

**House of Representatives Economics Committee**

**Inquiry into Tax Deductibility**

**ANSWERS TO QUESTIONS ON NOTICE**

**Australian Taxation Office**

March 2017

**Department/Agency: ATO**

**Question: Hansard pg 11**

**Topic: Cost of recovery action**

**Question:**

**Mr HOGAN:** A lot of assumptions have to go into this, because, as you said, there is education and prevention work. I know it is not clear cut or black and white. But of this \$100 million we are collecting each year on work deductions that are not allowed or whatever other things go through to get that money back, what would your estimate be for the cost of getting that \$100 million?

**Mr Kendrick:** I think it is around 4½ or 5 to 1. Off the top of my head, that is an estimate, but we can get back to you with the exact figure.

**Answer:**

In 2015-16 the estimated return on investment from undertaking work-related expense audits per staff member is \$0.5 million or 5 to 1.