

# Senate Finance and Public Administration Legislation Committee

## BUDGET ESTIMATES – 27 May 2010 ANSWER TO QUESTION ON NOTICE

### Human Services Portfolio

**Topic:** Fraud Investigations - Outcomes

**Question reference number:** HS 25a

**Senator:** KROGER

**Type of question:** Hansard F&PA page 116, 27 May 2010

**Date set by the committee for the return of answer:** 9 July 2010

**Number of pages:** 2

#### Question:

**Senator KROGER** - In how many of those investigations did you conclude that there were wrongful claims being made and were able to seek restitution of monies that had already been paid?

**Mr Withnell** - Of those that are completed - it is a bit hard to be precise - some of them may end up as administrative resolutions; some may end up as criminal resolutions, in terms of prosecution; and a very small amount within that may end up as a rate to continue because the investigation is not proved. I do not have a percentage -

**Senator KROGER** - Rather than take your time and the committee's time now, could I put on notice a request for some advice as to how many of those that were concluded and were considered to be wrongful claims - administrative, and in how many restitution was sought and if any of that has been forthcoming.

#### Answer:

The following information relates to the period 1 July 2009 to 31 March 2010.

A) Number of investigations completed for potentially fraudulent activity	16,320
B) Number of investigations completed that resulted in a debt <sup>1</sup> , downward variation or downward variation and a debt	4,853
C) Number of customers who had an investigation completed that resulted in a debt(s), downward variation or downward variation and a debt	4,823 <sup>2</sup>
D) Number of customers who had an investigation completed that resulted in a debt	3,647 <sup>3</sup>
E) Number of customers who had an investigation where a debt had been finalised as at 31 March 2010	1,226 <sup>4</sup>
F) Number of customers who had a debt and an active recovery arrangement at 31 March 2010	2,309 <sup>5</sup>
G) Number of customers who had an investigation where a debt had not been finalised as at 31 March 2010 and no recovery arrangement was in place	337

- Notes:
1. Debt has been raised as a result of the 16,320 investigations for potentially fraudulent activity.
  2. Number of customers is less than the number of investigations as more than one investigation may be completed in relation to the same customer.
  3. Total customers at D is less than the sum of E, F and G as customers may have more than one debt in each group; eg. One debt finalised and one debt under arrangement.
  4. Finalised debts are those that have been recovered, waived, or permanently written-off.
  5. Centrelink is unable to report against the recovery actions of specific debts, therefore this figure is an indication that the customer is in an active recovery arrangement. The customer may have more than one debt and recovery may be occurring against a debt not identified as part of the 16,320 investigations. This figure also includes Customers who have been referred to Mercantile Agents.

# Senate Finance and Public Administration Legislation Committee

## BUDGET ESTIMATES – 27 May 2010 ANSWER TO QUESTION ON NOTICE

### Human Services Portfolio

**Topic:** Fraud Investigations - Multiple Relationships

**Question reference number:** HS 25b

**Senator:** KROGER

**Type of question:** Hansard F&PA pages 116-117, 27 May 2010

**Date set by the committee for the return of answer:** 9 July 2010

**Number of pages:** 2

#### Question:

**Senator KROGER** - It is in relation to concern expressed in relation to Muslim men in particular who are maintaining or alleged to be maintaining a number of wives and are therefore improperly claiming through multiple claims. I was seeking your advice on that as to (1) whether it is a problem; and (2) if it is a problem, what the extent is; and (3) what you have been able to do about that.

**CHAIR** - Can I just intervene to say that the committee has accepted and ordered the tabling of that document; they are just getting it copied for you.

**Senator KROGER** - Thanks, Chair. Mr Withnell, please go on.

**Mr Withnell** - We have not found many cases. There is very small incidence of that that we have come across. I am talking probably less than 20, or less than 10 perhaps - I do not have the exact figures with me. But in the investigations we have done it is a very, very small number.

**Senator KROGER** - I guess what I am looking for is an assurance that we actually are ensuring that multiple claims cannot be falsely made and multiple claims are actually being pursued.

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**Senator KROGER** - Mr Withnell, if you can get back to us on that as well that would be great.

#### Answer:

No person in a multiple relationship should benefit beyond their entitlements under Social Security legislation.

Centrelink has a range of systems and processes in place to detect and address fraudulent and non-compliant activity, including activities targeting false and/or multiple claims. Centrelink completed 3.9 million reviews of eligibility and entitlement on behalf of policy departments in 2008-09.

Current Social Security policy defines a multiple relationship as one where a person has more than one concurrent member of a couple relationship. A separate member of a couple assessment is undertaken by Centrelink for each relationship.

Centrelink will undertake a member of a couple assessment of the central person and each of the partners when a person or customer is in a multiple relationship. If more than one partner qualifies for Parenting Payment (Partnered), then each partner is paid at the partnered rate.

If a person has multiple partners and has personal income, the legislation allows for their income to be assessed against the Social Security entitlement of each and every one of their partners. This means the central partner's income or assets will affect all multiple partner payments. Any additional partners will be recorded as single but manually paid a partner rate.

If one or more of the multiple partners has income and/or assets that would affect the rate of the central partner's payment, calculations are undertaken separately. The income and/or assets of each of the multiple partners are used and the lowest rate payable to the central partner is applied.