Senate Community Affairs Legislation Committee

ADDITIONAL BUDGET ESTIMATES - 14 FEBRUARY 2013
ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Fraud and Compliance - Costs

Question reference number: HS 25

Senator: Fifield
Type of question: Written
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Question:

a) How much did the Department spend on its compliance program and fraud detection activities during 2011-12 and what is the appropriation for 2012-13?

b) Please provide a breakdown of costs for prevention activities and detection activities since 2011-12 and the appropriation for 2012-13?

c) Please provide a breakdown of debts due to error and debts due to fraudulent activities for 2010-11, 2011-12 and the financial year to date?

d) What is the current outstanding debt to the Government? What was the outstanding debt as of 30 June 2010, 30 June 2011, 30 June 2012?

e) How much did the department spend on data matching in 2011-12 and what is the appropriation for 2012-13?

f) How much did the department spend on data mining in 2011-12 and what is the appropriation for 2012-13?

Answer:

a) The Department of Human Services' Compliance Program expenditure in 2011-12 was $318,648,621 (Department wide).

    Expenditure for fraud detection activities 2011-12 was $6,428,689 (Centrelink Master Program only).

    There is no specific departmental appropriation for these activities. The Department has received a number of ongoing budget measures over the years that have funded these activities, but these cannot be separated from the base funding.

b) The costs for prevention activity cannot be identified separately and are embedded within the cost of numerous administrative processes.

    Since 2011-12, costs for detection activities (Centrelink Master Program only) were $6,428,689.

    There is no specific departmental appropriation for these activities. The Department has received a number of ongoing budget measures over the years that have funded these activities, but these cannot be separated from the base funding.

c) The Department is unable to provide details of debts due to 'error' as this data is not captured. The Department is able to isolate debts identified as a result of activities to address fraud in the Centrelink Master Program only, these were:

- 2010-11 - $23,575,550;
- 2011-12 - $34,560,924; and
- 1 July 2012 to 31 January 2013 - $24,468,547.

The balance of the debt base is comprised of a range of other reasons, such as non-compliance and error which are all identified in the same way.

d) The current outstanding debt and debt for the previous three financial years, related to the provision of social welfare and income support payments, is set out in the table below:

Date	Outstanding Debt
31 January 2013	$2,680,404,434
30 June 2012	$2,520,944,260
30 June 2011	$2,546,287,536
30 June 2010	$2,478,014,167

e) In 2011-12 data matching expenditure for the Department was $13,144,310 (Centrelink Master Program only).

There is no specific departmental appropriation for these activities. The Department has received a number of ongoing budget measures over the years that have funded these activities, but these cannot be separated out from our base funding.

f) In 2011-12, data mining expenditure for the Department was $1,410,107 (Centrelink and Medicare Master Programs).

There is no specific departmental appropriation for these activities. The Department has received a number of ongoing budget measures over the years that have funded these activities but these cannot be separated out from our base funding.