

Scott Morrison – MP

Statement on Release of Royal Commission Final Report

7 July 2023

I note the final report of the Royal Commission in relation to the conduct of the Strengthening the Integrity of Welfare Payments (SIWP) Budget Measure.

I was pleased to cooperate fully with the Commission during the conduct of its Inquiry, making several submissions and appearing before the Commission during its public hearings, which covered my roles as Minister for Social Services, Treasurer and Prime Minister.

I once again wish to acknowledge and express regret for the unintended consequences of the scheme and the impact that the operations of the scheme had on individuals and their families. There are important lessons to be learned from the conduct of the scheme regarding harm minimisation and the use of digital technology to assist with the important task of welfare compliance to protect the integrity of the welfare system, in the interests of taxpayers.

The Commission made no findings regarding my roles as Treasurer or Prime Minister during the time in which the scheme operated. As Prime Minister I oversaw the closure of the scheme.

The Commission has made findings in relation to my role as Minister for Social Services, where I served for 9 months between December 2014 and September 2015. I reject completely each of the findings which are critical of my involvement in authorising the scheme and are adverse to me. They are wrong, unsubstantiated and contradicted by clear documentary evidence presented to the Commission. It is unfortunate that these findings fail to acknowledge the proper functioning of Government and Cabinet processes in the face of not only my evidence as a former Prime Minister, and Cabinet Minister for almost 9 years, but also the evidence of other Cabinet ministers.

As the Minister responsible for bringing the original submission to Cabinet, as part of a Portfolio Budget Submission that contained fifty other discrete new policy proposals, I acted in good faith and on clear and deliberate Department advice that no legislation was required to introduce the scheme and presented comprehensive evidence to support this position. I note the evidence before the Commission confirmed that the responsible Departments maintained the position that the scheme was lawful in subsequent submissions prepared for Cabinet, after I had left the Social Services portfolio. Any assertion to the contrary regarding the Department's position is completely wrong and without any evidentiary basis. I also note the evidence presented to and confirmed by Departmental officials that the existence of departmental legal advice on this matter was inexplicably withheld from Ministers.

There is no evidence before the Commission which establishes that I was responsible for the departments ceasing in their duties to stop giving frank or candid advice to me regarding the need for legislative change, either by the simple act of

me signing the Executive Minute and so agreeing to DHS pursuing something they had initiated, or otherwise. The Department was simply authorised to conduct further work on these proposals before bringing back a final proposal that resolved any issues. This is normal policy and Cabinet process. Policy proposals go through numerous stages of development, where issues are addressed before Departments bring a final proposal to their Minister for authorisation and submission to Cabinet. In doing so they must complete the Due Diligence Checklist.

Regrettably the status of the Executive Minute has been mischaracterised by the Royal Commission, and in so doing, it is given weight it cannot bear. The Executive Minute did not have the significance which the Commission seeks to attribute to it. The Executive Minute did not contain settled policy proposals, it contained options to pursue the development of incomplete proposals which had yet to be subjected to the rigorous Cabinet processes and departmental due diligence assessment. A Minister would not form understandings on the legality of a measure prior to the proposal being finalised via the rigorous Cabinet process and presented in a New Policy Proposal.

The rigorous Cabinet processes were followed and satisfied for this measure and as the Minister for Social Services, I was constitutionally and legally entitled to assume the officers of the Departments had complied with their obligations under the Public Service Act to advise their respective Ministers.

I had no reason to question the veracity of the Due Diligence Checklist in the New Policy Proposal which stated, on advice of the Department, that legislation was not required for the SIWP Measure. The New Policy Proposal goes through a departmental process before it is approved by a Minister, and a Minister would ordinarily and quite properly rely on those departmental processes being followed in the preparation of the New Policy Proposal. The Portfolio Budget Submission contained fifty other proposals, with the Due Diligence Checklist noting where legislation was and was not required in each of these measures. Unlike numerous other New Policy Proposals in the Portfolio Submission it was not required for the SIWP measure.

The obvious reason a due diligence checklist exists in a New Policy Proposal prepared for a Minister is to give that Minister the assurance that the proper processes have been followed by the Department, obviating the need for that Minister personally to check such matters. A Minister would not and could not place the same reliance or emphasis on the Executive Minute. At that stage the proposal was not in its final form and discussions were ongoing between Departmental officials to resolve any issues, which they were instructed to do, as was set out in documentary evidence provided to the Commission.

The findings which are adverse to me are based upon a fundamental misunderstanding of how government operates. The Commission has suggested, contrary to decisions of the High Court and long standing practice, that a Minister cannot rely upon the advice of their own department. Such a proposition would make Executive Government completely unworkable.

Furthermore, no departmental advice provided at the time of authorisation of the scheme identified risks about the potential hardship the scheme could cause, as the understanding was, supported by documentary evidence provided to the Commission, that the proposal involved the automation of an existing process. In my evidence to the Commission I also noted that no concerns were raised by the Labor Opposition or Social Services advocates regarding potential harmful impacts at the time the measure was approved and announced in the subsequent Budget. During the time I served as Minister for Social Services the scheme had not commenced operations and none of the unintended impacts had occurred.

Finally, throughout my service in numerous portfolios I enjoyed a positive, respectful and professional relationship with public service officials at all times, and there is no evidence before the Commission to the contrary.

There is also no evidence before the Commission to the effect that I applied pressure to any person to push the NPP into the Budget process either in a way that its implementation did not require legislation, or at all. This is an offensive and baseless assertion. The proposal was initiated within the Public Service and was not a Government-initiated measure by Ministers. It was initiated by Departments before I became the Minister for Social Services. It was initiated against a background of an entirely understandable and therefore unextraordinary Government policy, to identify possible savings within the Commonwealth's largest portfolio in terms of expenditure and to prevent billions of dollars in overpayment of welfare benefits, in the interests of taxpayers.