

Senate Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Centrelink

Budget Estimates 2007-08 - May 2007

Question: HS38

Outcome 1, Output 1.1

Topic: Centrelink – Fraud Cases Involving Under Declared Income

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SENATOR LUNDY asked on 24/05/2007:

Senator LUNDY—What percentage of Centrelink fraud is because customers deliberately underestimate their income compared to customers who unknowingly underestimate their income? I am looking for the figures for both.

Mr Whalan—I will confirm this, but I do not believe we would know the answer to that.

Senator LUNDY—Don't you record it differently?

Mr Whalan—I think it would be hard to verify whether someone had done it accidentally or deliberately.

Senator LUNDY—So you treat them all the same.

Mr Whalan—There is information about prosecutions but, even then, I think it is hard to disaggregate the extent to which someone has—

Senator LUNDY—Can you provide me with aggregated figure then?

Mr Whalan—We can, yes.

Senator LUNDY—What is it?

Mr Whalan—You want an aggregated figure of?

Senator LUNDY—Of fraud because customers have either deliberately underestimated their income or unknowingly underestimated their income. So they have underestimated their income for whatever reason.

Mr Whalan—Let us just check that.

Answer:

For the 2006-07 financial year to 30 April 2007, 1,758 customers have underestimated their income and been convicted of Social Security Fraud.

Centrelink is unable to differentiate between customers who deliberately underestimated their income and those who unknowingly underestimated their income.