



Media Watch

The Fraud Review attracted a lot of media interest.
The two articles on this page were typical of the media reaction.

Sydney Morning Herald 2/10/87

Govt vetoes tax record access

by Ross Dunn

CANBERRA: The Government has left itself open to charges of being soft on organised crime after backing away from its long-standing commitment to give police access to taxation records.

Senior ministers and the Federal Police Commissioner, Major-General Ronald Grey, have been claiming publicly for years that this power was essential for pursuing drug traffickers.

But Cabinet on Tuesday refused to accept the recommendation of a long-awaited major inquiry into government fraud that legislation be introduced urgently to override secrecy provisions of the Taxation Office and other agencies.

These provisions prevent investigative agencies, including the Federal Police, the National Crime Authority (NCA) and the Office of the Director of Public Prosecutions,

from obtaining and using information from the Taxation Office, the Health Insurance Commission and the Department of Social Security.

Cabinet's action was a major setback for the Attorney-General, Mr Bowen, and the Justice Minister, Senator Tate, who had lobbied heavily for increased police powers and supported the report's recommendation to override the secrecy provisions.

Mr Bowen was only able to win a concession that the recommendation would be reviewed.

Mr Bowen last year publicly reaffirmed the Government's commitment to giving Federal and State police access to tax records, and shortly before this year's Federal election Senator Tate said the 'Federal Police's access to taxation records is essential'.

The Taxation Office has raised concerns about the lifting of the secrecy provisions of the Income Tax Assessment Act.

It regards the provisions as vital to winning co-operation from taxpayers and companies to make honest declarations of income.

By refusing police access to tax records, the Government has again left itself vulnerable to criticism that it has failed to step up the fight against organised crime.

Commissioner Grey attacked the Government last year for failing to deliver long-promised legislation, including access to tax records.

'The legislation has the potential of significantly increasing the chances of detecting, and successfully prosecuting, key figures in the drug trade,' he said.

The Prime Minister yesterday left open the Government's position on giving the NCA access to tax records.

'That's not an issue on which I'll proffer an immediate, off-the cuff reaction,' he said.

Financial Review 30/9/87

New moves on fraud as Hawke buries card

by Louise Dodson

IN a bid to diffuse the damaging ID card issue, the Prime Minister, Mr Hawke, yesterday formally buried the card and announced tax avoidance would be tackled by upgrading methods of controlling fraud against the Government.

As well, the Government is to examine the use of an 'extended' tax file number system to curb tax avoidance and will go ahead with the development of a national births, deaths and marriages register.

Following long Cabinet deliberation of alternatives to the ID card system, the Attorney-General, Mr Bowen, and Mr Hawke yesterday announced a new Fraud Control Committee would be set up to monitor fraud control within government agencies.

The Government is also moving to accept most of the recommendations of the Report of

the Review of Systems for Dealing with Fraud.

These include improved co-ordination of information on fraud between government agencies, better information exchanges, increased use of auditing (by agencies other than the Australian Taxation Office) and more staff resources to combat fraud.

But the Government has decided that the new committee should further look at improving ways of dealing with fraud — in all but the Australian Taxation Office.

Other measures to be used against tax avoidance are the proposed cash transactions reports legislation which is being drafted in consultation with the financial industry, following early strong criticism of the legislation.

Mr Hawke also said the Government would move separately to introduce the privacy legislation and the Data Protection Agency which were originally to be part of the new ID card system.

But the moves to nationalise the State-based births, deaths and marriages registry system and to introduce a Data Protection Agency will pave the way for easy implementation for an upgraded tax file number later on when the heat has gone from the ID card issue.

In an effort to turn the heat on to tax avoidance and from the ID card issue, Mr Hawke called on the Opposition to co-operate in cracking down on tax cheating and welfare fraud 'particularly in view of their previous support for an upgraded tax file numbering system'.

The Government also timed its actions on the fraud report to beef up the alternatives to the ID card, making the backdown on the card look less obvious.

Mr Bowen has had the fraud report for some time and has delayed action on it.