

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor attacks upon his honour or reputation. Everyone has the right to the protection of the law against such interference or attack.¹

1 Article 12 of the Universal Declaration of Human Rights – www.un.org.au

Chapter 1

Tax Laws Amendment (Confidentiality of Taxpayer Information) Bill 2009

About the inquiry

1.1 The Tax Laws Amendment (Confidentiality of Taxpayer Information) Bill 2009 will amend the secrecy and disclosure provisions applying to tax information.

1.2 It was referred to the Senate Economics Legislation Committee for immediate inquiry on 26 November 2009.¹ The report was due to be tabled on 25 February but the Senate granted an extension to 11 March 2010 to enable further evidence to be gathered. A list of those entities that made submissions to the inquiry is set out in Appendix 1.

1.3 The bill seeks to consolidate and standardise the existing privacy provisions by introducing a new framework into Schedule 1 to the *Taxation Administration Act 1953* (the TAA 1953). This framework will replace the many provisions which are currently spread throughout 18 tax laws.²

1.4 The need to reform these many provisions was first identified in 2006, the then Treasurer announcing a review and releasing a discussion paper, 'Review of Taxation Secrecy and Disclosure Provisions', for public consultation.³

1.5 Following that review, an exposure draft and explanatory material were published in March 2009; the Assistant Treasurer announcing that the draft bill proposed 'to implement the single and consolidated framework outlined in the Treasury discussion paper of 2006 to govern the protection and disclosure of taxpayer information received by the tax office in the course of administering the taxation laws'.⁴

1.6 The bill currently before Parliament has incorporated comment received during that period of public consultation.

1.7 If passed, the provisions will generally commence the day after Royal Assent. A number of transitional provisions, in Part 2 of Schedule 2 of the bill, will operate to

1 Selection of Bills Committee, *Report No. 18 of 2009*, 26 November 2009, Appendix 6.

2 The Hon. Dr Craig Emerson MP, Second reading speech, *House of Representatives Hansard*, Thursday 19 November 2009, p. 5.

3 Source: <http://www.treasury.gov.au/contentitem.asp?NavId=037&ContentID=1121>

4 The Hon Chris Bowen MP, Assistant Treasurer and Minister for Competition Policy and Consumer Affairs, 'Government Moves to Consolidate the Taxation Secrecy and Disclosure Provisions', Press Release 015, 13 March 2009.

ensure that information collected previously is treated as falling within the exceptions of the new provisions and continues to be protected.

Financial impacts of the bill

1.8 The bill is not expected to have any financial or compliance related impacts.

Conduct of the inquiry

1.9 The committee advertised the inquiry in the national press and contacted a number of organisations inviting submissions to be lodged by 18 December 2009. Nine submissions were received. A public hearing was held in Canberra on the evening of 25 February 2010 at which evidence from the Department of the Treasury was heard.

1.10 The committee would like to thank all those who contributed to and participated in the inquiry.

1.11 In examining the proposed bill, the committee has referred to the submissions received in response to this inquiry as well as those received by the Department of the Treasury following the release of the exposure draft and explanatory material in early 2009.

Structure of the report

1.12 The report consists of three chapters. Chapter 2 outlines the main provisions of the bill explaining how they will operate. Chapter 3 sets out and analyses in more detail those aspects of the bill which attracted greater scrutiny and then gives the committee's views and recommendations on the bill.