Australian Public Sector Fraud

The Cost of Fraud to the Australian Government

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Present State: Australian Losses
Current Fraud Reporting:

On average the Australian Government reports $AUD500m per year is lost to fraud
Reporting Not Hitting The Target
Issues With Reporting

• Agencies not identifying fraud
• Confusion over what to report as fraud:
  • Different definitions
  • What part of the non-compliance-fraud spectrum is covered?
• Matters being written off and not reported
• Agencies lacking resourcing and expertise
Why Does This Matter

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143 Days Without Addressing the Real Problem

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Key Challenges: Australian Context

• Serious, organised criminal syndicates
  • Crossing programs
  • Collaborative networks
  • Professional/inside elements

• Vulnerable programs
  • Designed with trust
  • Assist vulnerable people
  • Client use/ease
Agencies Required To Have Appropriate Fraud Controls

The Commonwealth Fraud Control Framework requires:

- Agencies to have appropriate fraud prevention, detection, investigation and response measures
- Agency heads to be responsible for ensuring appropriate counter fraud measures are in place
If You Can’t Find Fraud You Can’t Fight It

• Agencies cannot address their fraud risks if they don’t know the problem
• It is difficult to get traction without evidence
• Agencies that recognise fraud are innovative:
  – Active Pressure Testing (Department of Human Services)
  – Organisational Behavioural Assessments (Australian Taxation Office)
Key Challenges: Hitting the Right Target With Reporting

Getting the evidence base right is essential to progress reform
Reporting Just Part Of Success

• Prevention
  • Build fraud resilient policies
  • Learn lessons
  • Share information

• Response
  • Coordination
  • Disruption, intelligence and skilled investigators
Discussion

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