

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**TREASURY**

**Australian Taxation Office**

(Additional Estimates 14 February 2007)

**Question**                    **AET 137**  
**Topic:**                      **HWI-audit coverage**  
**Hansard Page:**          **E54**

**Senator Sherry asked:**

Just going back to those numbers in the profile, I think you said you have readjusted your target of profiling to 1,100 and you have completed 160 profiles. When you say 'completed 160 profiles', does that mean that there are effectively 940 outstanding?

*Mr Konza—No. That would cause me heartburn.*

**Senator SHERRY**—Tell me why you have got the heartburn concern.

*Mr Konza—These figures are a little out of date from what I have just told you, but they will give you an idea of the dynamics. As at the end of September 2006 we had identified 1,283 high-wealth individuals in Australia. We exclude 284 of them because they were non-active cases. They may in fact have gone bankrupt after we identified them or passed away or left the country. When you take that figure off, we were left with 999 high-wealth individuals. What I was saying was that last year I told you that we had 860-odd confirmed high-wealth individuals. What I am saying is that we have identified a further 160 high wealth individuals.*

**Senator SHERRY**—In terms of the 'clearance rate', individuals who have been identified, profiled and for which work is completed, how many have gone through the complete process to date?

*Mr Konza—Sorry, the complete process including an audit; is that what you are saying?*

**Senator SHERRY**—Effectively there is nothing more you can do. They are audited and that is it or, if the audit is completed and an assessment has been raised and the revenue has not been received, it is obviously not completed.

*Mr Konza—I would have to take that on notice, because it includes a calculation of audit coverage rates over multiple years. People may have been audited two or three years ago and they are on a watching brief now. We would count them as having been covered, so to speak.*

**Answer:**

In the 10 years to 30 April 2007 the High Wealth Individuals (HWI) Taskforce has audited 202 high wealth individuals. We have raised assessments and collected on 137 of these audits. A further 15 cases had losses reduced. The balance of 50 audits did not lead to an adjustment of the taxable income or losses of the high wealth individual or their group entities.

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The number of individuals who have been identified or "profiled" as meeting the population threshold of the HWI taskforce was 1097 as at 30 April 2007. A HWI remains in the HWI population until they no longer meet the required threshold at which point they are designated inactive. The active HWI population is continually monitored and reported upon each year.

Some HWIs will be subject to formal risk assessment products and audit products and some HWIs may have several of these products applied in respect of different periods whilst they remain in the population. For the year ending 30 June 2007 the taskforce gave undertakings that they would finalise 150 risk assessments and 30 audits of the active HWI population.