



THE HON PAUL FLETCHER MP

Minister for Families and Social Services

13 December 2018

TRANSCRIPT – 2GB BREAKFAST WITH CHRIS SMITH

Topics: welfare payment to Australians overseas; family day care operators who had their taxpayer subsidies cancelled for fraud now moving into NDIA and aged care sectors;

E&OE:

CHRIS SMITH: The federal government believes it is paying welfare benefits to thousands of Australians who died while living overseas. Now, in a bid to claw back hundreds of millions of dollars in taxpayer money, Social Services Minister Paul Fletcher will today announce that pensioners living overseas will have to provide a proof of life certificate every two years to keep receiving payments. Paul Fletcher is on the line.

Minister, good morning.

PAUL FLETCHER: Good morning, Chris.

CHRIS SMITH: How many people are living overseas claiming benefits, do you believe?

PAUL FLETCHER: There's around 96,000 Australian pensioners living overseas. And of course they're perfectly lawfully entitled to do that and receive a pension.

They've met the conditions having worked in Australia for many years. We believe that there's about 6000 - we estimate - cases where somebody who was formally lawfully receiving pension has died and that has not been notified to the Australian government.

CHRIS SMITH: Six-thousand?

PAUL FLETCHER: That's right. So, in some cases, that may be fraud, in other cases it may simply be that the pensioner's family - the former pensioner's family believed that they're entitled to receive the pension. That's not correct under Australian law but whatever the reason for why it's happening, we're going to put in place this process where we require any Australian, or anybody receiving an Australian pension living overseas over the age 80, every two years they'll be required to provide a proof of life.

That will be a fair and simple process. We're coming into line with a range of other countries like Germany, France and Italy, which have similar systems in place. And this would be - I mean, saving taxpayers about \$150 billion over the next four years.

CHRIS SMITH: Do you believe their families will do this, though? Because they've already got the opportunity to tell the Australian government that their loved ones have died now, and they don't do it.

PAUL FLETCHER: Well, what we'll be doing is putting in place a process where we'll ask people to provide this proof of life every two years. It will be a fair, simple straightforward process where you can go to the local equivalent of the justice of the peace...

CHRIS SMITH: But they don't do it now.

PAUL FLETCHER: Well, my point is, Chris, that that'll be a requirement to continue receiving the pension payment. So, we'll have a series of processes in place but this will be an important safeguard so that we're not paying out pensions...

CHRIS SMITH: But if they don't fill out the form, you don't know either way.

PAUL FLETCHER: Well, the point would be, Chris, is that to maintain your eligibility to receive the pension, they'll need to provide the proof of life certificate, but if you don't, we'll give you a period of time but after that then we'll cease the payment of the pension. Of course, if it turns out that that's just been an oversight, you failed to provide the form, then as soon as you provide it they can be processed.

In circumstances where the person has died, and as I say, we estimate there's probably about 6000- or there will be about 6000 cases of this over the next four years, where the person has died, then we will cease paying for pension. But we need to be careful and prudent with taxpayers' money.

The pension is there for people who need it to support themselves but of course if somebody's died, then we shouldn't be continuing to spend taxpayers' money paying a pension.

CHRIS SMITH: Okay, question about these 96,000 Australian pensioners overseas. They're mostly aged pension recipients currently residing permanently overseas. Are they dual citizens? How does it work?

PAUL FLETCHER: The way it works is that when you've been in Australia in the workforce for a certain period of time, and that time has varied over the past 30, 40 years but at various points it's been 15 years, 20 years, 10 years, that kind of time period.

Once you've met that condition of having been in Australia in the workforce in that period time, you then have an entitlement to the aged pension once you reached the eligibility age which is now 55.5 and earlier it was 65. And at that point, if you have applied for the pension, you'll receive it, if you then choose to move overseas, you're entitled to continue to receive the pension and we had- there are reciprocal arrangements, I must say, with a range of other countries, where pensioners from other countries, the UK, many European countries, who are living in Australia receive pensions from those countries while living in Australia.

CHRIS SMITH: Okay. Alright. That's interesting. I can't let you go without asking you about another story this week which you spoke about in length, this week. Two thirds of family day care operators who had their taxpayer subsidies cancelled for fraud in the past six months, are now, sort of rising like a phoenix in the NDIS and aged care sectors. Can we not stop this stuff happening?

PAUL FLETCHER: Chris, I should make it clear the Australia government is absolutely alive to this risk. Several months ago we announced an NDIS Fraud Taskforce, which involves the Australian

Federal Police and the National Disability Insurance Agency, and we are monitoring this very closely...

CHRIS SMITH: Monitoring or cracking down?

PAUL FLETCHER: We're doing more than that. I mean, I announced a couple of months ago that an individual in Melbourne had been arrested and charges were going to be laid. So, there's a big team working on this. Whenever we're talking about significant amounts of public money, you absolutely have to be aware of the risk of fraud, and taking action to guard against it. And what we're doing in relation to the National Disability Insurance Scheme, this is taxpayers' money, we have to treat it carefully and we have to be alive for the fact, unfortunately, that there will be people trying to rip off the Australian taxpayer...

CHRIS SMITH: So, do you have any system where there's a warning light that comes up on a computer somewhere that says that same person got done for fraud involved in another sector? Do you have any computer programs that alert you to this? Or is it just willy-nilly sort of we'll monitor and we'll try and we'll try and find names ourselves?

PAUL FLETCHER: Look, you'd appreciate that I'm going to be reasonably careful when I say, given the fact that people interested in committing fraud listen carefully to what ministers say. But what I can assure your listeners on is that we have sophisticated systems and a lot of work underway to guard against the risks of fraud. And a lot of people are working on it and a lot tools being used to manage and respond to this risk.

CHRIS SMITH: Because here we are talking about 6000 dead people claiming benefits and then we hear about those who rise like a phoenix from one sector to another. We're hoping that government uses our taxpayer dollars wisely and effectively, Minister.

PAUL FLETCHER: That is absolutely right, Chris, that is our duty. And you have to recognise that there are people sadly who would want to defraud the government and fool their fellow Australians and that's why we've got this NDIS Fraud Taskforce that has been going on for some months.

We have a lot of people working on this making sure that that money goes to Australians with disability to improve their lives and isn't going to crooks.

CHRIS SMITH: Okay, well, we can only rely on the fact that you're doing the right job and your public servants are doing the right job but we have our doubts at times. Thank you so much for your time this morning.

PAUL FLETCHER: Thanks Chris.

CHRIS SMITH: Okay. Federal Social Services Minister, Paul Fletcher.

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