the resources Labor had available.

Labor, which in government had pioneered data matching for debt recovery, has forced the Coalition to modify elements of the system in response to claims it had an error rate of 20 per cent.

Ms Burney said on Tuesday: "Labor will continue to hold the Turnbull government to account for its mismanagement of Centrelink. Mr Tudge continues to insist that the program is working well despite scores of stories about false debt appearing in media reports, an active ombudsman's investigation, possible legal action and calls by welfare groups for the system to be suspended."

Mr Tudge said that, while the government should be rightly subject to scrutiny, the numbers

being used by the opposition were wrong and demonstrated a deliberate misrepresentation.

"Many of the personal cases that Labor has fed to the media

are examples where they received an overpayment because they had not declared all their income to Centrelink," he said.

"There are other examples

where entire jobs were not reported while the person was on benefits.

"When Labor was in government, they didn't pursue these cases. If they had done the checks when they were in office, we would not have to do the work now.

"The unfortunate reality is that some people deliberately defraud the system, while others inadvertently don't accurately update their income details. This means they received more payments than they were entitled to."

The Department of Human Services has aggressively defended the system, posting rebuttals on its website.

"Commentary on the department's online compliance system continues to incorrectly say 20 per cent of letters are being issued in error. This is misleading and a misrepresentation of the process," department general manager Hank Jongen wrote.

WELFARE THEORY AND FACTS

WELFARE RECIPIENT A

Case was not an online compliance review. Claimed several different payments, including Carer Allowance and Parenting Payment, and failed to declare \$37,500 in income.

Her debt to the taxpayer is now \$18,000. Despite claiming she had been wrongly assessed, recipient A has entered into a repayment arrangement.

WELFARE RECIPIENT B

Woman who claimed to have wrongly been sent a debt letter had been assessed manually, not by the automated system, as having debt of \$2805 for claiming Youth Allowance she was not entitled to as she was not studying full-time.

WELFARE RECIPIENT C

During the 2012-13 and 2013-14 financial years, the recipient declared no employment income despite the ATO showing \$45,000 income for the same period. The recipient is now paying back \$26,322.04.

WELFARE RECIPIENT D

Profiled in the media, was not part of the review. The recipient did not respond to requests for information and a debt was raised. The income the customer declared was less than what was earned. A debt of more than \$12,000 was determined. After seeking a review, the customer agreed to the debt and a repayment arrangement has been entered into.