

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Board of Taxation Secretariat

Question No: 160

Topic: Board of Taxation and community input into improving the design of taxation laws and their operation

Reference: Written

Senator: Ketter, Chris

Question:

1. Are there any community representatives on the Board of Taxation?
2. How are the views and concerns of community representatives taken into account by the Board of Taxation?
3. Are there targets for the volume of community feedback via Sounding Board?
4. How many contacts has Sounding Board received from each of :
 - a) the general public
 - b) community groups or NGO's
 - c) the tax industry
5. How are community ideas, suggestions or concerns dealt with by the Board?
6. Are there any examples of the Board making decisions or recommendations based on feedback from the general public or community groups?

Answer:

1. Yes. Until 30 June 2017, the Board of Taxation had two representatives that bring community sector perspectives, namely Mr John Emerson AM (former Deputy Chair of the Board and member between January 2007 and 30 June 2017) and Mrs Peggy Lau Flux (Board member since 1 January 2015) who remains on the Board.

Mr Emerson is a Member of the Order of Australia (AM) 'for services to law and to the community, particularly through the provision of advice to charities and not-for-profit organisations and the development of public administration reform to encourage philanthropy in Australia'. Mr Emerson is a consultant at Herbert Smith Freehills, lawyers, and is widely recognised as a specialist in the tax and other laws applicable to charities. He heads the firm's charity law practice. He is the firm's Melbourne Office pro bono partner and a member of a number of legal, academic, and public sector committees active in the charity tax and pro bono areas.

Mrs Lau Flux represents both the education and health sectors and is a tax lay person. She settled in Australia in 1992 and has served on many boards at both State and Federal levels, including the Royal Adelaide Hospital, the Council of International Trade and Commerce of SA, the Australia China Council, National Multicultural Advisory Council and was President of the Asia Pacific Business Council for Women and the Chairperson of the Joanna Briggs Institute.

2. The Board of Taxation is a non-statutory advisory body charged with contributing a business and broader community perspective in improving the design of taxation laws and their operation.

The Board of Taxation meets at face-to-face meetings ten (10) times a year. To deal with specific “reviews” members of the Board establish working groups that meet on a more regular basis, including holding meetings with stakeholders relevant to the specific review. Depending on the nature of the review being undertaken the Board may release a consultation paper calling for public submissions.

In conducting reviews the Board considers and balances the views of all stakeholder representations, along with their own experience to arrive at a recommendation/s.

The current work of the Board is noted in CEO newsletters (available on the Board’s website) and encourages interested parties to contact the Board about participating in these reviews as a stakeholder.

3. There are no targets in relation to Sounding Board. Board members actively refer to Sounding Board when providing presentations and speeches in the community. The Sounding Board is also referred to in CEO newsletters.

4. (a- c)

As no user on Sounding Board is required to disclose their “credentials” (their status of whether they are general public or community group or from the tax industry) it is not possible to determine the author of the sounding board idea in this category.

5. Community ideas, suggestions or concerns are received by the Board through various channels including via “Sounding Board” or through the Board’s “contact us” avenue available on the Board’s website. Representations may also be made direct to Board members.

The Board discusses ideas, suggestions or concerns raised through these various channels at either Board meetings or through various working groups that are established for specific topics.

Board members consider all stakeholder representations and balance these to arrive at a recommendation/s.

In relation to suggestions raised on “Sounding Board”, a working group of the Board reviews the suggestion or concern raised and undertakes a review with Board members and representatives from both the Treasury and the Australian Taxation Office. A response (from the Board) may be posted back to “Sounding Board” or where warranted, a proposal to deal with the suggestion or concern may be put forward to Treasury, the Australian Taxation Office, or to Government.

6. The Board’s February 2016 report, the Voluntary Tax Transparency Code report saw consultation with community groups along with representatives from industry associations and academia. There were 17 public consultation meetings held in Sydney, Melbourne, Brisbane and Perth. A suggestion raised by Tax Justice Network (community group) was addressed in the Board’s final report. The membership of Australia’s Tax Justice Network includes many community groups.