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National Interest

Centrelink fraud prosecutions

29 October 2010

In any given year, Centrelink will deliver around \$90 billion in social security payments and other benefits to some seven million people. With such a big budget and vast client-base, it's inevitable that some mistakes occur. We expect Centrelink to be vigilant in policing abuse and rip-offs and anyone who receives Centrelink payments has an obligation to inform the agency when their circumstances change. But should people be penalised for inadvertent errors? Keeping track of what you earn and what you owe is not always so straightforward. One welfare recipient in Adelaide was overpaid by Centrelink but says he did everything he could to sort the problem out in a timely manner. And as soon as he was informed of his debt to the agency he repaid the money in full. Despite that, he's now facing fraud charges.

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Transcript

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Peter Mares: In any year, Centrelink will deliver around \$90 billion in social security payments and other benefits to some 7 million Australians. With such a big budget and such a vast client-base, it's inevitable that there'll be some mix-ups and mistakes.

We expect Centrelink to be vigilant in policing abuse and rip-offs and anyone who receives government payments does have an obligation to inform Centrelink when their circumstances change... If they earn some extra money, for example.

But should people be penalised for inadvertent errors?

Keeping track of what you earn and what you owe is not always straightforward, as Don Houston can attest. Mr Houston, from Adelaide, was overpaid by Centrelink, but says he did everything he could to sort the problem out in a timely manner. And as soon as he was informed of his debt to the agency, he repaid it in full. Despite that, Mr Houston is now facing court on fraud charges.

Don Houston, thanks for agreeing to speak to the National Interest.

Don Houston: Thanks Peter. Yes, that's a good summary.

Peter Mares: Describe your circumstances. You receive a pension but then you do some casual work as well...

Don Houston: That's right. I'm a casual, part-time worker with a Commonwealth government department. I do survey work based on contracts that are handed out to me regularly and can vary from months to month in how long they go for. Normally they are one week, three weeks, four weeks or six weeks. And some of those surveys go on for at least 12 months. But one of them is ongoing every month, so that never stops.

Peter Mares: And do you always tell Centrelink when you're working and how much you're earning?

Don Houston: I always tell Centrelink when I'm working, but I'm unable to give them accurate details of how much I get paid because I work to a contract, which means that if it's a four-week contract, I have to finish that contract first and then put all the details in the computer, which could mean I get paid for that work six to seven, or even eight weeks after I start doing that work. So, when I actually work, I have to estimate how much income I might have earned for that fortnight. The other problem I've got is [that] the Commonwealth government pay-fortnights don't match up with the Centrelink fortnights. So, somehow you've got to try and work out how to separate those payments from fortnight to fortnight, to match up with Centrelink payments.

Peter Mares: So, have you been overpaid in the past when you perhaps underestimated the amount you were earning and things like that?

Don Houston: Yes, I have been overpaid in the past and that's going to be ongoing as well because of the situation I'm in. I'm unable to determine how much I get paid because you don't get paid per hour in my job, you get paid per survey. Sometimes it's pro rata, so it's extremely difficult to calculate how much I get paid and separate it into week-by-week, because you get paid a lump sum at the end of the contract. So somehow you've got to then work out a system or a strategy to split that up over fortnights, or even weeks, so it's quite difficult to do that. I'm not sure if it's even possible for the payroll officer in my office to be able to do that because it's such a complicated process to work out the payments anyway.

Peter Mares: So, what's happened in the past when you have been overpaid by Centrelink and you've owed them some money?

Don Houston: Well, I've always anticipated an overpayment will come along, so I've made immediate repayment within a few days, every time I've received an overpayment. I've always indicated to Centrelink that I wish to have a review done every 12 weeks or so, because that way it avoids a large overpayment. But on this occasion, even though I was sent letters by Centrelink for periods of eight weeks and 12 weeks, that they were going to do a review, I never actually received a letter saying how much my overpayment was. In fact, they held on to it for a period of 18 months or more. So that overpayment was quite substantial, because they allowed it to run on to a lot longer periods than what I expected they would.

Peter Mares: And how much did it end up being?

Don Houston: Well, it ended up being about \$7,000 over an 18-month period. When it was initially raised as a period, it probably would have been about \$900 or \$1,000 overpayment, but because they let it run on, it just built up and built up.

Peter Mares: And you were trying to contact Centrelink about this overpayment?

Don Houston: Well, every time I went to Centrelink, when I'm in Adelaide... Because with my work I travel around the State quite a bit... Every time I went to Centrelink I always mentioned to them that they need to contact my payroll office to confirm how much I've actually earned, because I'm unable to calculate that. I also said I would like an early review done, I don't want to be sitting back waiting forever for these 12 weekly reviews to be done, knowing full well that they hadn't done one for 12 weeks. And even though I'd received numerous letters from Centrelink wanting details of my payments, I still didn't get that review done.

Peter Mares: You responded to those letters and said 'Please do a review and please contact my pay office' and so on?

Don Houston: Yes. I conformed in every way possible when they sent me the letters. I sent back copies of my payments, payroll slips, that I had...

Peter Mares: And I think you also gave them permission to directly contact the pay office. So, you weren't hiding anything from them.

Don Houston: No, [I wasn't hiding anything] at all. Because I work for the Commonwealth government, it just wouldn't make sense to be doing that, anyway. So I've signed three or four approval forms for Centrelink to contact my payroll office, which is what I've always said and quite often I've written that on the fortnightly forms, you know, 'For the exact details of my payment you will have to contact the payroll office to confirm what I actually earned for that fortnight' because I've got no way of calculating or speeding up those payments because it's just too involved. There are six or seven different rates of payment that I could be receiving, depending on each survey. So, it gets quite complex and complicated on working out how much I actually get paid per hour.

Peter Mares: So, when you got told you then owed them \$7,000, what did you do?

Don Houston: Well, the first thing I did was I immediately went and got a payment transferred from my bank account into theirs and I paid the amount off straight away. But I also contacted the office and said I was bit concerned about the large sum, because I was expecting much more regular reviews than this long one. I said 'In future, I'd like to have them more regularly because I don't want to be caught in a situation where I've got such a large sum to repay.'

Peter Mares: Absolutely. And now you've got a court summons?

Don Houston: Now I've been issued with court summons. Twelve months after it was intimated to me that they were quite happy with my explanation as to how the overpayment was accrued, but since then - 12 months later - out of the blue I got this summons to appear in court on a charge of intending to commit fraud, which has made me quite distraught at the moment, because I was just about to return to work, normal work duties with the Commonwealth government again, because I had been off sick for quite a while. And this month I was going back to full work duties and because of this, it's really, really given me some problems with my health, and I'm now unable to go back to work.

Peter Mares: It's making you feel quite anxious, I imagine.

Don Houston: Yes. It's been quite a factor with my health at the moment. And I've taken a backward step, actually.

Peter Mares: Have you got a lawyer to represent you in court?

Don Houston: I tried to get some legal advice, but the cost is so large that, you know, the cost of a lawyer is actually more than the debt anyway. The debt is now only \$4,000, apparently, so I don't know what happened to the other amount, but...

Peter Mares: So, you've repaid that money.

Don Houston: I've repaid all the money.

Peter Mares: But that's what they're accusing you of defrauding.

Don Houston: Yes. The summons has just come back at a reduced amount from the original one that was given to me 12 months ago. So I've now got a summons for the \$4,000 instead of \$7,000.

Peter Mares: Don Houston, thank you for sharing your story with us, and we'll check back with you after your court case to see what happens.

Don Houston: OK, then. Thanks, Peter. Cheers.

Peter Mares: Don Houston, from Adelaide, charged with intending to defraud the Commonwealth, despite his many attempts to clarify his situation with Centrelink and despite immediately paying back the money he owed when notified of his debt. So, is Don Houston's case a one-off? Or do other people end up in similar difficulties? Maree O'Halloran is a lawyer and the director of the Welfare Rights

Centre in New South Wales. Maree O'Halloran, welcome to the National Interest.

Maree O'Halloran: Thank you very much, Peter.

Peter Mares: Do you come across many cases of people getting into inadvertent difficulties with overpayments from Centrelink?

Maree O'Halloran: Look, we get 25 per cent of the people who are facing prosecution in New South Wales, coming through our centre here in Sydney. So, we get a very high proportion and we also get numbers of clients who are in debt. And many of them have tried to follow the rules and they haven't been able to. I recently had a client in regional New South Wales who was trying - a single mother - trying to juggle three different jobs. She was cleaning in a motel, she was working casual shifts at a supermarket, and she had some babysitting jobs. And she was trying to declare all of that income - and you have to declare it in the week it's earned, even though you might not get the payment for some later period of time. Look, she got a debt, and she was facing prosecution as well.

Peter Mares: And what usually happens when these cases go to court?

Maree O'Halloran: Well, there's a very high conviction rate and that rate is 99 per cent and...

Peter Mares: Ninety-nine per cent?

Maree O'Halloran: Which is a very, very high conviction rate, and it is because there is very little legal assistance for people. The documents that are sent through by Centrelink to the Legal Aid solicitor are usually like piles of documentation and people get a benefit if pleading guilty, they get a mitigation and their sentence is lowered. So, there's all of this pressure on these people at that time. But look, if you look at some of the Australian National Audit Office report, it shows that of the successful prosecutions by Centrelink, only 1.4 per cent were for identity fraud. Most of them were for people not being able to record their income properly...

Peter Mares: Well, this is a report that just was handed out, I think, about four weeks ago by the National Audit Office; it's an investigation into Centrelink's approach to fraud. And what did it find overall?

Maree O'Halloran: Well, I think the overall summary would be that Centrelink's investigation processes were poor, to say the least; that they weren't following proper guidelines and that the arrangements in place, the contracts between the policy departments of FaHCSIA and DEWR and Centrelink...

Peter Mares: Yes, they're the Department of Families, Housing, Community Services and Indigenous Affairs, and the Department of Employment and Workplace Relations...

Maree O'Halloran: Yes. Those contracts that were in place encouraged Centrelink officers to go for smaller people with small amounts of money to try and lift up their quota, for want of a better word. There was a quota and those specifications encouraged the Centrelink investigation officers not to

look at the difficult, hard and complex, real fraud cases, but to look at the cases where people haven't properly understood the rules or have made a mistake. And in many cases people have paid the debt back.

Peter Mares: The effect of the prosecution on Don Houston, who we heard from before, was so distressing that he's now off work again when he had been intending to go back to full-time employment. This seems to fly in the face of government policy, which is to get as many people off benefits and into jobs as possible...

Maree O'Halloran: And not only does it fly in the face of government policy, but there are many, many people in the same circumstances as Mr Houston. We have many clients who, facing prosecution, their life crumbles around them, things get worse for them and things get worse for their families as well. We have young people who are prosecuted for a small debt that they might have incurred with Youth Allowance when their course closed, for example, and they didn't tell Centrelink. Now, we know that people should tell Centrelink, they're getting government money and they've got an obligation to do so. But the system is very complex, the rules are very difficult, and many people simply don't understand them.

Peter Mares: And so they end up... Do some people end up in jail?

Maree O'Halloran: Some people do, but mostly what they end up with is a criminal record. So that if you're a young person with a criminal record or a conviction, that can affect your whole future life. So the issue is: should we be criminalising people who are already living in difficulties, some of them in poverty, who may have made a mistake, may not have recorded their income properly, but are now paying the debt back. Is the proper course then to go on and prosecute those people? Or should we be looking at the people who are really trying to defraud the system, who are engaged in complex fraud, who are engaged in identity theft, who have multiple bank accounts? One of the other things that the Australian National Audit Office report showed quite clearly was that the data-matching process is the best way to find people who aren't declaring their income properly. And we've been encouraging Centrelink to do more frequent data-matching and to send warning letters to people to say that 'Your income that you're declaring doesn't appear to match this, and this is a warning letter and if you do it again, you might be prosecuted. This has been going on for years, Peter, for more than a decade, and there are many ways that Centrelink could reduce the numbers of people that they have to investigate and the numbers of prosecutions.

Peter Mares: Maree O'Halloran, thank you.

Maree O'Halloran: Thank you very much.

Peter Mares: Maree O'Halloran is a lawyer and the director of the Welfare Rights Centre in New South Wales. This is The National Interest on ABC Radio National.

Joining me to respond to the concerns about Centrelink's approach to debt recovery and fraud prosecution is Hank Jongen. He is the General Manager of Centrelink. Mr Jongen, thank you for

joining us.

Hank Jongen: It's a pleasure.

Peter Mares: Is Centrelink too zealous in rushing to prosecute people for fraud?

Hank Jongen: Well, look, I think that Australian taxpayers have a reasonable expectation that we maintain the integrity of the system that we're responsible for. I think it's also really important to keep this discussion in context. As you yourself said at the beginning of the program, we administer payments on behalf of 7 million Australians, and last year we prosecuted 3,461 cases, with a conviction rate of 99.3 per cent. Which means that the courts have accepted that there were deliberate and premeditated attempts to defraud the system...

Peter Mares: Now, most of those people, from what Maree O'Halloran said... Sorry to interrupt, but most of those people pleaded guilty because they were advised to do so.

Hank Jongen: Well, look, the important part of the investigations that we undertake is a determination to establish whether or not fraud has occurred. We are not interested in prosecuting people who make genuine mistakes, and in fact, the review processes that Maree was talking about, last year we conducted 600,000 data-matching reviews and 4.4 million reviews. And as a result of that, we identified savings in the order of about \$400 million dollars. Now, you're not hearing about those people being prosecuted because in most instances we've accepted that people have made genuine errors, we've corrected the record and we've sought to recover the money. Make no mistake: we will seek to recover the money. But when you're talking about hundreds of thousands of reviews, that do not result in prosecution action because we accept that no deliberate attempt was made to defraud the system, you really have to keep this discussion in context.

Peter Mares: Nevertheless, the Auditor-General did produce a report, published a few weeks ago, saying that Centrelink has set corporate targets for recovering debts and investigating fraud and those targets, individual goals for Centrelink officers, a certain number, I think 99 investigations completed a year, six referrals per year to the Director of Public Prosecutions... And the Auditor-General found that those targets were driving your investigators to pick the easiest cases for prosecution, rather than complex cases of systemic welfare fraud that might take years to investigate.

Hank Jongen: Well, look, again, I think it's really important to look at what that report actually says. The report was primarily looking at Centrelink debt-recovery processes and the processes that we have in place to ensure that we intervene as early as possible, in terms of identifying incorrect payments and seek the money...

Peter Mares: But this was a fraud investigations process.

Hank Jongen: ... the Auditor-General did not criticise the outcomes for our customers. What they talked about was the internal administrative processes and we've certainly acknowledged the findings of that report and we've reviewed those processes. In fact, that's been going on for two years now,

since the Auditor first drew this to our attention. So, it is true that we have modified the internal mechanisms that are in place. And the other important element of this is, of course, that the government has now funded us to undertake much more sophisticated investigations. We've been allocated \$71 million over four years to identify welfare fraud associated with organised crime. That means we're working with police, Australian Crimes Commission, to really look at where organised crime touches the welfare system and we expect to recover savings in the order of \$142 million as a result of that.

Peter Mares: Have you abolished the targets that you had for individual officers to investigate a certain number of cases per year and refer a certain number of cases per year to the Director of Public Prosecutions?

Hank Jongen: We haven't. We certainly have modified our approach in terms of referral, but again, I must make the point: genuine errors are not referred to the Director of Public Prosecutions and I might also add that it's the Director of Public Prosecutions, based on the evidence that we submit, that then makes a decision as to whether or not prosecution action should be taken. It's not Centrelink that makes these recommendations: we actually refer to the DPP and the Director of Public Prosecutions looks at the evidence and determines whether there's sufficient evidence to establish deliberate intent...

Peter Mares: Why is Maree O'Halloran's agency then finding so many people coming to her who have fallen foul of the system, who are getting prosecuted because they couldn't get the numbers right, because they were juggling three jobs, because their payments didn't line up with Centrelink payments, and so on? Why are so many people coming forward to her agency and others, saying 'I tried to do the right thing and now I'm being prosecuted.'

Hank Jongen: Well, look, again, I think it's really important to distinguish between people that have incurred debt and people that have been prosecuted. There was one case that was referred to which involved a woman who was working three jobs in order to survive. Now, that resulted in a successful prosecution. I would venture to say that what hasn't been outlined here is that there were deliberate attempts not to notify Centrelink, or possibly even the use of a false name, for that prosecution to have gone forward and been successful. There's an important distinction that has to be made here.

Peter Mares: Hank Jongen, thank you.

Hank Jongen: Pleasure.

~~**Peter Mares:** Hank Jongen is the General Manager of Centrelink. And we'd welcome your thoughts, or your personal experiences, about Centrelink's approach to recovering overpayments and prosecuting fraud.~~

You can get in touch by calling the feedback line, 1300 936 222 or by clicking the 'Add Your Comment' tag at the bottom of this story.

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• **Caroline G :**

31 Oct 2010 7:48:13pm

Centrelink seems to be incapable of acknowledging their own mistakes, e.g. consistently ignoring information given to them about a client's changed circumstances (such as disposal of shares). To expect clients to have a crystal ball as regards future income is clearly ridiculous and unjust. Pensions should be based on known facts not guesswork.

Reply Alert moderator

• **Bill Hubble :**

31 Oct 2010 6:21:25pm

In New Zealand and, I believe, most other western countries those who qualify for the age pension receive their payments, no strings attached.

If they are lucky enough to receive extra income from employment or investments, they are required to continue to pay tax. They do not have to succumb to a relentless, stringent and extremely time-consuming reporting regime.

Could we not have a similar system?

Instead, we seem to be spending millions on employing both Centrelink and tax office compliance officers.

It was so upsetting when Mr Don Houston nearly broke down on air. Yet his experience seems to be by no means rare.

It is also surely pertinent to point out that many of those who now receive the comparatively modest Australian aged pension, paid tax at the rate of 33 percent or more throughout working lives that spanned 50 years or even more.

Surely, they now deserve to be spared all this red tape?

Even the comparatively lucky pensioners, those who have not found themselves under suspicion for fraud, complain of being robbed of peace and dignity by the relentless arrival of 12 page

questionnaires about their activities.

And why is it that the tone of every Centrelink document seems to assume guilt and to conclude with a threat of the cessation of payments for "non-compliance"?

Again, what is the cost to the taxpayer of all this questionable, harassing sleuthing ?

I am beginning to wonder if there is actually a political plot to save money by worrying everyone in receipt of an aged pension into their graves as quickly as possible.

Reply Alert moderator

• **CJ :**

31 Oct 2010 2:49:01pm

Hank Jongen wanted to make a big deal about waste to the tax payers so indeed lets have an audit on how the tax payer dollars are being used by Centrelink. My own experiences show the levels of waste and mismanagement within the organization are appalling.

I decided this year I would no longer continue to supply Centrelink with the second or third requests for the same information and turned the onus on them to explain where my sensitive information was and why they did not have it securely stored from the first time I provided it.

Then there was a matter over the new year that required the Ombudsman to intervene twice. The manager of my local centrelink branch actually lied to the Ombudsman. The ombudsman knew this. I was flabbergasted (naive as I was). This particular matter used endless hours wasted by myself and the tax payer funded centrelink staff who went round and round in circles for 8 weeks. Then there's the funding by the tax payers for the ombudsman.

Now that Centrelink have gone on line I find another matter has arisen. In order to complete my earnings form I actually have to tick the box stating I haven't earned any money. They've promised to change the wording as the way it is currently written means my answer is fraudulent.

All these complications arise as I am self employed, was studying, just had a child who turned 16. ~~In summary the more one tries to be self sufficient the more difficult and complex the~~ Centrelink maze becomes. I just about had a nervous breakdown over the ombudsman issue and I was told I was lucky (by others) as I had the determination to take the system on.

It's wrong and it fits into the definition of a toxic organization. I really have so many examples I could go on for 1000's of words.

In summary yes, I accept there are fraudulent benefit receivers but centrelink needs an internal focus and accountability for its own wastage of resources.

And lets not forget either that some of the resources being wasted are people who find the system so complex that they give up trying to contribute to society. Who remembers the Santa Clause pensioner debacle last year?

Reply Alert moderator

• **nick03 :**

31 Oct 2010 2:08:15pm

If Hank Jongen will not directly answer questions put to him, but chooses to frame his own questions, then the interviewer should stop and inform Mr Jongen that he is able to publish his own press release where he can spin to his heart's content. The public is getting very sick of this behaviour. As a community teacher assisting mentally ill and disabled pensioners, I have seen a case of a Centrelink prosecution even more brutal and improper than your timely example of Mr Houston. I don't expect much to change except the speed of the spin.

Reply Alert moderator

• **Judy Greenfield :**

31 Oct 2010 2:04:53pm

A few years ago, in reporting to Centrelink, I had trouble knowing exactly how much I earned, so used to use my previous payslip even though I knew this was not exactly the income I earned in that particular fortnight. I figured it was accurate in the long run. Eventually, I had a review and found out that if I had underestimated my income (and therefore had been overpaid by Centrelink), I had to pay back the excess amount, but if I had overestimated my income, that was too bad - I didn't get any extra. So, I learnt that, if unsure of my income (which varied from week to week), it was better to underestimate than overestimate and it would be sorted out later. In this way, Centrelink 'encourages' its clients to underestimate their incomes.

Reply Alert moderator

• **WJW :**

31 Oct 2010 1:46:20pm

Centrelink's attitude/informal policy is that they never make a mistake. The customer is always responsible for an error even if it is a centrelink employee's misrecording, misunderstanding, or mishearing/reading. The call centres are the worst, as they are not trained to listen and interview, but to respond to "cue" words and phrases, and therefore jump to conclusions as a

result. I could go into much more detail (from both sides of the Centrelink desk), but I value my present meagre income too much.

Reply Alert moderator

• **Maggie M :**

31 Oct 2010 1:16:14pm

I had an incident several years ago where Centrelink overpaid me, even though I had informed them of a change in income. I received the letter from the debt collector with court threats, so I wrote and said 'What about the money you owe me?' I had made a claim which had been thrown out by the local office, and I didn't have the energy at the time to go through the appeal process (it is very time and energy consuming to do so).

This prompted a call from a human being, and started the appeal process, which ended up in Centrelink paying me over \$2000 for the claim. Several years later, they again asked for the remainder of the overpayment.

I think that Centrelink is very good with their statistics, and count all people who have overpayment letters sent to them as guilty, when in fact it is often a Centrelink creation. Of course there is some fraud, but not to the extent that they are saying. Perhaps they should revise their guidelines (such as genuine claims in local offices that more often have to go to appeal than not), and to be quite honest, I would like to see them shoulder responsibility when the mistake is theirs.

Reply Alert moderator

• **Kim Asher :**

31 Oct 2010 12:46:22pm

Several years ago my boyfriend's brother quit his university course and immediately went down to Centrelink to cancel his Austudy payments. He filled out the forms and handed them in at his CL office.

He received another Austudy payment the very next fortnight.

He went back to the Centrelink office and asked why he had received another payment. They claimed they had lost his forms, so he filled out another set of forms and waited for the payments to stop.

Which they didn't.

Centrelink then took him to court and while the court said they could not find no evidence of fraud on his behalf, they still charged him his court costs! Why wasn't Centrelink charged, since THEY were the ones who stuffed up?

A 99% prosecution rate can not be found in any other type of prosecution in this country, I am quite sure. Is Centrelink in cahoots with judges and lawyers? It is despicable that Centrelink forces the poorest of the poor to plead guilty - even if they are not - in order to keep up their statistics and to make themselves look "good" and like they are "working hard" to "save" our tax dollars.

I would much rather my taxes were spent on an institution that treated people humanely, that had a computer system that worked properly that actually tried to prosecute the guilty and not the struggling.

I am perfectly content to have my taxes spent on people who are doing it tough because I believe in sharing and in keeping society on an even keel. I do NOT approve of my money being spent on persecuting the poor, the needy and anyone suffering from some bad luck.

Reply Alert moderator

• **Helena :**

31 Oct 2010 12:45:51pm

It's hard not to get personal after listening to Hank Jongen, but ... he gave the distinct impression of a person who couldn't care less about the people who use our Centrelink services. He seemed totally unprepared to even consider that there might be some issues with the processes in question. Is this really somebody we want in a position of power an organisation which is responsible for taking CARE of some of our nation's most vulnerable???

Reply Alert moderator

• **Dan O'Brien :**

31 Oct 2010 12:45:45pm

Its really class war..for example

Will centrelink be prosecuting these taxpayer defrauders ?

.....

RETIRING politicians will exit Macquarie Street with lifetime pensions costing the NSW taxpayer almost \$40 million.

The 18 MPs who are bowing out at the next election will cost more than \$1.7 million a year to support in their twilight years.

When factored over an average Australian lifespan, the 11 Labor MPs will cost more than \$24 million, and the seven departing Coalition MPs will take almost \$15 million as reward for their years in Parliament.

.....

excuse me but why are they getting large amounts of taxpayer money for THEIR pensions ?. Perhaps for a lifetime of WELL PAID service to THEMSELVES..? or perhaps politicians consider themselves 'royals' living off the civil list . CUT THEIR BENEFITS IMMEDIATELY

Reply Alert moderator

▪ **John of WA :**

31 Oct 2010 8:12:59pm

I agree with this view.

While many politicians clearly work very hard they, like pensioners, are paid from the public purse. Sure they have decreased security of employment in their job but plenty of us have less.

But what gets me is the lack of prosecution of MPs found to have claimed reimbursement for items not claimable. Did they get fined or gaoled? I don;t think so.

What about some equity here?

Reply Alert moderator

• **David of Sydney :**

31 Oct 2010 12:41:21pm

As a WA public servant and through no fault of mine my promotion application took 18 months to resolve. After the lengthy process was completed and I received the back pay due to me, Centrelink then insisted that I had underestimated my previous years income and took me to a tribunal, even though I repaid them for their overpayment.

Their processes are seriously flawed and your interview with the Centrelink bureaucrat does not inspire confidence that they are willing to acknowledge this.

Reply Alert moderator

▪ **John of WA :**

■ **John of WA :**

31 Oct 2010 8:35:06pm

The ATO charge interest on late payments and PAY interest on early payments. They (in this area) are flexible.

If Centrelink have a policy of paying to pensioners and unemployed etc "What they are entitled to. Not a penny more and not a penny less."

Honest people deserve this.

Centrelink could change their image if they promoted and acted this policy.

Reply Alert moderator

● **South Light :**

30 Oct 2010 11:12:53pm

The recent report into Centrelink said they were not geared to cope with people with a mental illness, despite these being a significant proportion of their clients. Common limitations for people with a mental illness include difficulty tracking due dates, meeting deadlines, being able to function on certain days, etc. If people without mental illness have trouble fathoming the complexity of the rules, paperwork, etc, and are thwarted by Centrelink's own mistakes, how much harder is it for people with a mental illness to avoid getting cut off or penalised. The PM said it is time to get rid of "one size fits all" and introduce flexibility in nationally delivered programs. Hurry up, Centrelink. It's decades since the mental institutions were closed and people with mental illnesses have been expected to survive in the community on social security. Who is Centrelink kidding that it is not making life hell for these people?

Reply Alert moderator

■ **John of WA :**

31 Oct 2010 8:50:17pm

Hear, hear.

I believe that government departments have a moral obligation to so structure their public documents that the average "John Doe" can readily understand what is stated and accurately respond as required. If this is not possible then the author of the document has failed in his(her) duty as a PUBLIC SERVANT.

Reply Alert moderator

● **South Light :**

30 Oct 2010 9:01:58pm

31 Oct 2010 8:28:04pm

Mr Jongen stated, in defence of CL, "in fact its (an internal review of processes) been going on for two years now, since the auditor drew it to our attention, so it is true that we have modified the internal mechanisms that are in place..."

There was no evidence of modifications made, and, for goodness sake, why should it take two years?

It does not inspire confidence in the top administration of this public service arm of the government.

Reply Alert moderator

• **Vincent :**

31 Oct 2010 12:29:16pm

Mr Houston by the sound of his story appears to be continually employed by the government through his profession as a contractor surveyor.

Having a good recent working knowledge of government procurement and contractor management practices, it would be interesting to know how Mr Houston appears to obtain continual paid work from the government.

I am 55 years of age, recently retired from government employment and receive a 'basic wage' government paid pension. I doubt very much whether I would be entitled to any Centrelink payments, notwithstanding a Newstart possibility.

There could be more to Mr Houston's story than the NationalInterest has aired.

Reply Alert moderator

• **Alfred :**

31 Oct 2010 9:27:27am

If I estimated earnings for part time work to Centrelink and then I when was paid less than my estimate, Centrelink could not make up the loss from their next benefit payment, and I had lost money. But if I under estimate earnings this amount reduces my next Centrelink benefit payment. This is not fair because it is not always possible to be 100% accurate with what are after all estimates of earnings. On a low income every dollar matters. The system could be more flexible.

Reply Alert moderator

Further Information

~~Pension~~ I was totally confused, so eventually broached them, after receiving the 3 monthly assessment notice. In it I found that I was still credited with the value of the (now long since sold) land, plus the money in my account from the sale and my moveable assets.

~~Audit Report on Centrelink Fraud Investigations~~
~~Audit Report on Centrelink Management of Customer Debt~~
I was asked to deliver to them proof of sale of the property (never told before this!) and only after I had provided this (a simple transaction, why was I not told of it early?) did my Pension resume at full value.

~~National Welfare Rights Network~~
It is my opinion that this was a deliberate move on the part of Centrelink persons, in order to get money out of me that they were not entitled to do. Bonuses for someone, for saving Centrelink ~~Centrelink~~? I have still not received an explanation for their actions, and written indication of the changes (as requested by me) and intend writing to the Minister concerned.

Presenter

Reply Alert moderator

Peter Mares

- **Kali McLaughlin :**

Producer

30 Oct 2010 9:58:12am

Erica Vowles

Listening to your program made me rather upset. Nothing has changed.

Radio National often provides links to external websites to complement its program information. While I have been a long time listener, I was dependent on the Department of Social Security as the only job producer and was an unqualified builder which paid badly and the weather kept interrupting work for the content of these sites.

When I usually declared income to DSS I was usually terminated for six weeks and ended up suffering malnutrition, exposure and a major health breakdown resulting in sterility.

My opinion is that the beaurocracy finds it just too hard and expensive to calculate the varying income that poor people have to endure and they either want you to lie about income or just go



Friday 6pm (3pm WA, 5pm Q/NT)

repeated Sunday midday

My problems were exacerbated as I lived 40Km from the nearest office over bad roads and

Peter Mares

and not just pop down to the office and make a fuss every time I was cut off.

Reply Alert moderator

In This Program

- **Davey Comyn :**

(full program)

29 Oct 2010 8:03:04pm

(full program)

When a young woman appeared before a magistrate on a charge of intentionally defrauding

- **18:10:** Centrelink rowed-up to the court to observe the case. It was obvious that the young woman lacked capacity to conduct her own affairs in line with centrelink expectations (a brief interview would have informed them of her lack of capacity). The magistrate was merciful and asked her if she would need assistance in managing her affairs - she affirmed that she did whereby he placed her under a case management regime to assist her. Many poor people simply lack capacity to deal with the Centrelink regime. It is a cruel and bad situation made worse by the unlimited capacity of centrelink to prosecute. They should pick on somebody their own size!!
- **18:15:** Centrelink fraud prosecutions
- **18:30:** Report calls for overhaul of training sector
- **18:45:** Concerns over new PhD standards

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capacity to deal with the Centrelink regime. It is a cruel and bad situation made worse by the unlimited capacity of centrelink to prosecute. They should pick on somebody their own size!!

When Centrelink cuts people off benefits through its own mistakes it should be required to pay them extra. Currently they have an incentive to accidentally stop paying people, because it is such a hassle to get back on and in the meantime you lose money. Losing anticipated income results in lots of extra costs (eg penalties for late payments for services) for the people who can least afford it. I know of a young person trying to get through uni who was recently cut off because they decided she had gone overseas (which she hadn't). She had to miss vital lectures and time that should have been spent on an essay due the next day to queue in the Centrelink office. Despite being on the benefit for students which is \$100 a week LESS than unemployment benefit staff treated her as though she had nothing better to do with her time than to fill in the entire form that repeated all the information already in their database. It costs money just to get to a Centrelink office or phone them, so when it is Centrelink's fault they should have to pay a bonus.

Hide all comments

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 - **Alertea :**
 - Digg
- 30 Oct 2010 5:47:13pm

what are these?

I have Multiple Sclerosis and live on a DSP. Centrelink have successfully killed the last remnants of my work capacity by their relentless bullying and harrasment. Frankly, if you are sick already and they make it this difficult and treat you like an automatic cheat, it is easier just not to work and to ~~what assistance you are given.~~ Their system is absolutely soul destroying. In terms of the "taxpayer argument" it is a complete furphy as most centrelink clients have either ~~tax or will pay tax in the future.~~ This argument is repeated relentlessly ~~and us" division so that the sick and poor clients of cen~~ mistreated.

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- **Darryl Perrett :**

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30 Oct 2010 11:46:52am

Early this year, massive district flooding caused terminal damage to my home and surrounds. I lived on a 77 acre block, and had built my own accomodation thereon. So I had to sell, and relocate.

I am an aged Pensioner, and had been on full pension, and Centrelink actually gave me \$1k compensation, as they did for lots of others.

Maree O'Holloran advised Centrelink of every transaction, the sale, the price, and what I was doing to relocate (buying a new car, and an old caravan, buying a shed on my sister's block, and then living in the van).

Hank Jongen I noticed immediately that Centrelink had now deducted approx. \$70 per fortnight from my General Manager of Centrelink

Reply Alert moderator

• **Anne A :**

29 Oct 2010 7:30:18pm

I'm glad I now know who runs the show at Centrelink as Hank Jongen will shortly be hearing from me about the incompetence I have encountered relating to my daughter's Youth Allowance, which she is apparently eligible for as a 16 year old high school student, in lieu of the Family Tax Benefit. It's a long and tortuous story but suffice to say Centrelink wrote to both of us TWICE to say the benefit had been cancelled for non-compliance before it had even started, and in both instances it was their error, not ours. God knows how people whose first language is not English would cope with their incompetence. Then when finally it started they sent us SIX letters (3 each) all dated 21 September, one each saying YA had commenced, one each saying I was the nominee for payment, and the other telling each of us that I was the nominee for correspondence. When I queried why six letters was better than two, I was told nothing could be done about it. Given the concern Mr Jongen expressed for costs to taxpayers, he may like to follow up this wasteful expenditure.

Reply Alert moderator

▪ **John of WA :**

31 Oct 2010 9:02:20pm

Apparently Centrelink have contracts with various departments setting out their mutual obligations.

Perhaps Australia Post is one and Centrelink have contracted to support good ol Aussie Post to the tune of \$XXXXXX (lots)

That's the way it appears.

I also was initially very surprised by the surfeit of letters, but I've got used to it now and am no longer surprised!

Reply Alert moderator

• **Ted Witham :**

29 Oct 2010 6:49:17pm

I pricked up my ears when I heard Don Houston's story. I am a disability support pensioner and have retired early. Each fortnight I have to report my wife's earnings to Centrelink.

Occasionally, I am asked to mark student papers. I don't know how much I will be paid, and I don't know in advance how many papers there will be.

At the end of the financial year, I received a statement from the college with the total amount I would be paid. I took this to Centrelink, and explained, that like Don Houston, I could not estimate this income in advance, and I had no way of knowing how many 'hours' I might work in the Centrelink fortnight.

Centrelink was very helpful. I have agreed that they will assess my pension this year based on last year's income from marking 'annualised' (to use their jargon).

Centrelink staff do complain about employment situations that don't fit its rigid scheme of hours worked in the reporting fortnight. But it can find solutions.

I wonder why they choose to prosecute some and help others?

Reply Alert moderator

• **Mary :**

29 Oct 2010 6:41:59pm

I am a taxpayer and I am concerned about justice as I am about probity. Centrelink is a vast organisation, its rules are often complex. The information Centrelink provides is very general in nature and it is up to the individual to try and work what it means for them specifically. It is a system set up to wrong foot the individual and when they make a mistake, they are up against the whole weight of an organisation with all its resources to back up its claims.

To be able to keep up with Centrelink reporting requirements you would need several spreadsheets, which of course means you need a computer and fairly sophisticated computer skills. Or you need a team of administrators, such as Centrelink employs, to provide the detail required. One other point, people's lives are complex and do not necessarily match Centrelink's database fields. Scraps of data strung together can be used to create a narrative of sorts about anyone, but have they got the story right?

Reply Alert moderator

• **sharon :**

29 Oct 2010 6:25:46pm

dear oh dear

don houston's story is not unusual.

it is so hard to inform centrelink what you have earned and then to have them record it properly. they consider every person reporting their income is a cheat just because they receive a payment. they pick on people with small debts as they are deemed to be easier to catch and also