

## EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2008-09 BUDGET ESTIMATES HEARING

**Outcome** 7

#### **DEEWR Question No. EW271\_09**

Senator Abetz provided in writing.

#### **Question**

- i) What was the actual figure for rejected claims over the last 12 months? What percentage is this of the overall amount paid to providers over the same period?
- ii) How many Job Network claims has the Department believed to be fraudulent over the last 6 months?
- iii) How much has been recovered?
- iv) What was the process behind these recoveries?
- v) Is there any ongoing legal action?
- vi) Has there been an increase or decrease in fraudulent claims over the duration of the DEN contract to date?
- vii) Has the Department implemented more stringent guidelines to decrease the likelihood of fraudulent activity?

#### **Answer**

- i) There were 6233 Job Network claims rejected between 1 July 2007 and 30 June 2008, comprising less than one per cent (0.07%) of all amounts paid to the Job Network. Rejected claims are claims that have been manually submitted by Job Network members but which DEEWR have determined do not meet contractual requirements.
- ii) DEEWR does not routinely categorise employment service provider claims as fraudulent or other. This reflects that, at law, the commission of fraud concerns the acts and intent of a person and the determination of whether a fraudulent act has occurred is, by law, a matter for the courts.
- iii) Recoveries from Job Network include all repayments, including claims made in error that are corrected by the provider after payment has been processed. Between 1 July 2007 and 30 June 2008, \$13.9 million was repaid to the department.
- iv) Before recoveries are made, the provider is advised of DEEWR's concern whether the payment is correct and accurate. Providers are then given opportunity to furnish evidence to show the claim is correctly payable under the terms of the contract. Where this does not resolve the matter, repayments proceed. Recovery can normally be made by offset against the provider's next scheduled payment. Where this is not possible, a debt is raised by the department for payment by the provider.
- v) It is generally not appropriate to confirm, deny, or otherwise comment on the progress of an investigation into an individual or organisation, as to do so could prejudice the investigation and any subsequent civil or criminal proceedings that may arise as a consequence, as well as be unfair to the individual or organisation.
- vi) This data is not available. As for (ii) above, DEEWR does not routinely categorise employment service provider claims as fraudulent or other.

- vii) Fraud control plans are in place for each DEEWR employment services program on an ongoing basis. These are supported by a practical guide to fraud control for use by departmental staff to assist in the awareness and understanding of fraud, and the responsibilities and reporting protocols that are in place if fraud is suspected. These frameworks are regularly updated. DEEWR also publishes an assurance and compliance framework for employment service providers. This outlines the Department's approach to ensuring the integrity of employment service payments and acts as a further deterrent to fraudulent behaviour.