

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 2013

5 June 2013

**Question: BET 64**

**Topic: Treasury and ATO Tax and Superannuation Protocol**

**Hansard Page: 94**

**Senator CORMANN asked:**

**Senator CORMANN:** This is a question for both Treasury and the ATO. Referring back to the Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013, you have previously answered questions in relation to the Treasury and ATO Tax and Superannuation Protocol. The protocol is a formal document that was signed by the Treasury Secretary and the tax commissioner on 10 September 2012. In relation to new tax and superannuation legislation, the protocol notes that:

... it is imperative that agreement is reached with the tax administrator (the ATO) that the legislation will achieve the Government's policy intent and a commitment that it can and will be administered in that way.

The protocol also notes that the most accountable way to proceed would be for joint sign-off on what the protocol refers to as the quality dimension before the legislation is referred to the minister before introduction of the bill. How many of these joint accountability statements have been signed off since September 2012?

**Mr Olesen:** We might need to take that on notice. I am aware that, at least for the anti-avoidance bill that incorporated the changes to part IVA and the profit-shifting provisions, we undertook such a process.

**Answer:**

The Australian Taxation Office (ATO) and Treasury share joint stewardship for the tax system and actively coordinate their respective activities to ensure enhanced quality assurance. For Treasury, that means bringing public finance principles and evidence, including revenue estimates to bear on key policy choices and crafting workable tax law that delivers the Government's policy objectives. For the ATO, that means injecting its administrative and interpretive skills in the development of legislation with a view to, assuring to the best extent possible, that draft tax and superannuation law can be interpreted and administered consistently with the Government's policy objectives.

In developing new Tax and Superannuation legislation for Autumn and Winter Programs 2013 Treasury and the ATO have worked together to reach agreement that the legislation will achieve the Government's policy intent. As Treasury and the ATO each have identified responsibilities under the quality assurance process, Treasury and the ATO have separately developed internal processes and mechanisms enabling designated senior officers in each organisation to sign off on quality.

A trial of the Treasury internal quality assurance process was undertaken and documented for 4 measures scheduled for introduction in the Autumn Program 2013. The ATO undertook and documented an internal quality assurance process for 12 measures introduced in the Winter Program 2013.

Each agency is continuing to refine their quality assurance processes to include a joint signoff as a final checkpoint before legislation is referred to a Minister for introduction into Parliament.