

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
ATTORNEY-GENERAL'S PORTFOLIO

**Group: 3**

**Program: Other Agency**

**Question No. BE15/042**

**Senator Collins asked the following question at the hearing on 27 and 28 May 2015:**

Senator JACINTA COLLINS: Does the Serious Financial Crime Taskforce cover dealing with high-wealth tax avoidance?

Mr Bromwich: It potentially could do so. It rather depends on what the nature of that avoidance is. Some types of high-wealth tax avoidance are serious in a dollar sense but not necessarily serious in the manner or the criminality in which they are carried out. For example, if someone simply does not declare income or claims excess deductions, yes, it may have a big financial impact, but it would not be a sophisticated crime, whereas this is meant to be picking up on what is more complex crime. So the answer is that it might do it and it might not. It rather depends.

Senator JACINTA COLLINS: So only if it is within what is regarded as serious crime?

Mr Bromwich: Yes.

Senator JACINTA COLLINS: And the quantum of the foregone revenue is not part of that definition?

Mr Bromwich: Not on its own. It is part of the mix. To give you a sense of the scale of some of the Wickenby matters, with one of them—admittedly the largest one we did—the finding of the judge on sentencing was \$135 million fraud in one matter. Not all of them, of course, are as big as that, but that is the scale that you can see in these matters.

Senator JACINTA COLLINS: I understand that, but if you are a high-wealth tax evader and a matter does not relate to what is regarded as a serious crime, other than the tax avoidance in itself, then it would not fit within what is considered a serious crime?

Mr Bromwich: I do not have all the criteria. It might be that the sheer amount of money might be enough. But with money of itself, it may be someone who has a lot of money has been criminally stupid, but stupid nonetheless, whereas the things we are looking at are generally much more complicated than that—in that area, that is.

Senator JACINTA COLLINS: Do you have particular criteria you could point me to?

Mr Bromwich: I do not have that with me.

Senator JACINTA COLLINS: Perhaps you could give me that information on notice, if it is publicly available?

Mr Bromwich: Yes, certainly.

**The answer to the honourable senator's question is as follows:**

The Serious Financial Crime Taskforce will have a strong focus on tax related crime.

Working in partnership, the Serious Financial Crime Taskforce agencies address the threat that serious financial crime (which includes tax fraud) poses to the integrity of Australia's financial and regulatory systems.

The initial operational priorities will focus on phoenix fraud, trust fraud and international tax evasion fraud.

The Serious Financial Crime Taskforce will commence on 1 July 2015 as part of the Australian Federal Police (AFP) hosted Fraud and Anti-corruption Centre and includes the Australian Federal Police (AFP), Australian Taxation Office (ATO), Australian Crime Commission (ACC), Attorney-General's Department (AGD), Australian Transaction Reports and Analysis Centre (AUSTRAC), Australian Securities and Investments Commission (ASIC), Commonwealth Director of Public Prosecutions (CDPP) and Australian Customs and Border Protection Services (ACBPS)<sup>1</sup>.

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<sup>1</sup> From 1 July 2015 the Department of Immigration and Border Protection will replace the Australian Customs and Border Protection Services.