

**STANDING COMMITTEE ON FINANCE AND PUBLIC
ADMINISTRATION**

Human Services (Enhanced Service Delivery) Bill 2007

ANSWERS TO QUESTIONS ON NOTICE

Australian Taxation Office

Tuesday 6 March 2006

Topic: Value of identity fraud cases

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Senator Moore asked:

Ms Granger—I have just a couple of statistics that I thought you might be interested in. Taking the last financial year, as at 30 June about 30 per cent of the cases we had under investigation in our fraud investigation area had an identity component to them. That is about 120 cases. With respect to a context for that, we did about—

Senator FIERRAVANTI-WELLS—That is 30 per cent of 120?

Ms Granger—No, 120 is the 30 per cent. That is a snapshot at 30 June. For that financial year, about 10 per cent of our referrals to the Director of Public Prosecutions had an identity component to them—that is about 20 cases—and about 10 per cent of those were dealt with by the court. We are not talking about the same part of the process, but it is just to give you a sense at each part of that process. Having said that, obviously it is a very important reputation risk for us to manage, and that is why we invest time and resources in a relatively small number of cases. They have some quite serious penalties attached to them to deal with that firmly. To put that in context, in the same year we did over 80,000 field activities in what we call active compliance, which is our audit and investigation activities generally. So they are small numbers, but it is very important for us to deal with. We have been flagging for some time our concerns around identity issues. We have been emphasising, as I mentioned earlier, some of the educative things we are doing, but where we do detect cases of this nature, we always review what it means for what we have to strengthen around our systems. I certainly want to leave with the committee two messages: one is that we are continually learning and adapting what we do, including what we invest in around our own technology. Also, the very strong educative focus to the community that we have will certainly strengthen our systems, but it is important that you also guard your personal information well, because often that is the risk that we cannot have control over.....

CHAIR—Senator Moore, do you have any further questions?

Senator MOORE—I just have one. You had that very detailed information. Do you have a dollar value on that fraud?

Ms Granger—No, I do not.

Senator MOORE—Can you obtain that for us?

Ms Granger—I can probably give you some snapshots of the cases for last year.

Senator MOORE—I just think it would be nice to have a snapshot if we are being bamboozled with figures; it would be useful as you have identified the small percentage.

Ms Granger—Yes. I will put the numbers against the statistics I gave you as best I can.

Senator MOORE—That would be great. Thank you very much.

Response

Identity issues have been recorded as the primary risk type in 19 of the 178 matters referred to the Commonwealth Director of Public Prosecutions by the Tax Office. This represents around 10 per cent of total matters referred. The estimated revenue loss associated with these matters amounts to \$5.2 million.

The courts have dealt with 10 of 107 matters where identity issues were considered to be the main risk. The estimated revenue loss associated with these matters amounts to \$2.3 million.