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PRIME MINISTER

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Opposition obstruction to the Australia Card Legislation would, unremedied, allow tax and welfare cheats to pocket up to \$900 million a year at the expense of the rest of the country. The Australia Card would have been the single most effective instrument for dealing with tax cheating and welfare fraud.

Although the Government is prevented from proceeding with the Australia Card Legislation because of the obstructive tactics of the Opposition, and will not be proceeding with it, we are determined not to allow existing tax cheating and welfare fraud to go on unhindered as a result of the opportunistic actions of the Opposition parties.

Accordingly, the Government has decided, as a matter of priority, to examine the use of the existing tax file numbering system administered by the Australian Taxation Office, as part of a package of measures to crack down on tax cheating and welfare fraud. The Government has been advised that, although the tax file numbering system would not have the same integrity as the Australia Card, it would still produce substantial net revenue gains over and above those that could be expected to flow from the other measures already being pursued by the Government.

Measures which have been adopted already in the fight against tax cheating and welfare fraud are:

- . The Prescribed Payments System, where the tax file number is now used effectively for information matching;
- . Stronger sanctions and prosecution provisions in the tax system;
- . Self assessment, which has freed considerable Australian Taxation Office staffing resources for more productive auditing;
- . Better targeted audits by the Australian Taxation Office, particularly in regard to corporations;
- . The provision of additional staffing and computer resources to the Taxation Office; and
- . A number of measures, including the formation of unemployment benefit review teams, to crack down on welfare fraud.

While these measures are proving useful in combatting tax cheating and welfare fraud, honest taxpayers are still carrying a disproportionate burden inflicted upon them by those unwilling to pay their fair share.

Accordingly, in addition to the possible extended use of the tax file numbering system, the Government is pursuing the following measures:

- . Acceptance or extension of most of the recommendations of the Review of Systems for Dealing with Fraud on the Commonwealth, and the establishment of a Fraud Control Committee to monitor the development and implementation of fraud control mechanisms within Government agencies (a separate media statement is being released by the Attorney-General);
- . Legislation, being developed in consultation with the Australian Bankers Association and representative organisations of other financial institutions, providing for the reporting by banks and other financial institutions of large cash transactions, in the fight against organised crime and tax evasion; and
- . The development of a National Births, Deaths and Marriages Register as recommended by all members of the Joint Select Committee.

The Government remains fully committed to the protection of civil liberties and acknowledges the need, quite apart from the Australia Card issue, for effective protection of personal privacy in relation to data held by government agencies. To this end it will proceed with privacy legislation and the establishment of a Data Protection Agency. The ambit of operation of the Agency will not need to be as broad as when the Australia Card was contemplated.

The Government calls upon the Opposition parties 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.