



**MINISTER FOR REVENUE AND
ASSISTANT TREASURER
The Hon Mal Brough, MP**

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The Chairman
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Chairman

Joint Committee of Public Accounts and Audit (JCPAA). Report 398 – Recommendation 4

I refer to the Joint Committee of Public Accounts and Audit – Report 398, tabled on 30 March 2004 which included the findings of that Committee's review of Auditor-General's report number 55, *Goods and Services Tax Fraud Prevention and Control*. The committee recommended that:

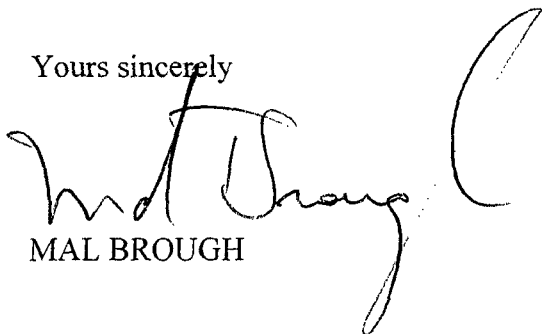
The Attorney-General's Department, in liaison with the Australian Taxation Office and the Commonwealth Director of Public Prosecutions, draft amendments to legislation, for the Attorney-General's consideration, that enhance the ease of proof in the prosecution of suspected Goods and Services Tax fraud.

The main offence provisions for the prosecution of taxation fraud, including GST related fraud, are contained in the Criminal Code. The Attorney-General's Department has advised me that Chapter 7 of the Criminal Code contains a full range of recently enacted and modern fraud and fraud related offences which provide various penalties appropriate to culpability in this area of the law. I have further been advised that there is no justifiable scope for reducing requirements of proof for these dishonesty offences. Dishonesty offences have stigma and can result in disqualification from positions of trust. It is not desirable to lower the requirements of proof any further.

In addition, the Australian Taxation Office is responsible for administering a range of legislation which include offence provisions, notably the *Taxation Administration Act (1953)*, and the *Crimes (Taxation Offences) Act 1980*. These provisions are considered suitable in their present form. As the Department of the Treasury is responsible for taxation policy advice and legislation, it has been consulted on this matter. Treasury has advised that it does not consider an amendment to tax legislation is warranted.

In view of the above, neither the Attorney-General's Department, nor the Treasury or the Australian Taxation Office anticipates undertaking a review of the legislation at this point in time.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mal Brough', with a large, sweeping flourish extending to the right.

MAL BROUGH