

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**TREASURY**

**Australian Taxation Office**

(Budget Estimates 30 May 2006)

**Question**                    **BET159**  
**Topic:**                      **TAX RETURNS STORAGE – CHEMICAL ODOUR**  
**Hansard Page:**            **E109**

Senator **Sherry** asked:

—Do I recall a discussion last time about a problem with storing the tax returns?

*Mr Konza—That was the odour—*

**Senator SHERRY**—Chemical odour or something.

*Mr Konza—The odour at our Penrith storage bays, yes.*

**Senator SHERRY**—Is that because of the paper or the printing on the paper?

*Mr Konza—I recall the interrogation that occurred here on that topic last time but I do not actually recall—we had chemical testing done. There were staff complaints that the paper, when stored in such quantities, was emitting some sort of odour. I do not know how it was resolved in the end.*

**Senator SHERRY**—It did get a bit of a run in the media, as I recall. There was some great concern and interest amongst journalists and the public about poisoned tax staff. Could you follow that up, take it on notice and see what has resulted from that?

**Answer:**

To save production costs, the Tax Office used a lower grade paper for tax returns in 2004 than in previous years.

The Tax Office first became aware of problems with the paper when staff at the Penrith, Chermside and Northbridge offices complained of odour and paper dust when the tax returns were being processed and stored. Subsequently, independent environmental analysis and air quality tests were carried out. The air quality of the work environment was found to be within or better than acceptable standards.

The Tax Office requested its printing service provider to undertake testing of the problem paper. Norske Skog, the paper manufacturer, carried out some tests. Australian Paper also independently carried out tests. The testing focussed on paper odour and dusting. Forensic reports from both Norske Skog and Australian Paper produced similar findings indicating that the odour was most likely attributable to heptadienal isomers which are generated by bacterial reactions within the paper-making process. The paper was produced within specification but it appears that the paper production process along with the accumulation of large numbers of forms contributed to the odour issue.

For the production of tax time 2005 publications paper stock selections were reviewed. Before the paper selection was finalised, testing of the proposed paper for 2005 tax returns was undertaken. Analysis revealed that odour and dust/lint levels

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were all within acceptable levels and indicated that the proposed paper for 2005 tax returns was superior to the paper for 2004 tax returns. The report also revealed that paper products are not generally considered to be toxic from a contact perspective. Subsequently an improved grade of paper was used for the production of 2005 tax returns and no adverse feedback on the paper was received.

Paper used for tax time 2006 products has been selected with great care to ensure the quality meets acceptable standards, as well as within budget.