

Timely warning on duty avoidance



Amanda Vanstone
Minister for Justice and Customs

The Minister for Justice and Customs, Senator Amanda Vanstone, has warned that the Commonwealth Government would vigorously pursue people who attempted to defraud it of customs duty.

The Minister issued the warning following the conviction in August 1999 of people in Victoria and Western Australia.

Three people were convicted in the Victorian County Court on charges of defrauding, and conspiracy to defraud the Commonwealth. Each received jail terms, ranging from a suspended sentence of five months to three concurrent sentences of 30 months. The defendants were ordered to make restitution to the Commonwealth of at least \$735,000 in defrauded customs duty and sales tax. A fourth person was sentenced in July to four concurrent sentences of 30 months on similar charges.

Earlier the court had heard evidence that the defendants had been involved in the sham export of four consignments totalling 60,000 bottles of scotch whisky in 1992-93. The court was told that substitute goods were exported in place of the

whisky, which was illegally sold on the local market without the payment of \$735,000 in customs duty and sales tax that should have applied to a sale in Australia.

In the Western Australian Supreme Court, a person was convicted on Customs and Excise Act charges relating to a \$428,000 fraud against the Commonwealth. The person was fined \$122,500, ordered to pay restitution to the Commonwealth of \$458,354 and legal costs of about \$100,000.

The court had heard evidence that on 35 occasions during 1994 and 1995 the defendant had failed to export under bond ship stores, mainly cigarettes. Rather than being exported, the cigarettes were sold locally without duty being paid.

Senator Vanstone said the large monetary penalty sent a clear message to those who sought to avoid payment of customs duty.

"All Australians pay the cost through higher taxes of attempts to avoid payment of legitimate government taxes such as customs duty," Senator Vanstone said.

"In addition, legitimate commercial channels may lose sales when black market products are wholesaled at cut-rate prices beside genuinely-priced goods."

The convictions indicated the success of Customs investigators in pursuing such frauds.