

10 January 2006

Committee Secretary  
Joint Committee of Public Accounts and Audit  
Department of the House of Representatives  
Parliament House  
Canberra ACT 2600  
AUSTRALIA

Dear Sir or Madam,

**Inquiry reviewing "Certain Taxation Matters" within Australia**

Here is my submission to the Inquiry reviewing "Certain Taxation Matters" within Australia. I have addressed one part of the elements in Part A of the terms of reference concerning the impact of the interaction between self-assessment and complex legislation and rulings. I take this opportunity to refer you to my submission to the Productivity Commission (ref 02/95/15/96) in their inquiry into first home ownership. Here is a short description of my submission concerning an innovative project I have called Tenant's Equity. The project involves establishment of a suitably structured savings fund with tenants and landlords co-contributing. For more information, refer to my Productivity Commission submission.

This submission seeks practical ways to apply the Tenant's Equity scheme to address the widely published risks known to adversely impact on the tax system in Australia that is presented by self assessing taxpayers involved in illegal international money laundering. Complex legislation, as embodied in the capital gains tax (CGT) regime (and its associated rulings) is capable of being adapted to assist in ensuring that the source of the funds used to acquire CGT assets is not ultimately derived from the proceeds of criminal activities. In order to do this it must be possible to trace the source of funds used to acquire CGT assets.

It is submitted that the Tenant's Equity scheme I propose is capable of ascertaining the source of the funds applied to acquire CGT assets, and detect and thereby lead to the prevention of the laundering of funds that would otherwise be invested in legitimate CGT assets.

Please contact me if there is anything further you require in relation to this matter.

Sincerely,

Peter Schnall