



Australian Government
**Australian Commission for
Law Enforcement Integrity**

Investigation Report

Operation Drysdale –

An investigation into corruption risks in the administration of
the Tourist Refund Scheme.

A report to the Attorney-General, prepared under section 54
of the *Law Enforcement Integrity Commissioner Act 2006* (Cth)

Enquiries about this report can be directed to the
Australian Commission for Law Enforcement Integrity
GPO Box 605, Canberra, ACT, 2601
or by email to contact@aclei.gov.au

Investigation Reports published by the Integrity Commissioner
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Contents

About ACLEI Reports	4
The Law Enforcement Integrity Commissioner Act	4
The role of the Integrity Commissioner and ACLEI	4
Corrupt conduct	4
Dealing with corruption issues	5
Reports	5
Standard of proof	6
Preface to the public version of Investigation Report	7
Summary of the Investigation	8
Jurisdiction	8
Investigation methodology	8
Summary of the TRS process	8
Background	8
Making a claim	8
Processing claims	9
Review of data provided by Home Affairs	9
Review 1—TRS refunds received by bank accounts of Home Affairs employees	10
Review 2—Bank accounts and credit cards that received TRS refunds from multiple claimants	11
Review 3—Claimants who had refunds directed to multiple bank accounts or credit cards	11
Review 4—Claimants who received multiple TRS refunds	12
Review 5—Non-resident claimants whose TRS refund was directed to an Australian based bank account or credit card	12
Review 6—Transactions below additional scrutiny thresholds	12
Review 7—Rejected TRS transactions	13
Review 8—ABNs that appear on fewer than 25 TRS claims	13
Review 9—Transactions above scrutiny thresholds	14
Interviews with ABF Staff	14
Corruption Prevention Observation	14

About ACLEI Reports

The Law Enforcement Integrity Commissioner Act

1. The *Law Enforcement Integrity Commissioner Act 2006* (Cth) (LEIC Act) establishes the office of Integrity Commissioner, supported by a statutory agency, the Australian Commission for Law Enforcement Integrity (ACLEI).

The role of the Integrity Commissioner and ACLEI

2. The role of the Integrity Commissioner and ACLEI is to detect and prevent corrupt conduct and deal with corruption issues in designated agencies—presently the:
 - Australian Criminal Intelligence Commission (including the former Australian Crime Commission, the former National Crime Authority and the former CrimTrac Agency);
 - Australian Federal Police (including ACT Policing);
 - Australian Transaction Reports and Analysis Centre (AUSTRAC); and
 - Department of Home Affairs (including the Australian Border Force).
3. Other Australian Government agencies with law enforcement functions may be prescribed by regulation as being within the jurisdiction of the Integrity Commissioner.¹ At present those agencies include prescribed aspects of the:
 - Department of Agriculture, Water and the Environment (DAWE)
 - Australian Competition and Consumer Commission (ACCC)
 - Australian Prudential Regulation Authority (APRA)
 - Australian Securities and Investment Commission (ASIC); and
 - Australian Taxation Office (ATO).

Corrupt conduct

4. A staff member of a law enforcement agency 'engages in corrupt conduct' if the staff member:
 - abuses his or her office
 - perverts the course of justice, or
 - having regard to his or her duties and powers, engages in corrupt conduct of any other kind.
5. The Integrity Commissioner is to give priority to dealing with serious and systemic corruption.²

¹ *Law Enforcement Integrity Commissioner Act 2006* (Cth) s 5(1) (definition of 'law enforcement agency') (LEIC Act); *Law Enforcement Integrity Commissioner Regulations 2017* (Cth) s 7.

² *Ibid* s 6(1).

Dealing with corruption issues

6. A corruption investigation can commence in different ways:
 - the Minister may refer to the Integrity Commissioner an allegation or information that raises a corruption issue.
 - the head of a law enforcement agency within ACLEI's jurisdiction must notify the Integrity Commissioner of any allegation or information that raises a corruption issue which relates to that agency.
 - any person or government agency can refer to the Integrity Commissioner an allegation or information that raises a corruption issue. A referral may be anonymous, or on behalf of another person.
 - the Integrity Commissioner can commence an investigation on his or her own initiative.³
7. The Integrity Commissioner may decide to deal with the corruption issue in a number of ways:
 - have ACLEI investigate the corruption issue either alone or jointly with another government agency or an integrity agency for a State or Territory.
 - refer the corruption issue to the law enforcement agency to conduct its own investigation.
 - decide that an investigation is not warranted.
8. The Integrity Commissioner can decide to manage or oversee any investigation that has been referred to a law enforcement agency. If the law enforcement agency were not the Australian Federal Police (AFP), the Integrity Commissioner can also refer the issue to the AFP for investigation and may manage or oversee that investigation.⁴

Reports

9. After completing a corruption investigation, the Integrity Commissioner must prepare a report setting out:
 - a. the Integrity Commissioner's findings on the corruption issue; and
 - b. the evidence and other material on which those findings are based; and
 - c. any action that the Integrity Commissioner has taken, or proposes to take, under Part 10 in relation to the investigation; and
 - d. any recommendations that the Integrity Commissioner thinks fit to make and, if recommendations are made, the reasons for those recommendations.⁵
10. The Integrity Commissioner must give the report on the investigation to the Minister who administers the LEIC Act and a copy to the head of the law enforcement agency to which the corruption issue relates.⁶

³ Ibid ss 18–24 and 38.

⁴ Ibid ss 26–30.

⁵ Ibid ss 54(1)–(2).

⁶ Ibid s 55.

Standard of proof

11. The Integrity Commissioner makes findings about whether a person has engaged in corrupt conduct, based on the balance of probabilities. Those findings may not be the same as those that would be made by a court deciding on criminal guilt beyond a reasonable doubt.
12. Before making a finding, the Integrity Commissioner is required to be 'reasonably satisfied', based on relevant facts, that the corrupt conduct occurred and that the corrupt conduct was within the meaning of the LEIC Act.
13. In considering whether or not the Integrity Commissioner is 'reasonably satisfied' of relevant facts, the Integrity Commissioner applies the reasoning set out in *Briginshaw v Briginshaw*,⁷ *Rejtek v McElroy*,⁸ and *Re Day*.⁹

⁷ (1938) 60 CLR 336, 361–62 (Dixon J).

⁸ (1965) 112 CLR 517, 521.

⁹ (2017) 91 ALJR 262, 268 [14]–[18].

Preface to the public version of Investigation Report

14. This Investigation Report is a report on Operation Drysdale, a corruption investigation relating to Australian Border Force (ABF) which arose out of related investigation, Operation Fortescue.
15. Both investigations concerned the administration of the Tourist Refund Scheme (TRS) by officers of the ABF. Operation Drysdale commenced in 2019 and concluded in 2020.
16. Following the conclusion of the investigation, I prepared my report on Operation Drysdale pursuant to s 54 of the LEIC Act. Before finalising my report, I undertook a procedural fairness process as required by s 51 of the LEIC Act.
17. On 4 August 2020, I gave the Attorney-General and Home Affairs Secretary my finalised report on Operation Drysdale in accordance with s 55 of the LEIC Act, alongside my report on Operation Fortescue.
18. I then considered whether it was in the public interest to publish the Investigation Report in relation to Operation Drysdale under s 209 of the LEIC Act, inclusive of the material contained in the supplementary reports.
19. On 19 March 2021, I notified the Home Affairs Secretary that I was considering publishing my Investigation Report on Operation Drysdale, giving the opportunity to provide submissions on the proposed publication in accordance with s210 of the LEIC Act.
20. Due to ongoing prosecution action in relation to Operation Fortescue, I decided to wait to publish this Investigation Report until it could be published alongside the Investigation Report in relation to Operation Fortescue.
21. This is the version of Investigation Report I have decided is in the public interest to disclose.



Jaala Hinchcliffe
Integrity Commissioner

9 June 2022

Summary of the Investigation

Jurisdiction

22. Operation Drysdale is an investigation that was commenced on 11 February 2019 by the former Integrity Commissioner, Mr Michael Griffin AM, on his own initiative under s 38 of the LEIC Act.
23. The investigation was commenced as a result of Operation Fortescue, an investigation into alleged defrauding of the TRS by ABF officers.
24. Operation Drysdale was proposed as a more thorough examination of the TRS system to investigate whether other ABF officers had engaged in corrupt conduct as defined by s 6 of the LEIC Act in relation to the TRS. Additionally, it sought to identify any corruption risks associated with the TRS in order to prevent potential corrupt conduct.¹⁰

Investigation methodology

25. This investigation involved a review of data extracted from the TRS system to identify patterns and vulnerabilities suggesting that ABF officers may have engaged in corrupt conduct.
26. ACLEI also interviewed ABF staff at Adelaide, Brisbane and Sydney airports, ABF staff in TRS, ABF Governance Branch and Australian Taxation Office (ATO) staff.

Summary of the TRS process

Background

27. The TRS was established to facilitate the refund of Goods and Services Tax (GST) and Wine Equalization Tax (WET) to international travellers on goods they purchased in Australia and took overseas in their accompanying baggage. Both overseas visitors and Australians travelling abroad can claim a TRS refund.¹¹
28. The TRS is jointly administered by Home Affairs—of which the ABF is a part—and the ATO. The processing of TRS claims and the inspection of goods is undertaken by ABF officers.
29. Global Blue Australia Pty Ltd, a private provider, is contracted to facilitate the payment of TRS refunds for approved claims.

Making a claim

30. A TRS claim must be made at an airport or seaport on departure from Australia. The following conditions must be met for a claim to be approved:
 - The goods must have been purchased by the claimant in Australia within 60 days prior to departure.

¹⁰ Preventing corrupt conduct in law enforcement agencies is a function of the Integrity Commissioner: LEIC Act (n 1) s 15(da).

¹¹ Australian Border Force, *Tourist Refund Scheme: ABF Flexible Employee Training—Facilitator Guide* (Version 0.2, For Official Use Only, 29 August 2016).

- The total purchase from any one ABN retailer must be at least \$300—multiple invoices from the same ABN retailer can be aggregated to meet the \$300 minimum.
 - The claimant must have a valid tax invoice for the goods containing the retailer’s Australian Business Number (ABN), a description of the goods and quantity purchased, the purchase price including the GST paid and the date of purchase. Invoices for \$1,000 or more must additionally include information to match the purchase to the claimant—either their name, email address, the last four digits of the debit or card used, or their passport number.
 - The claimant must depart Australia with the goods as accompanied baggage—checked-in or carry-on—and not return with them to Australia.
31. A claimant must have a valid passport and international boarding pass. The goods must be made available for sighting on the day the claim is made. The goods cannot have been consumed either wholly or partially but may have been used prior to making a claim.¹²
 32. Claims are made in person at the TRS desk at an airport or seaport. However, if an ABF officer is not available to process a claim, a ‘GST and WET Refund’ form can be completed and lodged into a ‘Drop Box’ with the original invoices, to be processed after the claimant has departed Australia or via the TRS App.¹³
 33. TRS refunds may be directed to an Australian bank account, a credit card or by mailed cheque (in limited currencies)—TRS refunds are not paid in cash. There is no requirement for the recipient of the refund to be the claimant.

Processing claims

34. Claims must be processed, and any refunds paid, within 60 days of lodging the claim.
35. Goods are sighted at the TRS desk or, if they are not being taken in carry-on luggage, at the ABF Office prior to check-in.
36. Due to the number of claims, not all goods are physically inspected. ABF officers are given guidance on when goods should be inspected based on the value of goods. Depending on the value of goods, officers are expected to either sight the goods, undertake a risk assessment as to whether goods should be sighted, or sight by exception.
37. ABF officers process claims by inputting information into the TRS system. The TRS system has various features to improve integrity including automatically rejecting claims that do not meet certain requirements of the scheme, requiring secondary approval by another ABF officer of certain claims, and referral of certain claims to the Tourist Refund Office (TRO) for processing.

Review of data provided by Home Affairs

38. ACLEI requested data relating to TRS claims and refunds from Home Affairs. The parameters were determined based on ACLEI’s understanding of the TRS system from Operation Fortescue and the conduct of ABF staff that was investigated in that operation.

¹² For example, electronic goods such as cameras and mobile phones.

¹³ A TRS App is available but technical issues have hindered the use of this mode of claiming TRS refunds.

39. Home Affairs extracted the requested data from the TRS system and other databases to excel spreadsheets to facilitate analysis.
40. ACLEI investigators conducted nine separate reviews of this data. The purpose of these reviews was to identify any other cases of ABF officers defrauding the TRS system and to identify areas of weakness in which the TRS system could be exploited by ABF officers.

Review 1—TRS refunds received by bank accounts of Home Affairs employees

41. Review 1 considered data relating to TRS refunds deposited into bank accounts of Home Affairs employees, based on information in the Home Affairs payroll system.¹⁴ The review sought to identify any ABF officers who had processed a TRS claim and received refunds from that claim into their own bank account. This may indicate that they had improperly directed funds into their account, potentially through fraudulent claims.
42. This review involved 1,514 lines of data,¹⁵ indicating that Home Affairs employees received only a small percentage of TRS refunds as compared to the general population. ABF officers receiving TRS refunds, as a subset of Home Affairs employees, formed an even smaller percentage.
43. The review revealed only one instance, apart from the ABF officers being investigated in Operation Fortescue, of an ABF officer processing a TRS claim that nominated their own bank account for the refund.
44. Further investigation into this claim revealed that:
 - The TRS claim was processed twelve days after the departure date of the claimant.
 - The claimant had the same surname as the ABF employee.
 - This was the only TRS claim processed by the ABF employee that nominated their own bank account for the refund.
 - The TRS refund that the officer approved was a relatively small amount—less than \$200.
45. It was determined that the ABF officer had likely processed a legitimate TRS claim for a relative—enquiries in Operation Fortescue revealed that TRS claimants commonly direct refunds to the Australian bank account of a relative.
46. Notwithstanding this, on 3 June 2019 this incident was referred to Home Affairs to further investigate pursuant to s 26(1)(b)(iii) of the LEIC Act.
47. 10 July 2020, Home Affairs advised that it had concluded the investigation and will report findings to the Integrity Commissioner pursuant to s 66(3) of the LEIC Act as a matter of priority.¹⁶

¹⁴ The ABF is part of Home Affairs and uses the same payroll system.

¹⁵ This refers to the number of rows in the spreadsheet. A single row concerned the different information pertaining to the particular TRS transaction.

¹⁶ On 30 December 2020, Home Affairs provided a progress report under s 64 of the LEIC Act indicating a finding that the staff member had breached the APS Code of Conduct—specifically, ss 13(1), (2), and (5) of the *Public Service Act 1999* (Cth). The staff member was fined and formally reprimanded on 18 June 2020 for this breach. At the date of the publication of this report, Home Affairs had not provided the final report on the investigation as required by s 66 of the LEIC Act.

Review 2—Bank accounts and credit cards that received TRS refunds from multiple claimants

48. Review 2 considered data relating to bank accounts and credit cards that had received TRS refunds from multiple claimants. While the refund does not have to be paid to the claimant, claims from multiple unrelated persons directing refunds to a bank account or credit card in the name of an unrelated person is considered suspicious. This review was specifically concerned with identifying bank accounts or credit cards linked to an ABF officer that received refunds from diverse, unrelated claimants.
49. This review involved 125,185 lines of data for bank accounts and 1,007,502 lines of data for credit cards.
50. Detailed visual scan and audits of blocks of data indicated that approximately 81% of TRS refunds were paid into a bank account or credit card in the same name as the claimant.
51. Instances of TRS refunds deposited into bank accounts with a different first name to the claimant but same surname were assessed as likely to be a relative of the claimant.
52. There was a significant number of TRS refunds deposited into bank accounts or credit cards held in Asian names with surnames different from the claimant and where the data did not suggest that the claimant and recipient were related.
53. Enquiries in Operation Fortescue identified two phenomena which may explain the latter observation:
 - Particularly in relation to Asian claimants, TRS refunds are often deposited into the Australian bank accounts of relatives as repayment for expenses incurred whilst travelling in Australia or otherwise (noting that it is not necessarily the case that relatives will have the same surname); and
 - Networks of Asian buying groups who purchase goods to be taken overseas direct TRS refunds to accounts held by Australian based leaders or organisers of these groups.¹⁷
54. This review did not identify any groupings of refunds that raised suspicion of corruption or required further investigation.

Review 3—Claimants who had refunds directed to multiple bank accounts or credit cards

55. Review 3 considered data relating to claimants who had refunds directed to multiple bank accounts or credit cards. This review examined whether any ABF officer may have created fraudulent TRS claims on the back of legitimate claims, or had directed refunds for legitimate claims to an ABF officer or someone else not nominated by the claimant.
56. This review involved 551,592 lines of data for bank accounts and 1,007,502 lines of data for credit cards.
57. A detailed visual scan and audit of blocks of data revealed that TRS refunds were paid into bank accounts and credit cards held in the same name as the claimant, or accounts held by persons with the same surname.

¹⁷ The Australian National Audit Office reported that Chinese passport holders are the largest users of the TRS: Auditor-General, *Management of the Tourist Refund Scheme* (Auditor-General Report No 8 2019–20, 9 September 2019) 16.

58. This review did not identify any refunds that raised suspicion of corruption or required further investigation.

Review 4—Claimants who received multiple TRS refunds

59. Review 4 considered data relating to claimants who received multiple TRS refunds. This review examined the consistency of claims made by claimants over time. It was considered that ABF officers could potentially identify frequent travellers who made multiple claims and use those travellers' details to obscure fraudulent claims.
60. This review involved 941,807 lines of data for bank accounts and credit card accounts.
61. A detailed visual scan and audit of blocks of data revealed that TRS refunds were paid into bank accounts and credit cards held in the same name as the claimant, or accounts held by persons with the same surname.
62. This review did not identify any refunds that raised suspicion of corruption or required further investigation.

Review 5—Non-resident claimants whose TRS refund was directed to an Australian based bank account or credit card

63. Review 5 considered data relating to non-resident claimants who had their TRS refund paid into an Australian bank account or credit card. This review examined the relationship between these claimants, the persons who held those accounts and whether there was any link to ABF officers.
64. This review involved 288,023 lines of data for bank accounts and 241,467 lines of data for credit cards.
65. A detailed visual scan and audit of blocks of data identified that, in the case of bank accounts, refunds are directed to bank accounts held by persons other than the claimant. As noted previously, enquiries in Operation Fortescue revealed that it is not uncommon for non-resident claimants to direct their TRS refunds to bank accounts held by friends or relatives in Australia.
66. The data indicated whether the claim was approved, rejected or referred to the TRO. This data indicated that ABF officers do reject and refer TRS claims in accordance with policy, rather than automatically approving them. The data shows that claims have been rejected or referred to the TRO for further investigation where appropriate.
67. This review did not identify any links between these TRS claims and the ABF officers processing them. No refunds raised suspicion of corruption or required further investigation.

Review 6—Transactions below additional scrutiny thresholds

68. This review considered data relating to transactions with GST refunds below thresholds that imposed greater scrutiny on the claims prior to approval. It was considered that persons with an understanding of internal procedures would be more likely to make fraudulent claims below these thresholds in order to avoid additional scrutiny.
69. This review involved 15,364 lines of data for bank accounts and credit cards.
70. The majority of these refunds were paid into credit cards, a smaller amount into bank accounts and a very small number by cheque.

71. Audits of blocks of data did not reveal any instances of bank accounts or credit cards receiving multiple TRS refunds.
72. A review of cheque refunds revealed a large number had the common address of 'Customs House, 5 Constitution Avenue, Canberra'. These claimants appear to be from Asia. The use of this address in the TRS system occurs where a claimant has completed a 'Cheque Label' form and handwritten their address on the form. This is usually when the claimant is non-English speaking. Cheque labels are only available in English, Chinese and Japanese.
73. This review did not identify any refunds that raised suspicion of corruption or required further investigation.

Review 7—Rejected TRS transactions

74. Review 7 considered data relating to all rejected TRS transactions. This included specific transactions of a claim that were rejected, even if other transactions in a claim were approved.
75. The number of transactions reported covered 249,340 lines of data.
76. Audits of blocks of data revealed a substantial number of claims rejected due to purchases not meeting the \$300 threshold for a claim or that the goods were purchased outside the permitted timeframe of 60 days prior to departure from Australia. As noted above, the TRS system automatically rejects a claim if the total cost for goods from a retailer is less than \$300 or the purchase date is more than 60 days prior to the date of departure. These rejected transactions suggest that this aspect of the TRS system is working as it should.
77. This review did not identify any rejected transactions that raised suspicion of corruption or required further investigation.

Review 8—ABNs that appear on fewer than 25 TRS claims

78. Review 8 considered data relating to ABNs included in fewer than 25 TRS claims. To make a valid TRS claim, the retailer's ABN must be valid and registered for GST. ABNs subject to a small number of TRS claims are more likely to be small businesses that issue paper invoices rather than computer generated invoices, heightening the risk of fraudulent claims by way of fraudulent invoices. This data allowed ACLEI to look at ABNs that had been used in a small number of claims to determine whether the transactions were suspicious and required further investigation.
79. This review involved 120,197 lines of data relating to ABNs and claim numbers. An analysis of this data revealed the following:
 - An ABN cancelled on 1 March 2013 was used to make a successful TRS claim in September 2018.
 - A number of valid ABNs that were not registered for GST were used to make TRS claims.
80. An ABF officer enters the ABN into the TRS system in the course of processing a claim. The TRS system checks the ABN to confirm that it is valid and registered for GST. If not, the TRS system will not process the claim.
81. This review identified some limitations in the TRS system's ABN checking capability. Home Affairs has since implemented improvements in the TRS system to the ABN checking function.

Review 9—Transactions above scrutiny thresholds

82. Review 9 considered data relating to all TRS claims relating to goods purchased at values above key scrutiny thresholds. This data was requested to review whether policies for processing TRS claims above these thresholds were followed.
83. This review involved 288,023 lines of data.
84. The data in the spreadsheet relates to specific transactions, whether it is the only transaction within a claim or one of several transactions within a claim.
85. The data reveals that claims are regularly rejected on a number of grounds, including because a tax invoice was not provided, the claim did not meet the necessary standards, or the invoice does not include a valid ABN. The data further reveals that claims are referred to the TRO for processing consistent with policy.
86. The volume of data included in the spreadsheet indicates that ABF staff are checking invoices for compliance with TRS requirements.
87. This review did not identify any transactions that raised suspicion of corruption or required further investigation.

Interviews with ABF Staff

88. As part of this investigation, ACLEI investigators interviewed ABF officers at Adelaide, Brisbane, and Sydney airports to gather their input, experiences and views of the administration of the TRS. These airports were chosen due to their connection with Operation Fortescue.
89. The following paragraphs provide a summary of the opinions and experiences of the officers interviewed in relation to the TRS.
90. The officers interviewed stated that the TRS is seen simply as an administrative function conducted on behalf of another Commonwealth agency. They said that deployment in the TRS desk is not a highly sought after position and that the TRS is largely staffed by ABF officers who are Intermittent and Irregular Employees (IIE)—that is, employees engaged on a casual, non-ongoing basis.
91. In light of the long queues and time pressures, ABF provides a TRS Drop Box that allows a claim to be lodged without being processed on the spot. Officers interviewed noted that while the Drop Box deals with immediate demand, it leads to a backlog of claims to be processed at a later time.
92. Alongside time and resource constraints, those interviewed highlighted that airport facilities affected their ability to perform their duties. In particular, they indicated that the location of ABF Offices and luggage check-in facilities hinders the ability to inspect goods.
93. ABF officers also provided anecdotal evidence of suspected defrauding of the TRS by travellers. However, they did not report knowledge of corrupt conduct by fellow ABF officers in relation to the TRS. While interviewees raised issues of administration and potential ways travellers may attempt to overcome controls in the scheme, they did not raise issues to suggest corruption by ABF staff.

Corruption Prevention Observation

94. Petty corruption refers to relatively small occurrences of corruption that happen within process chains, usually at the site of public interaction. Risk of petty

corruption is heightened where administrative processes are complex, involve multiple parties and are performed under time pressure.

95. Based on this investigation, I observe that the TRS claims process might be characterised as such a process. The day to day operation of the TRS claim system is partially paper based, resource intensive and time consuming, with pressure to process TRS claims in a timely manner. There appears to be opportunities for strengthening resistance to corruption and fraud.
96. Governments have increasingly adopted e-service in administrative situations such as this (indeed, the TRS systems in Singapore, Japan and South Korea are examples of open market systems of primarily electronic management), partially in an effort to reduce interaction points and complexity. While it is a matter for other agencies to determine whether this is a useful path for Australia's TRS system, any systemic change should be carefully implemented with a full corruption risk analysis to avoid unintended consequences such as the displacement of corruption risk. In the interim, the agencies may wish to consider reviewing the process vulnerabilities identified within this report.
97. Risk is compounded where motivations such as personal greed or financial pressure—through personal or familial debt—encourage officers to take advantage of weaknesses within the system for financial gain. As Operation Fortescue discovered, these motivations contributed to a small number of officers attempting to exploit the TRS for illicit financial advantage.
98. However, it is important to note, that while this investigation has identified some weakness in the system, it only identified one matter which required further investigation (see paragraphs 38–39).
99. On 12 June 2020, I provided the Secretary of Home Affairs, Michael Pezzullo AO, with a draft of this report in order to give him an opportunity to comment on the report in accordance with s 51 of the LEIC Act.
100. On 10 July 2020, the Secretary provided the following comments in response to the draft report:

The Australian National Audit Office performance audit *Management of the Tourist Refund Scheme* (Report No 8 2019–20) reviewed the Department and ABF's management of the TRS. The ANAO found that there are robust governance arrangements in place which largely support effective administration of the TRS.

In its response to the ANAO's audit the Department has provided the following information that I consider relevant to ACLEI's findings in relation to the scheme.

The Department and ABF consider the administration of the TRS of relatively low risk and operational priority compared with our other responsibilities such as national security, border protection and immigration policy. The Department and ABF are committed to delivering the government's intent to the best of our ability within the current funding envelope, however the funding we receive to administer the TRS at the border has not kept pace with the escalating number of claims made each year. This has been raised on a number of occasions over the past five years noting that the number of TRS claims has almost doubled whilst the funding provided by the Australian Taxation Office (ATO) has slightly fallen.

The TRS has been subject to a number of reviews since 2000 and the Department has actively addressed recommendations for improvement. For example, all six recommendations arising from an internal audit conducted in October 2011 were implemented and formally closed by the Departmental Audit Committee. Through

the process of relatively continuous review, we are comfortable that any risks associated with the administration of the TRS at the border are well-known to the Department as are the potential avenues for revenue leakage.

Following the ANAO's audit, the Department and ABF have engaged with the ATO to develop a joint risk assessment that will be reviewed annually and endorsed by the Inter-Agency Liaison Committee, established under the Memorandum of Understanding between the ATO and the Department. Further, additional governance and procedural instructions are now in place to support staff administration of the TRS function.

I note that the draft report makes no findings of corrupt conduct and only identified one matter which required further investigation.

101. I thank the Secretary for his comments and additional context about Home Affairs' administration of the TRS.

A handwritten signature in black ink, appearing to read 'Jaala Hinchcliffe', with a long horizontal stroke extending to the right.

Jaala Hinchcliffe
Integrity Commissioner
4 August 2020