

**PUBLIC ACCOUNTABILITY COMMITTEE**

**INQUIRY INTO INTEGRITY, EFFICACY AND VALUE FOR MONEY OF NSW GOVERNMENT GRANT PROGRAMS**

Supplementary questions: Mr Damon Rees, Chief Executive Officer, Service NSW

No.	Question	Answer
<b>Grant Programs</b>		
1.	What are the 16 programs that the \$16.23 million of fraud has been found in?	<ul style="list-style-type: none"> <li>• Volunteer Firefighter Payment (VFF) - \$6,000</li> <li>• Small Business Bushfire Recovery Grant - \$50,000</li> <li>• Small Business COVID-19 Support Grant - \$10,000</li> <li>• Small Business Bushfire Support Grant - \$10,000</li> <li>• Small Business COVID-19 Recovery Grant - \$3,000</li> <li>• Export Assistance Grant - \$10,000</li> <li>• Southern Border Grant – Tier 1 - \$5,000 Tier 2 - \$10,000</li> <li>• Dine &amp; Discover - \$100 vouchers</li> <li>• Small Business Fees and Charges Rebate - \$1,500</li> <li>• Flood Disaster Recovery Small Business Grant - \$50,000</li> <li>• Northern Beaches Hardship Grant - Tier 1 - \$3,000 Tier 2 - \$5,000</li> <li>• Mouse Rebate - Up to \$500 for households and \$1000 for businesses</li> <li>• 2021 COVID-19 Business Grant - Tier 1 - \$7,500 Tier 2 - \$10,500 Tier 3 - \$15,000</li> <li>• 2021 COVID-19 Micro-business Grant - fortnightly payment of \$1,500</li> <li>• JobSaver Program- \$650 - \$1000 per employee per fortnight (up to \$100,000 for week)</li> <li>• Test &amp; Isolate - \$320 per person, maximum of once every 30 days</li> </ul>
<b>Internal Investigations</b>		
2.	What is the employment level / classification of the employee currently under investigation by Service NSW?	<i>[Evidence omitted by resolution of the committee [8 November 2021]]</i>
3.	When will the investigation into the staff member who was involved in the submission of 55 applications conclude?	<i>[Evidence omitted by resolution of the committee [8 November 2021]]</i>

4.	Which grants were the 55 submissions for?	<i>[Evidence omitted by resolution of the committee [8 November 2021]]</i>
5.	How did Service NSW identify 3 staff members for internal investigation relating to potential matters of internal fraud?	<i>[Evidence omitted by resolution of the committee [8 November 2021]]</i>
6.	Can you please outline the 7 fraud indicators you refer to in the September Executive briefing?	<i>[Evidence omitted by resolution of the committee [8 November 2021]]</i>
<b>Core Integrity</b>		
7.	What was the total cost for the engagement of Core Integrity?	The total cost for the engagement of Core Integrity was \$1,360,027.

8.	How many times was the contract extended?	<p>The initial engagement (beginning 12 -18 May 2020) was extended twice as follows:</p> <ul style="list-style-type: none"> <li>• extension of the initial engagement - 19 May 2020 to 1 June 2020</li> <li>• further extension of initial engagement - 6 June 2020</li> </ul> <p>Core integrity was engaged under a new engagement, under a different scope from 4 September 2020 – 31 December 2020. This was extended once until 28 February 2021.</p>
9.	When did the contract commence?	The initial contract commenced 12 May 2020.
10.	When did the contract conclude?	Please refer to 8 above.
<b>Grant Applications</b>		
11.	When was the first time you were alerted to a suspected fraudulent application of the \$10K Bushfire grants?	Approximately June/July 2020.
12.	When was the first time you were alerted to a suspected fraudulent application of the \$50K Bushfire grants?	Bushfire grants (\$10K, \$50K and VFF grant) were assessed together. Please refer to 11 above.
13.	<p>Have you been notified of any suspected fraudulent applications since 26 June 2021?</p> <p>a. If so, for which grants?</p>	Refer to <b>Annexure C</b> – we do not have data from 26 June 2021 specifically, but Annexure C is a summary table of grants administered from 1 April 2021 and number and value of suspected fraud applications as at 21 October 2021.
<b>Data Analytics</b>		
14.	How long has Service NSW been using Tableau for?	Service NSW has been using Tableau since 2016 as an enterprise dashboarding and analytics tool.
15.	<p>When was the software program Contexa introduced?</p> <p>a. What was the total cost of the program?</p> <p>b. How many fraudulent claims had it identified?</p> <p>c. Were additional licenses required for the use of Contexa?</p>	<p>Phase 1 of Quantexa was implemented end of July 2021. Additional enhancements are scheduled throughout 2021 and onwards.</p> <ul style="list-style-type: none"> <li>a. \$650,000 for Phase 1.</li> <li>b. Implementation of the program is still in progress.</li> <li>c. No-current Quantexa Administration Licence covers the right to use the tool for the detection and investigation of grant fraud. There is also no requirement for a Tableau licence in order to use Quantexa.</li> </ul>

**Annexure C** – this table is a response to question 13 of the supplementary questions and as such, includes figures from **1 April 2021** to **21 October 2021** only.

<b>SUMMARY TABLE</b>						
<b>Grant</b>	<b>Total # and \$ value of applications received and paid.</b>	<b># and \$ value of unpaid applications where fraud is suspected (Attempted Fraud exposure)</b>	<b># and \$ value of paid applications where fraud is suspected (Fraud exposure)</b>	<b>Total # and \$ value of applications where a fraud conviction has been recorded</b>	<b>Total # and \$ of applications successful in funds recovery (voluntary return, ineligible, human and/or system error cases)</b>	<b>Total # and \$ of applications successful in funds recovery (Fraudulent cases)</b>
Small Business Fees and Charges Rebate (\$1500) (1 April – Present)  Agency: Treasury	62.5K  \$71.1M	0  \$0	313  \$438K  Paid Fraud: 0.62%	0  \$0	26  \$21.2K	0  \$0
		<b>Total Fraud (paid and unpaid):</b>  0.62%				
50K Flood Disaster Recovery Small Business Grant (19 April 2021 – Present) Agency: Resilience NSW	7.3K  \$39M	296  \$4.68M	13  \$172.6K  Paid Fraud: 0.44%	0  \$0	0  \$0	0  \$0
		<b>Total Fraud (paid and unpaid):</b>  12.44%				
Northern Beaches Hardship Grant (30 April 2021 – 11 June 2021) Agency: Treasury	2.6K  \$11.7M	4  \$16K	1  \$5K  Paid Fraud: 0.04%	0  \$0	0  \$0	0  \$0
		<b>Total Fraud (paid and unpaid):</b>  0.18%				
NSW Mouse Control Rebate (5 July – Present) Agency: Regional NSW	48.3K  \$20.2M	889  \$469.7K	702  \$348.7K  Paid Fraud: 1.73%	0  \$0	3  \$1.5K	0  \$0
		<b>Total Fraud (paid and unpaid):</b>  4.05%				
2021 Covid-19 Business Hardship Grant (18 July 2021 – present) Agency: Treasury	201.1K  \$2.33B	668  \$8.81M	296  \$4.1M  Paid Fraud: 0.18%	0  \$0	107  \$958K	0  \$0
		<b>Total Fraud (paid and unpaid):</b>  0.55%				

2021 Covid-19 Micro Business Grant (25 July 2021 – present)  Agency: Treasury	82.2K  \$622M	607  \$897K	898  \$8.42M  Paid Fraud: 1.35%	0  \$0	54  \$205K	0  \$0
		<b>Total Fraud (paid and unpaid):</b>  1.50%				
2021 Covid-19 JobSaver Grant (18 July 2021 – present)  Agency: Treasury	212.5K  \$5.83B	471  \$2.61M	313  \$1.26M  Paid Fraud: 0.02%	0  \$0	10  \$157K	0  \$0
		<b>Total Fraud (paid and unpaid):</b>  0.07%				
Test and Isolate Payment (date – present)  Agency:	49.4K  \$14.2M	316  \$99.5K	757  \$242.2K  Paid Fraud: 1.71%	0  \$0	25  \$8K	0  \$0
		<b>Total Fraud (paid and unpaid):</b>  2.41%				
<b>Total</b>	<b>665.9K</b>  <b>\$8.94B</b>	<b>3251</b>  <b>\$17.6M</b>	<b>3293</b>  <b>\$15M</b>  Paid Fraud: 0.17%*	<b>0</b>  <b>\$0</b>	<b>225</b>  <b>\$1.35M</b>	<b>0</b>  <b>\$0</b>
		<b>Total Fraud (paid and unpaid):</b>  0.36%				

\* given this table only covers the period from 1 April 2021 to 21 October 2021, the total fraud figure is not representative of total fraud across all programs which is currently 0.27%