

Senate Finance and Public Administration Legislation Committee

**ADDITIONAL ESTIMATES – 9 FEBRUARY 2010
ANSWER TO QUESTION ON NOTICE**

Human Services Portfolio

Topic: Customer Fraud

Question reference number: HS57

Senator: KROGER

Type of question: Written

Date set by the committee for the return of answer: 26 March 2010

Number of pages: 2

Question:

The audit report of the 2006 child support reforms¹ mentions that: *'[I]n 2006-07, of CSA's 1.4 million customers, it investigated 0.01 in every 1000 customers. By comparison, in 2006-07, Centrelink had 6.5 million customers and conducted 42,000 fraud investigations (seven in every 1000 customers).'*

- a) Could the Department confirm that this figure is correct?
- b) If so, how does that figure compare with the number of investigations this financial year?
- c) What is the total number of fraud investigations that have taken place this financial year?
- d) What percentage of investigations resulted in findings that fraud had been committed?
- e) How long, on average, do fraud investigations take?
- f) Approximately what percentage of suspected cases of fraud is not investigated?

Answer:

- a) The figures relating to the CSP are correct.
- b) 15 investigations were completed by CSP in the 2007 financial year.
73 investigations have been completed by CSP in the 2010 financial year to 28 February.
- c) As of 28 February 2010, 130 investigations have been initiated by CSP in the 2010 financial year.
- d) Of the 73 cases where investigations have been completed, offences have been identified in 19 cases or 26 per cent.

¹ Australian National Audit Office, *Child Support Reforms: Stage One of the Child Support Scheme Reforms and Improving Compliance*, February 2010

- e) The length of an investigation can vary significantly depending on the specific circumstances of the case. At this point we would estimate the average length of an investigation as being six to nine months.
- f) From 1 July 2009 to 28 February 2010, the Specialised Investigations Unit (SIU) has received 415 cases where possible offences have been forwarded for further assessment and investigation. Of these 415 cases:
- 63 were rejected following initial review by the SIU;
 - 73 investigations have been completed;
 - 57 investigations are currently underway;
 - 42 have been referred to other organisations for consideration of further action; and
 - 180 (43.4 per cent of referrals) are still awaiting further investigation.