

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Budget Estimates 2006-2007, 25 May 2006

Question: HS30

Outcome 1, Output 1.1

Topic: Centrelink - Data Mining

Hansard Page or Written Question on Notice: F&PA 122

SENATOR MOORE asked on 25/5/2006:

Senator MOORE—There will not be any specific questions on notice on that, but we may ask for a briefing on that expansion. Beyond that, to put it on record, I am asking particularly about data mining. I have no idea what it is. There is \$2.2 million over two years to investigate the use of data mining. Can you provide us with some information about data mining? There must be a general thing.

Mr Whalan—I can give you some brief advice.

Answer:

Data mining is a technique where combinations of data are examined with a view to identifying useful information that is not visible when data items are examined individually.

Centrelink expects to be able to use data mining to predict customers at risk of being incorrectly paid and to intervene to reduce the risk of incorrect payment.

The Australian Taxation Office have used data mining in a pilot project to develop new business rules that can recover 98 per cent of the revenue at risk by looking at only 42 per cent of cases that are currently reviewed. This improves the effectiveness of Australian Taxation Office review activity. This example is similar to work Centrelink could undertake to improve the effectiveness of compliance review activity.

To prepare this answer it has taken approximately 4 hours and 30 minutes at an estimated cost of \$247.