



## **New recommendations for increasing Tax Expenditures Statement transparency**

The income tax exemption for charitable or religious organisations is an example of tax expenditures – the value of which is difficult for the Government to quantify or cost. Tax expenditures have a similar effect on the budget to direct expenditures, but are subject to far less scrutiny.

A Parliamentary inquiry will hear how Treasury can improve transparency for the Tax Expenditures Statement at a public hearing tomorrow.

Tax expenditures are reported in an annual statement by Treasury and include details about tax exemptions, deductions, offsets, concessional tax rates and liabilities.

Bert van Manen MP, Chair of the House of Representatives Standing Committee on Tax and Revenue says the Tax Expenditures Statement is an important tool for government to manage revenue risk.

“The Committee is interested in cost-effective ways that Treasury can improve the Statement and use it to maintain the integrity of the tax system,” he said.

The Committee will hear from Chartered Accountants Australia New Zealand and Dr Julie Smith from the Australian National University. Their suggested recommendations include that Treasury:

- address information gaps in preparing the Statement to support the integrity of the tax system
- provide more information about how each expenditure is calculated, such as the data used, assumptions made and sensitivity analysis
- better use the information Government collects from industry, such as through business liaison
- better integrate tax expenditures into the Budget process.

### **Public hearing**

Date: Wednesday, 19 August 2015

Time: 4.10 – 5.10 pm

Location: Committee Room 2R1, Parliament House, Canberra

The Committee is still accepting submissions to the inquiry, which can be lodged through the Committee’s [website](#).

**For media comment:** please contact Jessica Reid on 0437 731 858.

**For information about the inquiry:** please contact the Committee secretariat by telephone (02) 6277 4821, e-mail [taxrev.reps@aph.gov.au](mailto:taxrev.reps@aph.gov.au), or visit the Committee website <http://www.aph.gov.au/taxrev>.