

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
ATTORNEY-GENERAL'S DEPARTMENT

Output 2.1

Question No. 42

Senator Ludwig asked the following question at the hearing on 14 and 17 February 2006:

What has been the total cost of reported fraud across government since the Commonwealth Fraud Control guidelines were implemented?

- a) What was the total cost in the 2003-04, 2004-05 and so far in the 2005-06 financial year?
- b) How does this compare to the period before the Guidelines were implemented?
- c) Are you able to provide a full list of the cost of reported fraud by agency?
- d) How many investigations have been conducted since the implementation of the Guidelines?
- e) How many prosecutions have been commenced for fraud against the Commonwealth since the implementation of the Guidelines?
- f) How many convictions have been obtained?
- g) How do these figures compare with the previous financial year?

The answer to the honourable senator's question is as follows:

- a) Agency fraud reporting information is provided by 30 September each year and covers the preceding financial year. 2005/06 figures will not be available until after 30 September 2006.

AFP referrals accepted for investigation

	2003/04	2004/05
Number	854	539
Value	\$604,446,010	\$205,688,960

Agency number of fraud allegations investigated after an initial evaluation

	2003/04	2004/05
Number of agencies responding	126	143
Number reporting fraud	51	66
Number of cases ¹	47,470	63,856
Value ²	\$164,333,546	\$137,096,245

- b) There was a change in the definition of fraud from the 1994 to the 2002 policy. This affects the reporting of total numbers and value of fraud offences, and therefore makes comparison of trends between the two periods unreliable.

¹ A fraud 'case' is created once an 'allegation' is initially evaluated and accepted for further action

² This is the initial estimate of the value of fraud.

AFP referrals accepted for investigation

1994 Policy definition of fraud:

	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03
Number	357	209	242	214	192	(798) ³
Value	\$113,310,000	\$110,969,648	\$199,737,130	\$116,938,503	\$299,935,749	\$458,994,364

Agency reporting

Prior to the 2002 Guidelines, the survey response rate, consistency and quality of data, and the varying definitions of fraud used by agencies render the data received unreliable. In addition, 2002/03 was a transitional period when some agencies were still implementing appropriate information management systems and governance procedures in order to comply with the new Policy and Guidelines. Consequently,

	2000/01	2001/02	2002/03
Number of agencies responding	-	31	106 ⁴
Number reporting fraud	-	31	55
Number of cases ⁵	11,715 ⁶	Not Available	22780 ⁷
Value ⁸	\$6,315,962 ⁹	\$48,744,215	\$108,752,043

c) Yes. See Attachment A.

Note, the figures in the Attachment reflect the number of cases investigated, or referred for investigation, by the agencies.

d) AFP investigations 2003/04 – 2004/05

From tables in (a) above - 1393

Number of fraud cases commenced by all agencies 2003/04 – 2004/05

From Table in (a) above – 111, 326

³ This figure is the total referred to the AFP, the numbers accepted and rejected were not provided.

⁴ Very few agencies provided a comprehensive response.

⁵ A fraud 'case' is created once an 'allegation' is initially evaluated and accepted for further action

⁶ This figure is the number of 'investigations undertaken by agencies responding to the survey.

⁷ The 2003/04 number of fraud cases is unreliable as some agencies counted the number of cases, while others counted the number of individuals involved. This reporting discrepancy was addressed in the 2004/05 questionnaire.

⁸ This is the initial estimate of the value of fraud.

⁹ This amount is the total money recovered for agency and outsourced investigations.

e), f) & g) See Table below.

		2002/03	2003/04	2004/05	Total
Agency	Prosecutions commenced	269	273	310	852
	Convictions obtained	173	260	1888	2321
	Acquittals	26	13	33	72
CDPP	Prosecutions commenced	3677	3902	4331	11,910
	Convictions obtained	3178	3422	3722	10,322
	Acquittals	64	61	58	183

Note:

For the 2004/05 survey, Customs reported the number of individuals prosecuted, but the number of charges that resulted in a conviction – one individual can be convicted on a number of charges. This resulted in the apparent anomaly for the 2004/05 Convictions Obtained figure.

Prosecutions which resulted in convictions in any particular financial year may have commenced in previous years.

The Agency figures are those prosecutions that were progressed by the agency, and not referred to the CDPP. Both the Agency and CDPP figures are for the number of defendants. The CDPP figures were provided by the CDPP.

Agency	Total No.	Total Value
Aboriginal & Torres Strait Isl&er Commission	0	\$ -
Aboriginal & Torres Strait Isl&er Services	0	\$ -
Aboriginal Hostels Ltd	9	\$ 1,401.00
ACCC	0	\$ -
Administrative Appeals Tribunal	0	\$ -
Anindilyakwa L& Council	0	\$ -
APRA	0	\$ -
Attorney-Generals Dept	0	\$ -
AusAid	9	\$ 212,881.00
Australia Council	1	\$ 886.00
Australia Post	80	\$ 531,879.00
Australia-Japan Foundation	0	\$ -
Aust Broadcasting Authority	0	\$ -
Aust Broadcasting Corporation	14	\$ 735,336.53
Aust Bureau of Statistics	40	\$ 10,860.00
Aust Centre for International Agricultural Research	1	\$ 1,456.00
Aust Communications Authority	3	\$ -
Aust Crime Commission	7	\$ 1,699.00
Aust Customs Service	1656	\$ 29,825,321.29
Aust Electoral Commission	1	\$ 30.00
Aust Federal Police	15	\$ 17,674.00
Aust Film Commission	1	\$ 232.00
Aust Film Television & Radio School	0	\$ -
Aust Fisheries Management Authority	0	\$ -
Aust Hearing Services	0	\$ -
Aust Industrial Registry	0	\$ -
Aust Institute of Aboriginal & Torres Strait Is. Studies	0	\$ -
Aust Institute of Criminology	0	\$ -
Aust Institute of Health & Welfare	0	\$ -
Aust Institute of Marine Science	6	\$ 3.00
Aust Law Reform Commission	0	\$ -
Aust Maritime College	0	\$ -
Aust Maritime Safety Authority	3	\$ -
Aust National Audit Office	1	\$ 598.93
Aust National Maritime Museum	0	\$ -
Aust Nuclear Science & Technology Organisation	0	\$ -
Aust Office of Financial Management	2	\$ 2,680.00
Aust Public Service Commission	0	\$ -
Aust Radiation Protection & Nuclear Safety Agency	1	\$ 3,399.00
Aust Research Council	0	\$ -
Aust Securities & Investments Commission	6	\$ 5,846.00
Aust Security Intelligence Organisation	0	\$ -
Aust Sports Commission	4	\$ 3,000.00
Aust Sports Drug Agency	0	\$ -
Aust Taxation Office	376	\$ 42,552,008.00
Aust Trade Commission	2	\$ 66,904.00
Aust Transaction Reports & Analysis Centre	0	\$ -
Aust War Memorial	20	\$ 1,520.00
Aust Wine & Br&y Corporation	0	\$ -
Biosecurity Australia	0	\$ -
Bundanon Trust	0	\$ -
Bureau of Meteorology	1	\$ -
Central L& Council	0	\$ -
Centrelink	26188	\$ 41,910,587.00
Civil Aviation Safety Authority	0	\$ -
Comcare including Seacare Authority	73	\$ -
Commonwealth Grants Commission	0	\$ -
Commonwealth Ombudsman Office	0	\$ -
CSIRO	28	\$ 90,379.00
ComSuper	2	\$ 5,106.80
Corporations & Markets Advisory Committee	0	\$ -
CrimTrac Agency	0	\$ -
CSS Board	0	\$ -
Dairy Adjustment Authority	0	\$ -
Dept of Agriculture Fisheries & Forestry	6	\$ 2,070.00
Dept of Communications Info Tech & the Arts	0	\$ -
Dept of Defence	378	\$ 1,003,644.00
Dept of Education Science & Training	21	\$ 349,832.21
Dept of Employment & Workplace Relations	32	\$ 5,550,194.00
Dept of Family & Community Services	11	\$ 7,848.00
Dept of Finance & Administration	1	\$ 6,000.00
Dept of Foreign Affairs & Trade	33	\$ 82,104.78
Dept of Health & Ageing	48	\$ 344,100.00
Dept of Human Services	9	\$ 72,000.00

Agency	Total No.	Total Value
Dept of Immigration & Multicultural & Indigenous Affairs	103	\$ 6,564,235.00
Dept of Industry Tourism & Resources	19	\$ 1,783,734.00
Dept of Parliamentary Services	0	\$ -
Dept of the Environment & Heritage	8	\$ 9,712.00
Dept of the House of Representatives	0	\$ -
Dept of the Prime Minister & Cabinet	0	\$ -
Dept of the Senate	3	\$ 2,481.26
Dept of the Treasury	3	\$ 125,648.00
Dept of Transport & Regional Services	28	\$ 44,190.00
Dept of Veterans Affairs	580	\$ 4,372,585.00
Equal Opportunity for Women in the Workplace Agency	0	\$ -
Family Court of Australia	6	\$ 5,115.73
Federal Court of Australia	0	\$ -
Federal Magistrates Service	0	\$ -
Film Australia Ltd	0	\$ -
Film Finance Corporation Australia Ltd	0	\$ -
Fisheries Research & Development Corporation	0	\$ -
Food Standards Australia New Zealand	0	\$ -
General Practice Education & Training Ltd	0	\$ -
Geoscience Australia	0	\$ -
Great Barrier Reef Marine Park Authority	361	\$ -
Health Insurance Commission	208	\$ 610,197.00
Human Rights & Equal Opportunity Commission	0	\$ -
IIF (CM) Investments Pty Ltd	0	\$ -
IIF Bioventures Pty Ltd	0	\$ -
IIF Foundation Pty Ltd	0	\$ -
IIF Investments Pty Ltd	0	\$ -
IIF Neo Pty Ltd	0	\$ -
Indigenous L& Corporation	1	\$ 30,000.00
Insolvency & Trustee Service Australia	0	\$ -
Inspector-General of Taxation	0	\$ -
IP Australia	0	\$ -
Migration Review Tribunal	0	\$ -
National Archives of Australia	0	\$ -
National Blood Authority	0	\$ -
National Capital Authority	1	\$ 6,330.00
National Competition Council	0	\$ -
National Gallery of Australia	0	\$ -
National Library of Australia	1	\$ 1,350.00
National Museum of Australia	1	\$ 10,340.00
National Native Title Tribunal	1	\$ 15,906.60
National Occupational Health & Safety Commission	0	\$ -
National Offshore Petroleum Safety Authority	0	\$ -
National Water Commission	0	\$ -
NetAlert Ltd	0	\$ -
Northern L& Council	0	\$ -
Office of Film & Literature Classification	0	\$ -
Office of National Assessments	0	\$ -
Office of Parliamentary Counsel	0	\$ -
Office of the Director of Public Prosecutions	1	\$ -
Office of the Inspector-General of Intelligence & Security	0	\$ -
Office of the Official Secretary to the Governor-General	1	\$ 41.00
Office of the Privacy Commissioner	0	\$ -
Office of the Renewable Energy Regulator	6	\$ 4,228.00
Parks Australia Division	1	\$ 1.00
Private Health Insurance Ombudsman	0	\$ -
Productivity Commission	0	\$ -
Professional Services Review	0	\$ -
PSS Board	0	\$ -
Refugee Review Tribunal	0	\$ -
Rural Industries Research & Development Corporation	0	\$ -
Special Broadcasting Service Corporation	0	\$ -
Sydney Harbour Federation Trust	0	\$ -
The Aust National University	12	\$ 117,000.00
The National Institute of Clinical Studies Ltd	0	\$ -
Tiwi L& Council	0	\$ -
Torres Strait Regional Authority	0	\$ -
Tourism Australia	0	\$ -
Wreck Bay Aboriginal Community Council	0	\$ -
TOTALS	30434	\$ 137,102,575.13