

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Australian Taxation Office
Question No: 277
Topic: Register of Ultimate Beneficial Ownership
Reference: Written (19 October 2016)
Senator: Ketter, Chris

Question:

- 1) In April 2016, Minister Kelly O'Dwyer committed the Coalition to a register of ultimate beneficial ownership of shell companies. Was the ATO consulted on this announcement? What advice did ATO offer Minister O'Dwyer?
- 2) What is the current process for the ATO when receiving whistleblower 'tip-offs'?
- 3) Does the ATO record what information is provided or the compliance action that results from tip-offs?
- 4) Does this mean the ATO is unable to quantify the amount of tax collected as a result of tip-offs?
- 5) Would the ATO require additional resources to assist it in any additional whistleblower protections? What would these resources be?

Answer:

- 1) Refer to Question on Notice 276.
- 2) The ATO receives notifications of tax evasion (including whistleblower tip offs) through telephone calls, reports submitted online, written correspondence or facsimile. These notifications are consolidated and classified in a central area.

During 2015-2016, the ATO received 45,000 tax evasion allegations (commonly referred to as 'tip offs'). These were received from the Australian community, other government agencies and industry bodies.

90 % of allegations are submitted anonymously. For secrecy and privacy purposes, the ATO cannot tell an informant what action is taken regarding their allegation.

- 3) Yes, the ATO records the information provided from tip-offs.

The level of information provided by informants is variable. In most cases, information provided is subjective and does not include specific or detailed information.

Of the allegations received in 2015-2016:

- 5,500 did not contain sufficient information to identify non-compliant tax behaviour
- 2,400 were recorded as duplicates of previously analysed allegations
- 9,300 could not be linked to taxpayer records

As part of the risk assessment process to select cases for further investigation, the ATO considers the information provided in tax evasion allegations together with other intelligence and sources of information.

The ATO uses a number of sources and a variety of intelligence to select cases. In some cases, the ATO is able to attribute case selection for further client engagement activities directly to tax evasion allegations or tip-offs. In the majority of cases however, there are a number of sources or factors that can be attributed as the basis for the case selection. As a consequence, it is not possible to readily and efficiently identify client engagement activities and the amount of tax collected from these activities as a result of tax evasion allegations or tip-offs.

- 4) See response to Question 3.
- 5) The ATO does not require additional resources to assist it to implement the measure announced in the 2016-2017 budget to strengthen protections for whistleblowers.