Statement by the Department of Employment

The Department of Employment takes very seriously all complaints regarding the quality of services delivered by employment providers or the misuse of taxpayer funding.

The Department has robust systems in place to prevent, detect and respond to misuse of funding and fraud, including:

- responding to complaints and feedback received from job seekers;
- a comprehensive risk-based approach to monitoring claims;
- regular audits and unannounced site visits;
- actuarial data modelling that highlights certain claims or claiming patterns;
- forensic investigation of alerts received through our provider "tip-off line"; and
- analysing trends and variations in data, and pursuing providers if that analysis raises doubts.

Where a provider has incorrectly received fees then the Department will recover those monies. On average, around \$10 million a year is returned from providers out of a total of more than \$1 billion in payments each year. This is less than 1 per cent of the amount paid each year.

The Department always acts when sufficient evidence of wrongdoing is identified. Sanctions available to the Department include:

- referring cases for fraud investigation and prosecution;
- imposing additional conditions on funding use or payment of fees;
- imposing additional financial, performance or other reporting requirements;
- temporarily or permanently reducing the provider's business share or number of available places;
- reducing the number of job seekers a provider can service; and
- closing sites.

In cases of suspected fraud, matters are referred to agencies such as the Australian Federal Police and Commonwealth Director of Public Prosecutions. Since 2006 the Department has made 38 referrals to the appropriate authorities. The details of all prosecutions are on the public record.

The Department does not comment publicly on current investigations, as to do so might prejudice or jeopardise legal proceedings.