

Hon. Linda Burney MP

Shadow Minister for Human Services

Ref: 20170501.ANAO.ATODataMatching.RF

Mr Grant Hehir
Auditor General
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

5 January 2017

Dear Mr Hehir,

Re: Centrelink debt recovery and welfare integrity programs – automated data matching

I write in regards to considerable public interest in recent changes to the Department of Human Services' data matching program.

As you would be aware these changes have seen the number of debt recovery and notification letters sent to clients increase from 20,000 per year to 20,000 per month, with many of these notices subsequently found to be false.

The number of complaints to my office and my colleagues' offices has been overwhelming. There is considerable public concern over the administration of this program as well as a lack of clarity around the value of 'savings' derived from the program to date.

With over \$200 million allocated for welfare integrity programs over the next 2 financial years and savings of \$2 billion included in the recent Mid-Year Economic Outlook papers the budget implications for the administration of this program are significant.

Recently the Acting Minister for Human Services, Hon Christian Porter MP, stated that since the beginning of the financial year the program had made savings of \$300 million but Mr Hank Jongan, General Manager of DHS, later claimed that this number represented the identified debts.

This discrepancy requires investigation given that the program has a failure rate of at least 20%.



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With this in mind I request that the Australian National Audit Office conduct a performance audit into this program with a focus on the following points;

- a) The effectiveness and extent of risk management planning and consideration within the Department of Human Services
- b) The actual value of savings derived from this program to date, and whether savings counted in that total include falsely recoup debt (i.e debt repaid which is not actually owing), and;
- c) The efficiency of budget allocations made for this program over the next 2 financial years.

I look forward to your response as soon as possible.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Linda B.', followed by a long horizontal flourish.

Linda Burney MP
Shadow Minister for Human Services
Member for Barton