



## Privacy and information gathering

How we gather and manage information, how we manage privacy and our data-matching protocols.

### Privacy impact assessment register

The Privacy Code requires the ATO to carry out and maintain a register of certain privacy impact assessments (PIAs).

### How we undertake data matching


Find out about the systems and processes involved in data-matching activities.

QC 56885

## Privacy impact assessment register

The Privacy Code requires the ATO to carry out and maintain a register of certain privacy impact assessments (PIAs).

**Last updated** 10 September 2025

The [Privacy \(Australian Government Agencies – Governance\) APP Code 2017](#)  (Privacy Code) requires us to undertake privacy impact assessments (PIAs).

We carry out PIAs where the project involves a new or changed way of handling personal information, that is likely to have a significant impact on the privacy of individuals.

The Privacy Code also requires us to maintain and publish a register (or a version of the register) of completed PIAs from 1 July 2018 on our website.

**Table: Privacy impact assessment register**

<b>PIA title</b>	<b>Project name</b>	<b>Date of PIA</b>
Phoenix Taskforce bulk data disclosure	Phoenix Taskforce bulk data disclosure to the Building Commission of New South Wales (BC NSW)	26/08/2025
5028 Identity Management PIA	5028 Identity Management	15/08/2025
Siebel Upgrade Project Privacy Impact Assessment	Siebel Upgrade Project 5145	6/08/2025
Voice Biometrics Upgrade – 2026	4911 Voice Biometrics New Solution	5/08/2025
Shadow Economy Taskforce PIA	Shadow Economy Taskforce	22/07/2025
Department of Environment, Science and Innovation Queensland (DESI) Bulk Data Disclosure – Phoenix Taskforce	Phoenix Taskforce bulk data disclosure to the Department of Environment, Science and Innovation Queensland (DESI)	18/07/2025
Environment Protection Authority New South Wales Bulk Data Disclosure – Phoenix Taskforce	Phoenix Taskforce bulk data disclosure to the Environmental Protection Authority New South Wales (EPA NSW)	16/07/2025

Environment Protection Authority South Australia Bulk Data Disclosure – Phoenix Taskforce	Phoenix Taskforce bulk data disclosure to the Environmental Protection Authority, South Australia (EPA SA)	14/07/2025
FINAL RAM PUBLISHER NDIA PIA – 27 June 2025	14653 Relationship Authorisation Manager (RAM) Publisher Service and onboarding National Disability Insurance Agency (NDIA)	27/06/2025
Privacy Impact Assessment – 'Online Sellers' Industry Segment	SEP ENF Strat 1.3 LPF Online Sellers	25/06/2025
5005: Superannuation on Government-funded Parental Leave Pay (PLP)	Superannuation on Government-funded Parental Leave Pay (PLP)	20/06/2025
High-Risk Linking Model Enhancement	High-Risk Linking Model Enhancement	19/06/2025
Identity Crime Model (IDC) Model	Identity Crime Model (IDC) Model	10/06/2025
ASIC & ATO MoG PIA – Telephony Data	ATO Machinery of Government Change – Registry Transition	2/06/2025
STP ATO and Department of Home Affairs PIA 5093	5093 Migration Systems Reform	14/05/2025
ATO app and secure messaging	ATO app and secure messaging	12/05/2025
AFCX (Implementation)	Australian Financial Crimes Exchange (AFCX) Project SPC-9108	22/04/2025

Uber for Business	Uber for Business	14/04/2025
myID Driver Licence using Face Verification Service (FVS)	myID Driver Licence using Face Verification Service	09/04/2025
Transition to the Exchange (T2E) of RAM	Relationship Authorisation Manager Transition to the Exchange	14/03/2025
Corporate Recruitment System – eRecruit	eRecruit IT Security Uplift	11/02/2025
Revised Onboarding	Onboarding Procedure	30/01/2025
DEWR Workforce Australia Initial STP Data Share	SEO Employment Services Reform 5092	09/12/2024
AFCX, Sharing Barred Bank Accounts	Australian Financial Crimes Exchange (AFCX) Project SPC 9108	18/11/2024
ABRS Bulk Data Disclosure – Phoenix Analytical Model Outputs	ABRS – Director ID/ Straw Directors	12/11/2024
Environmental Protection Authority Victoria Bulk Data Disclosure – Phoenix Taskforce	Phoenix Taskforce Bulk Data Disclosure to Environmental Protection Authority Victoria	18/10/2024
AFCX, Proof of Value (POV) PIA	Australian Financial Crimes Exchange (AFCX) Project SPC– 9108	26/08/2024
CASBP–3213 PORO Magic – Privacy	CASBP–3213 PORO Magic	12/08/2024

Impact Assessment		
Segmentation – Client Debt Population Segments v3.0 (update)	Segmentation – Client Debt Population Segments	25/07/2024
Dept of Education and Dept of Employment and Workplace Relations historic debt – contact details exchange	Dept of Education and Dept of Employment and Workplace Relations historic debt – contact details exchange	19/07/2024
Extending Tax Whistleblower Protections	4931 Extending Tax Whistleblower Protections	15/07/2024
Revenue NSW Bulk Data Disclosure – Phoenix Taskforce	RNSW Bulk Data Disclosure	10/07/2024
UDA – Privacy Impact Assessment Phase 2	Unstructured Data Analytics (UDA)	03/07/2024
TCN Manager Check-In Tool	TCN Manager Check-In Tool	18/06/2024
ATO ASIC MOG Project Registry Transition PIA	ASIC ATO MOG Project	23/05/2024
ABS STOP P2 Weekly Job Holder	ABS STP P2 Weekly Job Holder	20/05/2024
4577 Data Acquisition and Optimisation Phase 2 Privacy Impact Assessment	#4577 Data Acquisition and Optimisation Phase 2	12/04/2024
PIA Sharing Economy 4382	Sharing Economy	10/04/2024
Segmentation – Client Debt Population Segments	N/A	14/03/2024

4561 IODL Replacement PIA	4561 IODL Replacement Project	01/03/2024
Client to agent linking – Privacy Impact Assessment	4675 Client to agent linking	28/02/2024
Sharing Economy Reporting Regime (SERR) v1.1	Project 4012 Sharing Economy Reporting Regime	21/02/2024
4898 TT24 PIA	4898 Tax Time Capacity and Processing	14/02/2024
PIA Microsoft 365	Enable One Drive	13/12/2023
Terminated High-Risk Practitioners Privacy Impact Assessment	High-Risk Practitioners that have been terminated by the Board Conduct Committee	06/12/2023
Disclosure to professional associations	Disclosure to professional associations	04/12/2023
SDSD-65004	High-Risk practitioners that have been terminated by the Board Conduct Committee	04/12/2023
Health Delivery Modernisation Program – Phase Three PIA	Health Delivery Modernisation Phase 3	27/11/2023
Privacy Impact Assessment Sharing Economy	4109 Sharing Economy	21/11/2023
Health Delivery Modernisation Phase 3	Health Delivery Modernisation Phase 3	01/11/2023

Director ID Linking Solution Privacy Impact Assessment	4755 Director ID Interim Linkage Solution	09/10/2023
3352 new ato.gov.au PI threshold and assessment	3352 new ato.gov.au	21/08/2023
Foreign ownership of Australian Asset Register Privacy Impact Assessment	Foreign ownership of Australian Asset Register	21/08/2023
Operation Andes	Operation Andes	07/07/2023
ABRS Director ID Privacy Impact Assessment Threshold Assessment	4755 Director ID Interim Linkage Solution	30/06/2023
Benestar Employee Assistance Program	Employee Assistance Program SPC – 2458	08/05/2023
PIA for the Standing Taskforce Within Shadow Economy Compliance Program	The Standing Taskforce Within 467 Shadow Economy Compliance Program	02/05/2023
TPB ECP Pipeline	TPB ECP Pipeline	04/04/2023
Accounts Payable and Receivable Dashboard	Accounts Payable and Receivable Dashboard	29/03/2023
ATO In-House Mental Health Specialist Service Privacy Impact Assessment	ATO In-House Mental Health Specialist Service	27/01/2023
Private Health Insurance data exchange with ABS	Private Health Insurance data exchange with ABS	01/12/2022
Corporate Project Privacy Impact Assessment	Superannuation Guarantee Assurance Project	28/11/2022

ATO UI Framework Phase 1 PIA	ATO UI Framework Upgrade Phase 1	07/11/2022
3352 New ato.gov.au PI threshold and assessment	3352 new ato.gov.au	3/10/2022
Operation Protego	Operation Protego	19/08/2022
Privacy Impact Assessment IC/SFCT	Operation Bowmore bulk data disclosure	14/07/2022
PIA 4478 Military Super – Part 2	4478 – Superannuation – Protecting Veterans Interests (Military Super)	13/07/2022
Disclosure of Business Tax debt	Disclosure of Business Tax Debt	4/07/2022
Teradata Back-up Replacement Project	Teradata Back-up Replacement	30/06/2022
New Data Pattern (NDP)	New Data Pattern (NDP) Privacy Impact Assessment	24/06/2022
EDH Migration Privacy Impact Assessment	EDH Migration	24/06/2022
Final Privacy Impact Assessment of inclusion of a Family Links File as an ALife dataset	ALife – Family Links File	15/06/2022
Registry Transition Privacy Impact Assessment	Modernising Business Registers (MBR) Program	19/05/2022
DIS Fraud analytics PIA	Digital Identity 4061 – Fraud analytics	19/05/2022
CRS – ability to use ATO data to inform	CRS Review	7/04/2022



financial capacity assessment		
Director ID PIA. Version 2 – Public beta	MBR Program	17/03/2022
FWB Data Importation from ATO Holdings	FWB Data Importation from ATO Holdings	28/02/2022
SE TDP PIA	Senior Executive Talent Development Program	25/02/2022
People Connect	People Connect	17/12/2021
Benestar Employee Assistance Program	Employee Assistance Program SPC-2458	8/12/2021
Privacy Impact Assessment TAT DA Client Grouping ANGIE	TAT D&A Project 4072: Client Grouping Optimisation – Automated Network & Grouping Identification Engine (ANGIE)	6/12/2021
4053 Unstructured Data Capability Privacy Impact Threshold Assessment	4053 Unstructured Data Capability	4/11/2021
3838 PIA Visibility of Super to parties in a family law proceeding	Visibility of Super to parties in a family law proceeding	14/10/2021
Privacy Impact Assessment – 2816	Single Touch Payroll Phase 2	2/09/2021
4164 ADMS Privacy Impact Assessment	Apprenticeships Data Management System (ADMS)	27/08/2021
myGovID IP3 PIA	Digital Identity 4061	27/08/2021

FOAAR Privacy Impact Assessment	Foreign Ownership of Australian Assets Register (FOAAR)	23/08/2021
Nuix Elasticsearch cloud migration – PIA Threshold Assessment	Nuix Elasticsearch cloud migration	22/06/2021
Preliminary Privacy Impact Assessment of inclusion of a Family Links File as an ALife dataset	ALife – Family Links File	15/06/2021
Privacy Impact Assessment_4262	Evolution of the Client Register	11/06/2021
Data Backbone (DB) Privacy Impact Assessment	Data Backbone (DB)	10/05/2021
ELP Review – 2021 PIA	ELP – Indigenous programs review	7/05/2021
Privacy Impact Assessment (PIA) YFYS	Your Future, Your Super – 4158	2/05/2021
3555 Black Economy Standing Taskforce PITA	3555 Black Economy Standing Taskforce	27/04/2021
2078 Serraview Spatial Management	2078 Serraview Spatial Management	9/04/2021
4079 Country by Country Interact PITA	Unstructured Data Pipelines – Country by Country Interact	26/03/2021
Privacy Impact Assessment – Director Identification Number	Modernising Business Registers Program	19/03/2021
Data Catalogue and Lineage (IT	Data Catalogue and Lineage	4/03/2021

Component)		
JobMaker Hiring Credit Privacy Impact Assessment	JobMaker Hiring Credit	18/01/2021
DAO Privacy Impact Assessment	Data Acquisition and Optimisation (3929)	8/12/2020
ATO Protecting Client Accounts Privacy Impact Assessment	ATO and Services Australia compromised entity data disclosure	4/11/2020
New policy – Child care sector changes to JobKeeper eligibility	New policy – Child care sector changes to JobKeeper eligibility and introduction of Department of Education, Skills and Employment (DESE) Child care Transition Payment	16/09/2020
Payment Thinking Project 3812	ATO Online Scheduling and Payment Plan Services	21/08/2020
PIA for credit card storage	3812 Payment Thinking – ATO Online Scheduling and Payment Plan Services	21/08/2020
OTE Privacy Impact Assessment	Offshore Tax Evasion Pilot Project	7/07/2020
ATO ASIC Data Fusion Program	MYEFO Combatting Illegal Phoenix Behaviour (ASIC Data Fusion)	26/06/2020
Disclosure of Business Tax Debt PIA	Disclosure of Business Tax Debt	25/06/2020

Privacy Impact Assessment for Bulk Data Disclosure Project	SFCT COVID-19 Bulk Data Disclosure project	22/06/2020
Privacy Impact Assessment – ATO/AIC research	Research Proposal with the Australian Institute of Criminology (AIC) concerning safety for frontline staff.	05/06/2020
PIA for Analytics Execution Platform (AIP) and associated model development lifecycle platforms	3884 – Advanced Analytics Governance Review (AAGR) project and the system it implements (Advanced Analytics, AA)	25/05/2020
JobKeeper Payment Program PIA	JobKeeper Payment Program	13/05/2020
Corporate Project Privacy Impact Assessment	SuperStream rollovers version 3 (including SMSFs)	13/03/2020
eInvoicing Privacy Impact Assessment	eInvoicing onboarding the ATO	13/02/2020
Privacy Impact Assessment – Data Window	3851 Data Window	19/12/2019
Smartphone-based duress application – SafeZone	Smartphone-based duress application – SafeZone	17/12/2019
Tax Integrity Centre (TIC)	PID 3362 Tax Evasion Referral Centre Rebuild	3/12/2019
Activity Statement Financial Processing (ASFP) Privacy Impact Assessment	Activity Statement Financial Processing (ASFP)	3/07/2019

Privacy Impact Assessment Automation and Artificial Intelligence	Automation and Artificial Intelligence	21/05/2019
Enterprise Insights Portfolio (EIP) Privacy Impact Assessment	Enterprise Insights Portfolio (EIP)	29/05/2019
Privacy Impact Assessment – 3241	Superannuation Guarantee Integrity Measures	14/02/2019
IAL External Collection Agency Lodgment Work	External Collection Agency Lodgment Work	7/02/2019
Privacy Impact Assessment – 2929	SuperStream rollovers version 3 (including SMSFs)	18/01/2019
Privacy Impact Assessment for PGI Capability Appraisal 2018	PG&I Capability Appraisal 2018	15/01/2019
IODL Upgrade Project Privacy Impact Assessment	IODL Upgrade	11/01/2019
Independent PIA myGovID 2018	myGovID Corporate Project 3234	3/09/2018
Privacy Impact Assessment on the ATO longitudinal Information File for the Australian Taxation Office	ATO Longitudinal Information Files (ALife)	22/08/2017
DCL Privacy Impact Assessment	Digital Capability Locator	20/07/2017
Independent PIA RAM 2017	Project 1743 – Relationship and	31/03/2017

	Authorisation Manager (RAM)	
Relationship and Authorisation Manager – Release One	Relationship Authorisation Manager (RAM)	1/03/2017
Introduction of Streamlined Individual Income Tax Returns	Streamlined Individual Income Tax Returns	16/06/2014

QC 57895

## How we undertake data matching

Find out about the systems and processes involved in data-matching activities.

**Last updated** 26 August 2025

### About data matching

Matching external data with our own helps us to ensure that people and businesses comply with their tax and super obligations. It also helps us to detect fraud against the Commonwealth.

We are required to comply with strict laws to protect your privacy when we collect data from other agencies and organisations for our data-matching programs. These laws include the *Privacy Act 1988*, the secrecy provisions of the *Income Tax Assessment Act 1936*, the *Taxation Administration Act 1953* and other tax laws.

We also adhere to the Privacy Commissioner's [Guidelines on Data Matching in Australian Government Administration](#) [↗](#) by preparing and publishing a protocol for each of our data-matching programs.

In broad terms, each protocol explains:

- the purpose of the program
- what data is collected


- which agencies or organisations will be providing the data
- how the data will be used.

## **Current data-matching protocols**

- AUSTRAC transaction report information 17 June – 2021 to 30 June 2027 financial year
- Australian Electoral Commission
- Australian Financial Crimes Exchange (AFCX) data matching protocol
- COVID-19 economic response support 2019–20 to 2021–22 financial years
- Crypto assets data-matching program protocol to 2025–26
- Higher Education Loan Program, Vocational Education and Training Student Loan and Trade Support Loans 2019–20, 2020–21 and 2021–22 financial years
- Department of Home Affairs passenger movement records 2016–17 to 2025–26 financial years
- Department of Home Affairs visa October 2017 to 2025–26 financial years
- Government payments program data-matching program protocol
- Income protection insurance 2021–22 to 2025–26 data-matching program protocol
- Landlord insurance 2021–22 to 2025–26 data-matching program protocol
- Lifestyle assets data-matching program protocol
- Military super 2010–11 to 2021–22 financial years
- Motor vehicle registries – 2016–17 to 2024–25 financial years
- Novated leases 2018–19 to 2025–26 data-matching program protocol
- Officeholder data-matching program protocol
- Online selling matching program protocol

- Private health insurance statement – 2014-15 to 2027-28 financial years
- Property management data-matching program protocol
- Real property transactions 20 September 1985 to 2016-17 financial years
- Rental bond data-matching program
- Residential investment property loan 2021-22 to 2025-26 data-matching program protocol
- Ride sourcing 2015-16 to 2022-23 financial years data-matching program protocol
- Services Australia specified benefits and entitlements – 2019-20 to 2025-26 data-matching program protocol
- Share transactions 20 September 1985 to 2017-18 financial years
- Sharing economy accommodation data-matching program protocol

## Data-matching process

When required, our data-matching process uses both mainframe-based and mid-range applications that comply with an ATO-designed software solution (technical standard). The technical standard supports all our data-matching programs and aligns with [OAIC guideline 4.7](#) .

We use over 60 sophisticated identity-matching techniques to ensure we identify the correct taxpayer when we obtain data from third parties. These techniques use multiple identifiers to obtain an identity match. The identity-matching process appends matching information to the original reported transaction to include an ATO identifier number and a 3-character outcome code that indicates to the user the level of matching confidence for the transaction. For example, where a name, address and date of birth are available, all items are used in the identity-matching process. Very high confidence matches will occur where all fields are matched.

Additional manual processes may be undertaken where high confidence identity matches do not occur, or a decision taken to destroy data no longer required. Our manual identity-matching process involves an ATO officer reviewing and comparing third-party data



identity elements against ATO information on a one-on-one basis, seeking enough common indicators to allow confirmation (or not) of an individual's identity. We commonly call this process manual uplifting.

Data analysts use various models and techniques to detect potential discrepancies, such as under-reported income or over-reported deductions. Higher risk discrepancy matches will be loaded to our case management system and allocated to compliance staff for actioning. Lower risk discrepancy matches will be further analysed, and a decision made to take some form of compliance or educational activity, or to destroy the data.

To maintain integrity of the administration of the tax and super systems, only staff with a direct and genuine 'need to know' can access the technical standards for our identity and discrepancy matching solutions.

Where administrative action is proposed, additional checks will take place to ensure the correct taxpayer has been identified. The taxpayers will be provided with the opportunity to verify the accuracy of the information before any administrative action is taken.

## **How we amend a return**

We may use data to provide tailored messages for individual taxpayers in our online services. This will prompt taxpayers to check they are correctly meeting their reporting obligations.

In limited circumstances where we identify inadvertent mistakes, we may amend a tax return with the correct data that is available to us.

If you disagree with the decision we made about your information, you can **request a review by lodging an objection**.

After a return is lodged, where we identify a discrepancy that requires verification, we will contact the taxpayer usually by phone, letter or email. Taxpayers will have up to 28 days to verify the accuracy of the information and respond before we take administrative action.

For example, where discrepancy-matching identifies that a taxpayer may not be reporting all their income, but it appears they're reporting the income in another taxpayer's return, they will be given the opportunity to clarify the situation.

The data may also be used to ensure taxpayers are complying with their other tax and super obligations, including registration requirements, lodgment obligations and payment responsibilities.

In cases where taxpayers fail to comply with these obligations, after being reminded of them, we may instigate prosecution action in appropriate circumstances.


Where a taxpayer has correctly met their obligations, the use of the data will reduce the likelihood of contact from us.

In limited circumstances we may use data from a data-matching program to correct mistakes without notifying individuals in advance. When we do so, we will seek an exemption from the Australian Information Commissioner.

## **Making a privacy complaint**

Our privacy policy outlines how we collect, hold and disclose data and explains what you can do if you're not satisfied with the way your information has been treated.

If you're not satisfied with how we have collected, held, used or disclosed your personal information, you can **make a formal complaint**.

If you're not satisfied with the outcome of the privacy complaint, you can contact the Office of the Australian Information Commissioner. More details are on the OAIC website at [oaic.gov.au/privacy/making-a-privacy-complaint](https://www.oaic.gov.au/privacy/making-a-privacy-complaint) .

For more information, see how we protect your privacy.

QC 55323

## **Commonwealth electoral roll details – data matching program protocol**

# Commonwealth electoral roll - ongoing data matching program protocol.

**Last updated** 25 October 2016

## At a glance

The Australian Electoral Commissioner (AEC) is permitted to provide us with specified information provided by individuals in the course of making an application to be included on the electoral roll, or when they update their enrolment information.

We are permitted to use this information for the purposes of:

- identifying or locating taxpayers
- preventing, detecting or investigating taxation fraud
- administering Australia's Foreign Investment Framework.

The AEC provides a complete and up to date extract of this information on a quarterly basis.

## Program objectives

The objectives of this data matching program are to:

- identify taxpayers that are not registered with us when they are required to be
- locate taxpayers that may have outstanding taxation and superannuation lodgment, correct reporting or payment obligations
- identify potential instances of taxation or superannuation fraud
- assist with the administration of the Australia's Foreign Investment Framework.

## How the data will be used

The data will assist our staff:

- identify those people that may be operating outside of the taxation and superannuation systems

- trace taxpayers with outstanding obligations where their contact details are not up to date with us
- deal with potential cases of taxation and superannuation fraud
- administer foreign investment requirements in residential and agricultural land, where a person acquires Australian property and does not appear on the electoral role.

**See also:**

- [What we will do before amending a return](#) or update our records

## **Data related matters**

### **Data matching and user agency**

Commonwealth electoral laws and associated regulations require or permit the AEC to make information available to nominated government agencies, political parties and members of parliament.

In this data matching program we are the matching agency and sole user of this data set. The electoral laws and regulations prohibit us from sharing this data with anyone else.

### **Data providers**

Data will be obtained from the Australian Electoral Commission.

### **Data elements**

We will obtain the following information from the AEC on an ongoing basis:

- name of the registered voter
- residential address of the registered voter
- sex of the registered voter
- date of birth of the registered voter
- occupation of the registered voter.

If the electoral laws or regulations are amended to permit the AEC to provide us with additional information we will update this list and publish a new gazette notice.

## Number of records

Each quarter we obtain approximately 15 million records, all relating to individuals.

## Data quality

Based on the acquisition and use of this data previously, we know the data is of high quality.

Data will be transformed into a standardised format and validated to ensure that it contains the required data elements prior to loading to our computer systems.

### See also:

- [How we undertake data matching](#)
- [How we protect your personal information](#)
- [Our quality assurance framework](#)
- [Why we undertake data matching](#)
- [The costs and benefits of data matching](#)

## Data retention

The information we obtain from the AEC is refreshed in its entirety every three months. This ensures we have the most up to date information available from the AEC.

## Public notification of the program

We will notify the public of our intention to undertake this program by:

- publishing a notice in the Australian government notices gazette in the week commencing 11 April 2016 - [view the content of the gazette notice](#)
- publishing this data matching program protocol on our website at [www.ato.gov.au/dmprotocols](http://www.ato.gov.au/dmprotocols)
- advising the data providers they
  - can notify their clients of their participation in this program and provided written materials to assist with this

- should update their privacy policies to note that personal information is disclosed to us for data matching purposes.

## **Gazette notice content**

### **Commissioner of Taxation - Notice of a data matching program**

The Australian Taxation Office (ATO) will acquire details of registered voters on the Commonwealth electoral view from the Australian Electoral Commissioner. This data will be collected on an ongoing basis and is refreshed every three months.

The data items that will be obtained are personal details of:

- name of the registered voter
- residential address of the registered voter
- sex of the registered voter
- date of birth of the registered voter
- occupation of the registered voter.

It is estimated that records for 15 million individuals will be obtained each quarter.

These records will be electronically matched with ATO data holdings to identify non-compliance with registration, lodgment, reporting and payment obligations under taxation laws.

The objectives of this data matching program are to:

- identify taxpayers that are not registered with us when they are required to be
- locate taxpayers that may have outstanding taxation and superannuation lodgment, correct reporting or payment obligations
- identify potential instances of taxation or superannuation fraud
- assist with the administration of Australia's Foreign Investment Framework.

A document describing this program has been prepared in consultation with the Office of the Australian Information Commissioner. A copy of this document is available at [www.ato.gov.au/dmprotocols](http://www.ato.gov.au/dmprotocols)

The ATO complies with the Office of the Australian Information Commissioner's Guidelines on data matching in Australian government administration (2014) which includes standards for data matching to protect the privacy of individuals. A full copy of the ATO's privacy policy can be accessed at [www.ato.gov.au/privacy](http://www.ato.gov.au/privacy)

## Legal matters

### Find out about:

- Our privacy policy
- [Making a privacy complaint](#)
- [Our lawful role](#)
- [Our legal authority to undertake a data matching program](#)

## More information

### What we will do before we amend a return or update our records

Where we detect a discrepancy that requires verification we will contact the taxpayer usually by phone, letter or email.

Before any administrative action is taken, taxpayers will be provided with the opportunity to verify the accuracy of the information obtained by us. Taxpayers will be given at least 28 days to respond before administrative action is taken.

For example, where discrepancy matching identifies that a taxpayer is not reporting all of their income, but in fact they are reporting the income under another entity, the taxpayer will be given the opportunity to clarify the situation.

The data may also be used to ensure that taxpayers are complying with their other taxation and superannuation obligations, including registration requirements, lodgment obligations and payment responsibilities.

In cases where taxpayers fail to comply with these obligations, after being reminded of them, escalation for prosecution action may be instigated in appropriate circumstances.

Where a taxpayer has correctly met its obligations, the use of the data will reduce the likelihood of contact from us.

## **How we undertake data matching**

We use sophisticated identity matching techniques to ensure we identify the correct taxpayer when we obtain data from third parties. This technique uses multiple details to obtain an identity match. For example, where a name, address and date of birth are available all items are used in the identity matching process. Very high confidence matches will occur where all fields are matched.

Additional manual processes may be undertaken where high confidence identity matches do not occur, or a decision taken to destroy the data with no further action.

Where administrative action is proposed, additional checks will take place to ensure the correct taxpayer has been identified. The taxpayers will be provided with the opportunity to verify the accuracy of the information before any administrative action is taken.

Data analysts use various models and techniques to detect potential discrepancies, such as under-reported income or over-reported deductions. Higher risk discrepancy matches will be loaded to our case management system and allocated to compliance staff for actioning.

Lower risk discrepancy matches will be further analysed and a decision made to take some form of compliance or educational activity, or to destroy the data. In accordance with Guideline 7, where a decision is made not to take further action, the information that has been collected will be destroyed within 90 days of the decision not to take further action.

## **How we protect your personal information**

Our staff are subject to the strict confidentiality and privacy provisions contained in Division 355 of Schedule 1 to the *Taxation Administration Act 1953* and include terms of imprisonment in cases of serious contravention of these provisions.

There are also restrictions in the *Commonwealth Electoral Act 1918* which prohibit us from on-disclosing the information obtained in the course of this data matching program to any other person or agency.



All ATO computer systems are strictly controlled, with features including:

- system access controls and security groupings
- login identification codes and password protection
- full audit trails of data files and system accesses.

We will utilise our secure internet-based data transfer facility to obtain the data from source agencies.

## **Our quality assurance framework**

Quality assurance processes are integrated into our processes and computer systems and are applied throughout the data matching cycle.

These assurance processes include:

- registering the intention to undertake a data matching program on an internal register
- obtaining approval from the data matching gatekeeper and relevant Senior Executive Service (SES) officers prior to any activity being undertaken
- conducting program pilots or obtaining sample data to ensure the data matching program will achieve its objectives prior to full data sets being obtained
- notifying the Office of the Australian Information Commissioner of our intention to undertake the data matching program and request permission to vary from the data matching guidelines (where applicable)
- maintaining access management logs recording details of who has access to the data, why access is required and how it will be used
- processes embedded into compliance activities, such as
  - review of risk assessments, taxpayer profiles and case plans by senior officers prior to client contact
  - ongoing reviews of cases by subject matter technical experts at key points during the life cycle of a case
  - regular independent panel reviews of samples of case work to provide assurance of the accuracy and consistency of case

work.

These processes ensure data is collected and used in accordance with our data management policies and principles, and complies with the Information Commissioner's data matching guidelines.

## **Why we undertake data matching**

We have considered a range of alternatives to this data matching program to ensure entities are complying with their taxation and superannuation obligations. Relying only on data already held by the ATO is of limited value for the following reasons:

- we only receive data from taxpayers that are correctly registered and meeting their lodgment obligations
- we have no other data to cross-reference to ensure taxpayers are reporting their obligations correctly other than by directly contacting every taxpayer.

This data matching program will allow us to identify taxpayers who are not fully complying with their obligations, as well as those that may be operating outside the taxation and superannuation systems. It will also reduce the likelihood of the ATO unnecessarily contacting taxpayers who appear to be complying with their taxation obligations.

Data matching is an effective method of examining records of thousands of taxpayers to ensure compliance with lodgment and reporting obligations that would otherwise be a resource intensive exercise.

Data matching also assists us in effectively promoting voluntary compliance by notifying the public of areas and activities under scrutiny.

## **Costs and benefits of data matching**

### **Costs**

There are some incidental costs to us in the conduct of this data matching program, but these will be more than offset by the total revenue protected. These costs include:

- data analyst resources to identify potential instances of non-compliance

- compliance resources to manage casework and educational activities
- governance resources to ensure that the Guidelines and Privacy Act are complied with, and quality assurance work to ensure the rigour of the work undertaken by analysts and compliance staff
- storage of the data.

## Benefits

Benefits from conducting this data matching programs include:

- maintaining community confidence in both the taxation and superannuation systems by creating a level playing field, as well as maintaining community confidence in the ATO's capacity to fairly administer those systems
- integrity of the taxation and superannuation systems – there are inherent risks in taxpayers not complying with their obligations, including those that deliberately abuse these systems – this program will assist the ATO in detecting, dealing with and deterring those that are not meeting their obligations
- enabling enforcement activity and recovery of taxation revenue – without undertaking this data matching program and subsequent compliance activity there are no assurances that a wider risk to revenue does not exist.

## Making a privacy complaint


If a taxpayer is not satisfied with how we have collected, held, used or disclosed its personal information, they can make a formal complaint by:

- using the online complaints form at [www.ato.gov.au/complaints](http://www.ato.gov.au/complaints)
- phoning our complaints line on **1800 199 010**
- phoning the National Relay Service on **13 36 77** (if you have a hearing, speech or communication impairment)
- sending us a free fax on **1800 060 063**
- writing to us at  
**ATO Complaints**

**PO Box 1271  
ALBURY NSW 2640**

If a taxpayer is not satisfied with the outcome of the privacy complaint, they can contact the Office of the Australian Information Commissioner.

**See also:**

- [Lodge a privacy complaint with us | OAIC](#) 

## **Our lawful role**

The Commissioner of Taxation has responsibility for ensuring taxpayers meet their taxation and superannuation obligations. Compliance with these obligations is a matter we take seriously and failure to address non-compliant behaviour has the potential to undermine community confidence in the integrity of the taxation and superannuation systems and our capacity to administer those systems.

Our data matching program is one of the strategies used to identify and deal with non-compliant behaviour. Data matching programs also provide a degree of assurance that taxpayers are meeting their obligations.

## **Our legal authority to undertake a data matching program**

### **Electoral laws and regulations**

Item 4 in the table in sub-section 90B(4) of the *Commonwealth Electoral Act 1918* permits the AEC to provide specified information to other government agencies prescribed in the regulations.

We are an agency prescribed at item 10 in the table in Schedule 1 to the *Electoral and Referendum Regulation 2016* and the purposes described in this protocol are specified in this regulation.

### **Privacy Act**

Data will only be used within the limits prescribed by Australian Privacy Principle 6 (APP6) contained in Schedule 1 of the *Privacy Act 1988* and in particular:

- APP6.2(b) – the use of the information is required or authorised by an Australian law
- APP6.2(e) – the ATO reasonably believes that the use of the information is reasonably necessary for our enforcement related activities.

QC 48680

## **Real Property Transactions – 20 September 1985 to 30 June 2017 data matching program protocol**

Real Property Transactions - 20 September 1985 to 30 June 2017 data matching program protocol.

**Last updated** 2 January 2018

### **At a glance**

This protocol has been prepared to meet the requirements of the *Guidelines on Data Matching in Australian Government Administration 2014* (Guidelines) published by the Office of the Australian Information Commissioner (OAIC).

We use property transaction data from the state and territory revenue and land title authorities to assist taxpayers in meeting their capital gains tax (CGT) and other taxation obligations. This is achieved through prefilling income tax returns, educational strategies and compliance activities. We have conducted this program for more than 12 years, since property transfer data matching first commenced in 2005 as state and territory based exercises under the CGT Compliance Challenge.

Disposal of a property may trigger a CGT event. This can occur after an asset has been held for many years. To determine a CGT liability real property transaction history dating back to 20 September 1985 (the introduction of the CGT regime) is required. Collecting data back

to 1985 does not change our general compliance approach of reviewing CGT events within the standard period of review.

In the 2013–14 Federal Budget the government announced it would legislate to make the reporting of property transfers to the ATO mandatory. Legislation enacted in *Tax and Superannuation Laws Amendment (2015 Measures No. 5) Bill 2015* with the reporting regime commencing from 1 July 2016. Property transfers that occur after this date will be reported under the legislative regime.

The 2016–17 financial year is the last collection year for the real property data matching program. The data acquired under this data matching program will continue to be required until all properties have been transferred within the legislative reporting regime, potentially upwards of 60 years.

This data matching protocol has been amended from the version published in December 2015 to extend the timeframe for retention of Property transfer data, which will now be reviewed on a rolling basis at intervals of no longer than seven years. Each review will determine whether a new request to extend the exemption is required.

Additionally, we will no longer acquire Rental bond data under this program protocol. A separate rental bond data matching protocol will be developed in accordance with the Guideline for any programs wanting to acquire data from the state and territory rental bond authorities to identify properties that are income producing.

## **Program objectives**

The objectives of the real property transactions data matching program are to:

- promote voluntary compliance and strengthen community confidence in the integrity of the taxation and superannuation systems and other programs administered by the ATO
- obtain intelligence about the acquisition and disposal of real property and identify risks and trends of non-compliance across the broader compliance program
- identify a range of compliance activities to address risks with real property transactions by taxpayers and others that are required to notify the ATO of dealings in real property

- work with real property intermediaries to obtain an understanding of risks and issues as well as trends of non-compliance
- support compliance strategies to minimise future risks to revenue
- ensure compliance with registration, lodgment, correct reporting and payment of taxation, superannuation and other obligations.

## How the data will be used

The data collected under this program will be compared with information included in tax returns. We will match this data against our records and other data we hold to identify taxpayers that may not be meeting their registration, reporting, lodgment and/or payment obligations.

The data will also support client engagement and voluntary compliance through initiatives such as education and pre-filling information in tax returns.

Learn more about [what we will do before amending a return](#).

## Previous/Pilot programs

This is an ongoing data matching program that we have conducted since 2005.

During the 2016-17 financial year, we identified over 5,431 cases where real property dealings were not treated correctly and which raised an additional \$65 million in revenue. This demonstrates the effectiveness of this program in protecting public revenue.

## Data related matters

### Data matching and user agency

We are the matching agency and, in most cases the sole user of the data obtained during this data-matching program. The data matching program will be conducted on our secure systems in accordance with approved policies and procedures.

In very limited and specific circumstances we may be permitted by law to disclose individual records to other government agencies. In some permitted circumstances this may include de-identified data.

Learn more about [our on-disclosure provisions](#).

## Data providers

Data will be obtained from the following data providers:

- New South Wales Office of State Revenue
- New South Wales Department of Finance & Services – Land & Property Information
- Victorian State Revenue Office
- Australian Capital Territory Environment & Planning Directorate
- Australian Capital Territory Office of Regulatory Services (Land Titles Office)
- (Northern) Territory Revenue Office
- Northern Territory Department of Lands, Planning and the Environment
- Queensland Office of State Revenue
- Tasmanian Department of Primary Industries, Parks, Water & Environment
- Tasmanian State Revenue Office
- Revenue SA
- South Australian Department of Planning, Transport & Infrastructure – Land Services Group
- Western Australian Office of State Revenue
- Western Australian Land Information authority (Landgate)

We have removed the state and territory rental bond authorities from the data providers listing as we will no longer be acquiring Rental bond data under this program protocol.

## Data elements

We will obtain the following information from the data providers for the period 20 September 1985 to 30 June 2017.



Date of property transfer	Full street address of the property transferred
Municipality identifier of the property transferred	Property sale contract date
Property sale settlement date	Property land area
Property sub-division date	Total property transfer price
Land usage code	Transferor's full name
Transferor's full address	Transfer property share percentage and manner of holding
Transferor's date of birth	Transferor's Australian Company Number (ACN) or Australian Business Number (ABN)
Transferee's full name	Transferee's full address
Transferee's property share percentage and manner of holding	Transferee's date of birth
Transferee's ACN or ABN	Land tax and applicable exemption details
Purchase duty and applicable exemption details	Valuation details

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We have removed the data elements previously provided by the state and territory rental bond authorities as we will no longer be acquiring Rental bond data under this program protocol.

## Number of records

It is estimated that we will match records relating to over 2 million individuals each year of this program.

## Data quality

We have worked extensively with the data providers since the inception of this data matching program and are confident the data will continue to be of high quality.

State and territory laws require all property transfers to be recorded so that the appropriate stamp duty can be calculated and the correct legal entity is recorded as owning the property on title deeds. The states and territories must maintain high quality data as there are legal ramifications that may impact on a number of external bodies such as banks (where title deeds are sought as collateral) and municipal councils (in application of rates notices) if ownership is not recorded correctly.

Data will be transformed into a standardised format and validated to ensure that it contains the required data elements prior to loading to our computer systems.

Learn more about:

- [How we undertake data matching](#)
- [How we protect your personal information](#)
- [Our quality assurance framework](#)
- [Why we undertake data matching](#)
- [The costs and benefits of data matching](#)

## Data retention

The collection of data under this program will occur quarterly, with the final quarter's data obtained in August/September 2017.

We are seeking to have the Information Commissioner exercise his discretion and allow the ATO to vary from the data destruction requirements contained in the Guidelines.

We are seeking to extend the timeframe for retention of this data, with a review on a rolling basis at intervals of no longer than seven years. The retention of this data is required for the protection of public revenue. We were previously granted a single exception of five years.

Destroying the data in the timeframes contained in the Guidelines would hinder our ability to protect public revenue as it would impact our capability to correctly determine capital gains tax liabilities where

the property purchase was prior to the commencement of the legislative reporting regime of 1 July 2016.

See the [submission to the Information Commissioner](#) setting out the basis for seeking the variation to the data destruction guidelines and its impacts on individual privacy.

We destroy information that is no longer required in accordance with the Guidelines and the National Archives of Australia's General Disposal Authority 24 - Records relating to Data Matching Exercises (GDA24).

## **Public notification of the program**

We undertook public notification of our intention to commence this program by:

- publishing a notice in the Federal Register of Legislation - Gazettes on 8 December 2015.
- publishing our original data matching program protocol and updating with amendments in December 2017 on our website at [www.ato.gov.au/dmprotocols](http://www.ato.gov.au/dmprotocols)
- advising data providers they
  - should notify their clients of their participation in this program and provide written materials to assist with this
  - should note that personal information is disclosed to the ATO for data matching purposes in their privacy policies.

## **Gazette notice content\***

### **Commissioner of Taxation**

#### **Notice of a data matching program**

The Australian Taxation Office (ATO) will acquire details of real property transactions for the period 20 September 1985 to 30 June 2017 from the following sources:

- New South Wales Office of State Revenue
- New South Wales Department of Finance & Services – Land & Property Information

- New South Wales Office of Fair Trading – Rental Bond Board
- Victorian State Revenue Office
- Residential Tenancies Bond Authority – Consumer Affairs Victoria
- Australian Capital Territory Environment & Planning Directorate
- Australian Capital Territory Office of Regulatory Services (Land Titles Office)
- (Northern) Territory Revenue Office
- Northern Territory Department of Lands, Planning and the Environment
- Queensland Office of State Revenue
- Queensland Residential Tenancies Authority
- Tasmanian Department of Primary Industries, Parks, Water & Environment
- Tasmanian State Revenue Office
- Tasmanian Department of Justice
- Revenue SA
- South Australian Department of Planning, Transport & Infrastructure – Land Services Group
- Western Australian Office of State Revenue
- Western Australian Land Information authority (Landgate)

The data items that will be obtained are:

#### **Rental Bond Authorities**

- Rental bond number of identifier for rental bond
- Unique identifier for the landlord
- Full name of the landlord
- Full address of the landlord
- Date of birth of the landlord
- Contact telephone numbers for the landlord

- Unique identifier of the managing agent
- Full name of the managing agent
- Full address of the managing agent
- Unique identifier of the rental property
- Full address of the rental property
- Period of lease
- Commencement and expiration of the lease
- Amount of rental bond held
- Number of weeks the rental bond is for
- Amount of rent payable for each period
- Period of rental payments (weekly, fortnightly, monthly)
- Type of dwelling
- Number of bedrooms

#### **Revenue and land title authorities**

- Date of property transfer
- Full street address of the property transferred
- Municipality identifier of the property transferred
- Property sale contract date
- Property sale settlement date
- Property land area
- Property sub-division date
- Total property transfer price
- Land usage code
- Transferor's full name
- Transferor's full address
- Transferor's share percentage and manner of holding
- Transferor's date of birth

- Transferor's Australian Company Number (ACN) or Australian Business Number (ABN)
- Transferee's full name
- Transferee's full address
- Transferee's property share percentage and manner of holding
- Transferee's date of birth
- Transferee's ACN or ABN
- Land tax and applicable exemption details
- Purchase duty and applicable exemption details
- Valuation details

It is estimated the total number of records that will be obtained is:

- Rental bond authorities – approximately 1 million records for each year
- Revenue and land title offices – approximately 30 million records for each year

Based on current data holdings it is estimated that records relating to 11.3 million individuals will be matched.

The purpose of this data matching program is to ensure that taxpayers are correctly meeting taxation and other program obligations administered by the ATO in relation to their dealings with real property. These obligations include registration, lodgment, reporting and payment responsibilities.

The objectives are to:

- obtain intelligence about the acquisition and disposal of real property and identify risks and trends of non-compliance across the broader compliance program
- identify a range of compliance activities appropriate to address risks with real property transactions by taxpayers
- work with real property intermediaries to obtain an understanding of the risks and issues, as well as trends of non-compliance
- gain support and input into compliance strategies to minimise future risk to revenue

- promote voluntary compliance and strengthen community confidence in the integrity of the tax system by publicising the outcomes of the data matching program
- ensure compliance with registration, lodgment, correct reporting and payment of taxation and superannuation obligations.

A document describing this program has been prepared in consultation with the Office of the Australian Information Commissioner. A copy of this document is available:

- at [www.ato.gov.au/dmprotocols](http://www.ato.gov.au/dmprotocols)
- by sending an email to [SpecialPurposeDataSteward@ato.gov.au](mailto:SpecialPurposeDataSteward@ato.gov.au) with reference to real property transactions data matching program

The ATO complies with the Office of the Australian Information Commissioner's Guidelines on data matching in Australian government administration (2014) which includes standards for data matching to protect the privacy of individuals. A full copy of the ATO's privacy policy can be accessed at [www.ato.gov.au/privacy](http://www.ato.gov.au/privacy)

*\* published in December 2015, as outlined throughout this amended protocol we are no longer acquiring information from Rental Bond Authorities. We will also provide a copy of this amended program protocol to the Office of the Australian Information Commissioner as required by the Guidelines.*

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## Legal matters

Learn more about:

- Our privacy policy
- [Making a privacy complaint](#)
- [Our lawful role](#)
- [Our legal authority to undertake a data matching program](#)

## Submission to the Information Commissioner

## Varying from the data destruction requirements

The Australian Taxation Office (ATO) is seeking approval for the real property data matching program for the period 20 September 1985 to July 2017 to deviate from one or more of the conditions detailed in Guideline 7 of the Office of the Australian Information Commissioner's *Guidelines on data matching in Australian government administration 2014* (the Guidelines).

We are initially seeking to extend the retention period to seven years from the original five year extension granted by the Australian Information Commissioner in December 2015. We will undertake a review at the seven year anniversary to determine whether the extension should be renewed. The data will continue to be necessary until all properties contained in the data set have been transferred within the mandatory reporting regime. We will conduct a rolling review of the ongoing data requirements at intervals of no longer than seven years.

We consider exemption from the normal data destruction rules in this circumstance is in the public interest (10.1(c) of the Guidelines) as:

- the ATO is responsible for the administration of the CGT regime
- CGT legislation requires the establishment of a cost base to determine an individual's taxation liability upon disposal of real property assets
- The Commonwealth government enacted legislation for mandatory reporting of property transactions to the ATO commencing 1 July 2016, however the historical data captured under this program will be required on an ongoing basis for cost base calculations when a real property asset is disposed of
- individuals may retain real property for many years, at times their whole life, before disposing of it and potentially triggering a capital gains event
- To determine CGT liabilities, real property transfer history dating back to 20 September 1985 (the introduction of the CGT regime) is required until all properties have been reported under the new legislative reporting regime
- This real property transfer data set is static and no future years are to be added. If we deleted the data earlier than requested, it would



necessitate seeking to acquire the same data set again, imposing unnecessary costs on data providers and the ATO

- The real property transfer data enhances our analytics capability and assists individuals to comply with their taxation obligations through prefilling alert services.

The destruction of the historical data would:

- limit the effectiveness of the legislative real property transaction regime
- restrict the ATO's prefilling alert service and our ability to assist individuals to comply with their obligations
- inhibit the ATO's ability to identify those taxpayers who may be subject to administrative action, and
- result in a loss of government revenue.

This program will continue to be subject to an evaluation within three years and every three years after which remains consistent with the requirements of Guideline 9. Every second evaluation cycle will include an assessment of whether the data is no longer required or whether the request to retain the data should be renewed.

We have determined that this variation will not affect the privacy of an individual.

Additional information justifying this variation is included in the tables below:

- Table 1 – Matters considered in accordance with 10.2 of the Office of the Australian Information Commissioner's Guidelines on data matching in Australian government administration (2014)
- Table 2 – Consistency with the requirements of the Office of the Australian Information Commissioner's Guidelines on data matching in Australian government administration (2014).

The Commissioner of Taxation does not request that this advice be kept confidential (Guideline 10.6) and has no concerns with the Office of the Australian Information Commissioner placing the information on its website.

### **Table 1: Matters considered in seeking this variation to the Guidelines**

**Matter considered****Consideration**

10.2.a      The effect of not abiding by the specified requirements of the Guidelines would have on individual privacy

- Retaining data for a period of seven years will not increase the risks to an individual's privacy. We have in place very secure processes for handling and storing data. The data is stored on our secure computer systems where access is strictly controlled and full audit logs maintained
- The ATO and our staff operate under stringent confidentiality and privacy legislation that prohibits the improper access to or disclosure of protected information. These obligations are supported by significant penalties, including imprisonment. This substantially mitigates the risks of breaches of privacy.

10.2.b      The seriousness of the administrative or enforcement action that may flow from the data matching program

- An extension of the retention period will not affect the seriousness of the administrative action that may flow from the match, but will assist in detecting non-compliance or taxation fraud
- Where we propose to take administrative action where a taxpayer may have reported incorrectly, we differentiate between

those that try to do the right thing and those that set out to deliberately avoid their obligations.

Documented procedures, including the Taxpayers' Charter and compliance model are followed to ensure fairness and consistency.

10.2.c

The effect that not abiding by the specified requirements of the Guidelines would have on the fairness of the program – including its effect on people's ability to find out the basis for decisions that affect them and their ability to dispute those decisions

- There will be no effect on the fairness of the program or the ability of taxpayers to find out the basis of decisions that impact them or their ability to dispute those decisions
- Before any administrative action is undertaken, taxpayers will be given at least 28 days to verify the accuracy of the information that has been derived from this data matching program
- Where administrative action is to be undertaken, we will adhere to the principles established in the Taxpayers' Charter and compliance model to ensure an equitable and consistent approach is taken
- If a taxpayer does not agree with an assessment, they maintain the right to dispute the decision. They also have the legal right to appeal against

those decisions through tribunals and the courts.

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| 10.2.d | The effect that not abiding by the specified requirements of the Guidelines would have on the transparency and accountability of government operations | <ul style="list-style-type: none"><li>• There will be no adverse effects on the transparency and accountability of government operations</li><li>• A program protocol is submitted to the Office of the Australian Information Commissioner and we will strictly adhere to the commitments in that document</li><li>• We will publish a notice with general information about the program in the Federal Register of Legislation - Gazettes before administrative action commences. We also make a copy of the program protocol available on our website.</li></ul> |
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| 10.2.e | The effect that not abiding by the specified requirements of the Guidelines would have on compliance of the proposed program with the Australian Privacy Principles in the <i>Privacy Act 1988</i> | <ul style="list-style-type: none"><li>• There will be no effect on compliance with the Australian Privacy Principles contained in Schedule 1 to the <i>Privacy Act 1988</i> due to longer retention of the data. The data is collected solely for the stated objectives established in the data matching program protocol.</li></ul> |
|--------|--|--|

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|--------|---|--|
| 10.2.f | The effect that abiding by all of the requirements of the Guidelines would have | <ul style="list-style-type: none"><li>• The effectiveness of the program would be reduced if the data retention period is not extended</li></ul> |
|--------|---|--|

on the effectiveness of the proposed program

- There would be a significant reduction in our ability to detect incorrect reporting and taxation fraud without assessing trends in the data collected
- The destruction of the data in accordance with the current guidelines would impact the integrity of the taxation system by:
  - limiting our ability to identify taxpayers who may be subject to administrative action
  - resulting in the loss of revenue.

10.2.g Whether complying fully with the Guidelines could jeopardise or endanger the life or physical safety of information providers or could compromise the source of information provided in confidence

- Not abiding by all the requirements of the Guidelines would not influence or affect the personal safety of any individual identified as part of the program or compromise the source of the information provided in confidence.

10.2.h The effect that abiding by all the requirements of the Guidelines would have on public revenue – including tax revenue, personal benefit payments, debts to the Commonwealth and fraud against the Commonwealth

- Not allowing the variation to the data retention period of the current program would cause us to miss potential breaches of taxation laws and subsequent non-payment of tax. This would result in the Commonwealth foregoing taxation revenue

- There are risks to the integrity of taxation system when people fail to comply with their obligations. Abiding by all of the requirements of the guidelines will reduce the effectiveness of the proposed compliance activity. We would miss the opportunity to educate those taxpayers trying to do the right thing, and deter those that are non-compliant from repeating the behaviour
- The effect of abiding by all of the requirements in the guidelines could negatively impact both public revenue and the confidence the public and government have in the ATO as an administrator of the taxation system. People not complying with their taxation obligations, including those operating outside the system, set a bad example to compliant taxpayers and may encourage their non-compliance. Maintaining community and government confidence in the taxation system is critical to our ongoing role.

10.2.i

Whether abiding by all of the requirements of the Guidelines would involve the release of a document that would be an exempt

- Upon receipt of a freedom of information request only information relating to the taxpayer's own affairs will be

	document under the <i>Freedom of Information Act 1982</i>	released to the taxpayer concerned.
10.2.j	Any legal authority for, or any legal obligation that requires, the conduct of the proposed data matching program in a way that is inconsistent with the Guidelines	<ul style="list-style-type: none"> <li>• There is no specific legislative power authorising the conduct of this program inconsistent with the Guidelines</li> <li>• The Commissioner of Taxation, or his authorised representative, has formed the opinion that this data is required to enable us to effectively and efficiently carry out its legislated functions under the general powers of administration contained in: <ul style="list-style-type: none"> <li>– Section 3A of the <i>Taxation Administration Act 1953</i></li> <li>– Section 8 of the <i>Income Tax Assessment Act 1936</i></li> <li>– Section 1-7 of the <i>Income Tax Assessment Act 1997</i></li> <li>– Section 356-5 in Schedule 1 of the <i>Taxation Administration Act 1953</i></li> </ul> </li> <li>• The reasons for proposing to operate outside requirements of the Guidelines are detailed above.</li> </ul>

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## Table 2: Matters considered in seeking this variation to the Guidelines

This section outlines where we are being consistent with the requirements of the Guidelines.

Paragraph/Guideline		Action taken/To be taken
Paragraph 6	Status of the Guidelines	Our commitment to complying with the Guidelines is embedded in our data management policies and principles and clearly stated in the chief executive instruction.
Guideline 1	Application of the Guide	<p>We apply the guidelines for all data matching programs where it is anticipated the program will include records of 5,000 or more individuals.</p> <p>We recognise that programs where there are multiple data sources but with common objectives and algorithms are treated as a single data matching program.</p>
Guideline 2	Deciding to carry out or participate in a data matching program	<p>We conduct a cost-benefit analysis and consider alternate methods prior to proposing to conduct a data matching program.</p> <p>Further, we have rigorous governance arrangements, processes and system controls in place to protect the privacy of individuals.</p>
Guideline 3	Prepare a program protocol	Prior to conducting a data matching program,



we prepare a data matching program protocol, submit this to the Office of the Australian Information Commissioner and make a copy publicly available on the ATO website

When elements of a data matching program change, the protocol is amended, a copy of the amended protocol is provided to the Office of the Australian Information Commissioner and updated on our website

Guideline 4	Prepare a technical standards report	Documentation is prepared and maintained so as to satisfy the requirements of a technical standards report.
Guideline 5	Notify the public	<p>We publish notification of our intention to undertake a data matching program in the Federal Register of Legislation - Gazettes prior to the commencement of the program.</p> <p>This notice will include the following information as required by the Guidelines:</p> <ul style="list-style-type: none"><li>• a brief description of the objectives of the data matching program</li><li>• the matching agency and source entities involved in the data matching program</li><li>• a description of the data contained in the</li></ul>

data set involved in the data matching program

- the categories of individuals about whom personal information is to be matched
- the approximate number of individuals affected
- reference to our privacy policy.

Notification of the program is also published on our website and data providers are advised they can advertise their participation in the data matching program.

Guideline  
6

Notify individuals of proposed administrative action

Prior to taking any administrative action as a result of the data matching programs, individuals and other entities are given at least 28 days to verify the accuracy of the information provided to us by third parties.

Guideline  
7

Destroy information that is no longer required

We are seeking to vary from this requirement.

Guideline  
8

Do not create new registers, datasets or databases

We do not create new registers or databases using data obtained in the course of a data matching program.

Guideline  
9

Regularly evaluate data matching programs

Programs are evaluated within three years of the commencement of the data matching program. These evaluations are provided to the Office of

the Australian Information Commissioner on request.

Guideline 10	Seeking exemptions from Guideline requirements	When we intend to vary from the requirements of the Guidelines, we seek the approval of the Office of the Australian Information Commissioner and provide documentation to support the variance.
Guideline 11	Data matching with entities other than agencies	<p>We undertake our own data matching programs. This function is not outsourced.</p> <p>Where data is obtained from an entity other than an individual, we usually do so using our formal information gathering powers. In these instances the entities are advised they are able to notify their clients of their participation in the data matching program.</p>
Guideline 12	Data matching with exempt agencies	<p>We do not usually undertake data matching with agencies that are exempt from the operations of the <i>Privacy Act 1988</i> under section 7 of that Act and that are subject to the operation of the Guidelines (i.e. any data matching undertaken with an exempt agency would usually be for fewer than 5,000 individuals).</p> <p>In the event a data matching activity would otherwise be subject to these Guidelines except for the exemption status,</p>

		we still adhere to the principles of the Guidelines and prepare a program protocol, seeking to vary from the Guidelines by not publicly notifying of the program and publishing the protocol. We would still lodge a copy of the protocol with the Office of the Australian Information Commissioner.
Guideline 13	Enable review by the Office of the Australian Information Commissioner	We would not prevent the Office of the Australian Information Commissioner from reviewing our data matching activities and processes. These activities and processes have been reviewed by the Australian National Audit Office and Inspector-General of Taxation.

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## More information

### What we will do before we amend a return

The property transfer data matching program is used to identify real property disposals during a financial year that potentially triggers a capital gains tax event. This may be used to:

- prompt taxpayers through our prefilling service by identifying the property disposal that may have triggered a capital gains tax event
- identify cases where taxpayers may have omitted to report income or capital gains from property disposals
- identify taxpayers that may not be meeting other obligations under taxation or other laws administered by the ATO.

Where administrative action is proposed, additional checks will take place to ensure the correct taxpayer has been identified. Where we detect a discrepancy that requires verification we will contact the taxpayer by telephone, letter or email.

Before any administrative action is taken, taxpayers will be provided with the opportunity to verify the accuracy of the information obtained by us. Taxpayers will be given at least 28 days to respond before administrative action is taken.

For example, where discrepancy matching identifies that a taxpayer may not be reporting all of their income, but in fact they are reporting the income under another entity, the taxpayer will be given the opportunity to clarify the situation.

The data may also be used to ensure that taxpayers are complying with their other taxation and superannuation obligations, including registration requirements, lodgment obligations and payment responsibilities.

In cases where taxpayers fail to comply with these obligations, even after being reminded of them, escalation for prosecution action may be instigated in appropriate circumstances.

Where a taxpayer is correctly meeting their obligations, the use of the data will reduce the likelihood of contact from us.

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## **Our on-disclosure provisions**

Division 355 of Schedule 1 to the *Taxation Administration Act 1953* sets out the other government agencies we can disclose taxpayer information to, and the circumstances we are permitted to make those disclosures. These include agencies responsible for:

- state and territory revenue laws
- payments of social welfare and health and safety programs for determining eligibility for certain types of benefits and rebates
- overseeing superannuation funds, corporations and financial market operators to ensure compliance with prudential regulations
- determining entitlement to rehabilitation and compensation payments

- law enforcement activities to assist with specific types of investigations.
- policy analysis, costing and effectiveness measurement.

Each request for information by other agencies will be assessed on its merits and must be for an admissible purpose allowed for by taxation laws. In specific permissible circumstances on-disclosures may include de-identified datasets for statistical analysis.

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## How we undertake data matching

We use sophisticated identity matching techniques to ensure we identify the correct taxpayer when we obtain data from third parties. This technique uses multiple details to obtain an identity match. For example, where a name, address and date of birth are available all items are used in the identity matching process. Very high confidence matches will occur where all fields are matched.

Additional manual processes may be undertaken where high confidence identity matches do not occur, or a decision taken to destroy the data with no further action. Our manual identity matching process involves an ATO officer reviewing and comparing third party data identity elements against ATO information on a one-on-one basis, seeking sufficient common indicators to allow confirmation (or not) of an individual's identity. We commonly call this process manual uplifting.

Data analysts use various models and techniques to detect potential discrepancies, such as under-reported income or over-reported deductions. Higher risk discrepancy matches will be reviewed for compliance activity.

Lower risk discrepancy matches will be further analysed and a decision made to take some form of compliance or educational activity, or to destroy the data.

Destruction of data is conducted in accordance with the timeframes and requirements of the Guidelines and GDA24 or an extension of time is sought from the Information Commissioner.

Where administrative action is proposed, additional checks will take place to ensure the correct taxpayer has been identified. The

taxpayers will be provided with the opportunity to verify the accuracy of the information before any administrative action is taken.

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## How we protect your personal information

Our staff are subject to the strict confidentiality and disclosure provisions contained in Division 355 of Schedule 1 to the *Taxation Administration Act 1953* and include terms of imprisonment in cases of serious contravention of these provisions.

All ATO computer systems are strictly controlled, with features including:

- system access controls and security groupings
- login identification codes and password protection
- full audit trails of data files and system accesses.

We will generally utilise our secure internet-based data transfer facility to obtain the data from source agencies.

Where this is not possible, data providers will be requested to provide the data on a CD, DVD or USB media storage device encrypted to a standard that satisfies Australian government requirements. The media storage device will be password protected, with the password provided under separate cover.

Where media storage device is not collected by an authorised ATO officer, an approved courier service will be used to collect the device. In remote locations not serviced by an approved courier service, the Australia Post 'Express Post Platinum' will be used (this provides both tracking and signature for delivery features).

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## Our quality assurance framework

Quality assurance processes are integrated into our procedures and computer systems and are applied throughout the data matching cycle.

These assurance processes include:

- registering the intention to undertake a data matching program on an internal register

- obtaining approval from the Data Steward and relevant Senior Executive Service (SES) officers prior to any activity being undertaken
- conducting program pilots or obtaining sample data to ensure the data matching program will achieve its objectives prior to full data sets being obtained
- notifying the Office of the Australian Information Commissioner of our intention to undertake the data matching program and request permission to vary from the data matching guidelines (where applicable)
- access to the data is restricted to approved users and access management logs record details of who has accessed the data
- quality assurance processes embedded into compliance activities include:
  - review of risk assessments, taxpayer profiles and case plans by senior officers prior to client contact
  - ongoing reviews of cases by subject matter technical experts at key points during the life cycle of a case
  - regular independent panel reviews of samples of case work to provide assurance of the accuracy and consistency of case work.

These processes ensure data is collected and used in accordance with our data management policies and principles, and complies with the Information Commissioner's data matching guidelines.

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## **Why we undertake data matching**

We have considered a range of alternatives to this data matching program to ensure entities are complying with their taxation and superannuation obligations. Relying only on data already held by the ATO is of limited value for the following reasons:

- the taxation system operates on willing participation so our data is derived from taxpayers that are correctly registered and meeting their lodgment obligations



- we have no other data to cross-reference to ensure taxpayers are reporting their obligations correctly other than by directly contacting every taxpayer.

This data matching program will allow us to identify taxpayers who are not fully complying with their obligations, as well as those that may be operating outside the taxation and superannuation systems. It will also reduce the likelihood of the ATO unnecessarily contacting taxpayers who are complying with their taxation obligations.

Data matching is an effective method of examining records of thousands of taxpayers to ensure compliance with lodgment and reporting obligations that would otherwise be a resource intensive exercise.

Data matching also assists us in effectively promoting voluntary compliance by notifying the public of areas and activities under scrutiny.

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## **Costs and benefits of data matching**

### **Costs**

There are some incidental costs to us in the conduct of this data matching program, but these will be more than offset by the total revenue protected. These costs include:

- data analyst resources to identify potential instances of non-compliance
- compliance resources to manage casework and educational activities
- governance resources to ensure that the Guidelines and *Privacy Act 1988* are complied with, and quality assurance work to ensure the rigour of the work undertaken by analysts and compliance staff
- storage of the data.

### **Benefits**

Benefits from conducting this data matching programs include:

- maintaining community confidence in both the taxation and superannuation systems by creating a level playing field, as well as

maintaining community confidence in the ATO's capacity to fairly administer those systems

- integrity of the taxation and superannuation systems – there are inherent risks in taxpayers not complying with their obligations, including those that deliberately abuse these systems – this program will assist the ATO in detecting, dealing with and deterring those that are not meeting their obligations
- enabling enforcement activity and recovery of taxation revenue – without undertaking this data matching program and subsequent compliance activity there are no assurances that a wider risk to revenue does not exist.

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## Making a privacy complaint

If a taxpayer is not satisfied with how we have collected, held, used or disclosed their personal information, they can make a formal complaint by:

- using the online complaints form at [www.ato.gov.au/complaints](http://www.ato.gov.au/complaints)
- phoning our complaints line on **1800 199 010**
- phoning the National Relay Service on **13 36 77** (if you have a hearing, speech or communication impairment)
- sending us a free fax on **1800 060 063**
- writing to us at:

ATO Complaints

PO Box 1271

ALBURY NSW 2640.

If a taxpayer is not satisfied with the outcome of the privacy complaint, they can contact the Office of the Australian Information Commissioner. More details on the process can be found on the OAIC website at [www.oaic.gov.au/privacy/making-a-privacy-complaint](http://www.oaic.gov.au/privacy/making-a-privacy-complaint)[External Link](#)

For more information and to review our privacy policy visit our website at [www.ato.gov.au/privacy](http://www.ato.gov.au/privacy)

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## Our lawful role

The Commissioner of Taxation has responsibility for ensuring taxpayers meet their taxation and superannuation obligations. Compliance with these obligations is a matter we take seriously and failure to address non-compliant behaviour has the potential to undermine community confidence in the integrity of the taxation and superannuation systems and our capacity to administer those systems.

Our data matching program is one of the strategies used to identify and deal with non-compliant behaviour. Data matching programs also provide a degree of assurance that taxpayers are meeting their obligations.

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## Our legal authority to undertake a data matching program

### Legislation

The data from the state and territory revenue authorities is negotiated, acquired and managed under the terms and references of Memoranda of Understanding between the relevant authorities and the ATO.

Where appropriate, to ensure statutory requirements are met, the data will be obtained under our formal information gathering powers contained in section 353-10 of Schedule 1 to the *Taxation Administration Act 1953*.

This is a coercive power that obligate the data providers to furnish the information requested. We will use the information for taxation and superannuation compliance purposes.

### Privacy Act

Data will only be used within the limits prescribed by Australian Privacy Principle 6 (APP6) contained in Schedule 1 of the *Privacy Act 1988* and in particular:

- APP6.2(b) – the use of the information is required or authorised by an Australian law
- APP6.2(e) – the ATO reasonably believes that the use of the information is reasonably necessary for our enforcement related

activities.

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QC 47402

# Share transactions – 20 September 1985 to 30 June 2018 data matching program protocol (amended)

Share Transactions – 20 September 1985 to 30 June 2018 data matching program protocol.

**Last updated** 29 October 2018

## At a glance

This protocol has been prepared to meet requirements of the Office of the Australian Information Commissioner's *Guidelines on Data Matching in Australian Government Administration* (2014) (the Guidelines).

The share transactions data matching program has been conducted since 2006 to ensure compliance with taxation obligations on the disposal of shares and similar securities. There are taxation implications on the disposal of shares, especially in relation to capital gains tax (CGT).

As taxpayers can hold shares for many years before disposal, the collection of transaction history data dating back to 20 September 1985 (the introduction of the CGT regime) is necessary to enable cost base and capital proceeds calculations. Collecting data back to 1985 does not change our general compliance approach of reviewing share disposals within the standard period of review.

In the 2013–14 Federal Budget, the government announced it would legislate to make the reporting of share transaction data to the ATO mandatory. Legislation was enacted in the *Tax and Superannuation*

*Laws Amendment (2015 Measures No. 5) Bill 2015*, requiring reporting from the Australian Securities and Investments Commission (ASIC) from 1 July 2016. Share registries, brokers and trustees and fund managers were required to report from 1 July 2017.

The legislative reporting regime gathers share transaction information and has done so since its commencement. The regime doesn't gather information retrospectively.

The information acquired under this data matching program will continue to be required until all shares have been transferred within the legislative reporting regime.

This data matching protocol has been **amended** from the original version published in October 2016 to:

- include ASIC as a data provider
- seek an exemption from the Information Commissioner to vary the usual data destruction requirements, now to be reviewed on a rolling basis at intervals of no longer than seven years. Each review will determine whether a new request to extend the exemption is required.

## Program objectives

The purpose of this data matching program is to ensure that taxpayers are correctly meeting their taxation obligations in relation to share transactions. These obligations include registration, lodgment, reporting and payment responsibilities.

## How the data will be used

Sales and purchase data will be obtained from share registry service providers and ASIC, and compared with information included in income tax returns. We will match this data against ATO records and other data we hold to identify taxpayers that may not be meeting their registration, reporting, lodgment and/or payment obligations. The program supports client engagement and voluntary compliance through initiatives such as education and pre-filling information in tax returns.

Learn more about [what we will do before amending a return](#).

## Previous programs

This is an ongoing data matching program that we have conducted since 2006.

Pre-fill and associated digital service messages are made available to approximately 240,000 taxpayers each year to prompt them to include the disposal of shares at the appropriate capital gains tax labels in their income tax returns.

Data has been used for compliance activity however due to the broad use of this data combined with other third party data we hold it is not possible to provide specific shares results.

## Data related matters

### Data matching and user agency

We are the matching agency and, in most cases the sole user of the data obtained during this data-matching program. The data matching program will be conducted on our secure systems in accordance with approved policies and procedures.

In very limited and specific circumstances we may be permitted by law to disclose individual records to other government agencies.

Learn more about [our on-disclosure provisions](#).

### Data providers

Data will be obtained from the following share registries:

- Link Market Services Limited
- Computershare Limited
- Australian Securities Exchange Limited
- Boardroom Pty Ltd
- Advanced Share Registry Services Pty Ltd
- Security Transfer Registrars Pty Ltd
- Automic Registry Services (Automic Pty Ltd).

Data will also be obtained from ASIC.

## Data elements

We will obtain the following information from the share registries listed above for the period 20 September 1985 to 30 June 2018:

- full name
- full address
- holder identity number
- shareholder registry number
- entity name
- entity ASX code
- purchase date and price
- sale date and price
- quantities of shares acquired or disposed of
- corporate actions affecting shareholders (eg corporate reconstructions)
- broker identity
- transaction codes
- entity type
- direction indicator (buy or sell).

ASIC will provide the Australian Market Regulation feed for all products (apart from options and futures) quoted on the Australian Securities Exchange or Chi-X Australia markets to the ATO. We are acquiring this data under legislative reporting from 1 July 2016. This additional data collection goes back to the start of the market surveillance system in July 2014.

We will obtain the following information from ASIC:

- Record Type
- Record Number
- Trade ID
- Transaction Type
- Date

- Time
- Symbol
- Price
- Volume
- Value
- Market Platform ID
- Indicators
- Buy Broker
- Buy Capacity
- Buy Client OOO
- Buy Account ID
- Buy Secondary Account ID
- Buy Intermediary
- Sell Broker
- Sell Capacity
- Sell Client OOO
- Sell Account ID
- Sell Secondary
- Account ID
- Sell Intermediary
- Manual Indicator.

## **Number of records**

It is estimated that the total number of records that will be obtained from share registries will be more than 25 million. The number of unique individuals expected to be involved is around 2.1 million.

Over 500 million records will be obtained from ASIC. We are acquiring data from the start of their market surveillance system in July 2014 for use with the legislative provision of this data from 1 July 2016.



## Data quality

We have worked extensively with data providers and are confident the data will be of high quality as it has been in the past. The data will be supplied in accordance with reporting specifications including record layout, file and data format for each record.

Data will be transformed into a standardised format and validated to ensure that it contains the required data elements prior to loading to our analytical systems.

### Find out about:

- [How we undertake data matching](#)
- [How we protect your personal information](#)
- [Our quality assurance framework](#)
- [Why we undertake data matching](#)
- [The costs and benefits of data matching](#)

## Data retention

The collection of data under this program is expected to occur progressively on a biannual basis during the 2016–17 and 2017–18 financial years.

In June 2018 we asked then acting Information Commissioner to exercise her discretion and allow us to vary from the data destruction requirements contained in the Guidelines. This is further to the exemption sought in October 2016.

We sought to extend the timeframe for retention of this data, with a review on a rolling basis at intervals of no longer than seven years. The retention of this data is required for the protection of public revenue. We had previously sought a single exception of five years.

Destroying the data earlier than requested would put public revenue at risk as we would be limited in our ability to determine capital gains tax liabilities for shares purchased prior to the commencement of the legislative reporting regime (1 July 2016).

See the [Submission to the Information Commissioner](#) setting out the basis for seeking the variation to the data destruction guidelines and its impacts on individual privacy. We destroy information that is no longer required in accordance with the Guidelines and the National

## **Public notification of the program**

To support public notification of our data matching program we have:

- published an original program notice in the Federal Register of Legislation - Gazettes on 26 October 2016
- publishing this amended data matching program protocol on **Data matching protocols**
- advising the data providers they
  - should notify their clients of their participation in this program
  - should update their privacy policies to note that personal information is disclosed to us for data matching purposes.

## **Gazette notice content**

### **Commissioner of Taxation**

#### **Notice of a data matching program – Share transactions - 20 September 1985 to 30 June 2018 (*amended*)**

The Australian Taxation Office (ATO) will continue to acquire details of share transactions. Data will be acquired for the period 20 September 1985 to 30 June 2018 from the following sources:

- Link Market Services Limited
- Computershare Limited
- Australian Securities Exchange Limited
- Boardroom Pty Ltd
- Advanced Share Registry Services Pty Ltd
- Security Transfer Registrars Pty Ltd
- Automic Registry Services (Automic Pty Ltd).
- Australian Securities and Investments Commission (ASIC).

The data items that will be obtained are:

- full name
- full address
- holder identity number
- shareholder registry number
- entity name
- entity ASX code
- purchase date and price
- sale date and price
- quantities of shares acquired or disposed of
- corporate actions affecting shareholders (e.g. corporate reconstructions)
- broker identity
- transaction codes
- entity type
- direction indicator (buy or sell).
- record type
- record number
- trade ID
- transaction Type
- time
- symbol
- volume
- value
- market platform ID
- indicators
- buy broker
- buy capacity

- buy client OOO
- buy account ID
- buy secondary account ID
- buy intermediary
- sell broker
- sell capacity
- sell client OOO
- sell account ID
- sell secondary
- account ID
- sell intermediary
- manual indicator

It is estimated that the number of unique individuals expected to be involved is around 2.1 million.

The objective of this data matching program is to ensure that taxpayers are correctly meeting their taxation obligations in relation to share transactions. These obligations include registration, lodgment, reporting and payment responsibilities.

A document describing this program has been prepared in consultation with the Office of the Australian Information Commissioner. A copy of this document is available at [Data matching protocols](#).

## Legal matters

### Find out about:

- Your privacy
- [Making a privacy complaint](#)
- [Our lawful role](#)
- [Our legal authority to undertake a data matching program](#)

# Submission to the Information Commissioner

## Varying from the data destruction requirements

In correspondence during June 2018 we sought approval for the share transactions 20 September 1985 to 30 June 2018 data matching program to vary from one or more of the conditions detailed in Guideline 10 of the Office of the Australian Information Commissioner's *Guidelines on data matching in Australian government administration* (2014) (the Guidelines).

We sought to extend the retention period to seven years, from the original five year extension request to the Information Commissioner in October 2016. We outlined our intension to undertake a review by the seven year anniversary to determine whether the extension should be renewed. This data will be necessary until all shares contained in the dataset have been transferred within the mandatory reporting regime. We will conduct a rolling review of the ongoing data requirements at intervals of no longer than seven years, where we will seek further exemption from the Information Commissioner should it be required.

We consider that a variation from the usual retention periods for this data matching program is in the public interest (10.1(c) of the Guidelines) as:

- the ATO is responsible for the administration of the capital gains tax regime.
- capital gains tax legislation requires the establishment of a cost base to determine an individual's taxation liability on disposal of shares and other securities in certain circumstances.
- although recently enacted legislation makes reporting of share transaction information mandatory from the commencement date, the historical data captured under this program will be required on an ongoing basis for cost base and capital proceeds calculations.
- individuals may retain shareholdings for many years, at times for their whole life, before disposing of them and potentially triggering a capital gains event.
- destruction of the data earlier than requested would inhibit our ability to identify taxpayers who may be subject to administrative action and therefore result in loss of public revenue.

- it enhances our analytics capability and the ATO's ability to assist individuals to comply with their taxation obligations through prefilling alert services.

Whilst increased data retention periods may increase privacy risks, we have implemented a range of safeguards to appropriately manage and minimise any increased risk.

This program will continue to be subject to an evaluation within three years and every three years after, which remains consistent with the requirements of Guideline 9.

Every second evaluation cycle will include an assessment of whether the data is no longer required and can be destroyed or whether the exemption to retain the data should be renewed.

Additional information justifying this variation is included in the tables below:

- [Table 1](#) – matters considered in accordance with Guideline 10.2 in seeking this variation
- [Table 2](#) – consistency with requirements of the other guidelines issued by the Office of the Australian Information Commissioner.

**Table 1: Matters considered in seeking this variation to the Guidelines**

Matter considered	Consideration
10.2.a      The effect that not abiding by the Guidelines would have on individual privacy	<ul style="list-style-type: none"> <li>• Retaining data for a period of seven years could increase the risks to an individual's privacy. As such, we have in place very secure processes for handling and storing data. Once acquired, all data will be stored on our secure computer systems where access is strictly controlled and full audit logs maintained</li> </ul>

- The ATO and our staff operate under stringent confidentiality and privacy legislation that prohibits the improper access to or disclosure of protected information. These obligations are supported by significant penalties, including imprisonment. This substantially mitigates the risks of breaches of privacy.

10.2.b      The seriousness of the administrative or enforcement action that may flow from a match obtained through the data matching program

- An extension of the retention period will not affect the seriousness of the administrative action that may flow from the match, but will assist in detecting non-compliance or taxation fraud
- Where we propose to take administrative action where a taxpayer may have reported incorrectly, we will differentiate between those that try to do the right thing and those that set out to deliberately avoid their obligations. Documented procedures, including the Taxpayers' Charter and compliance model will be followed to ensure fairness and consistency.

10.2.c      The effect that not abiding by the

- There will be no effect on the fairness of the

Guidelines would have on the fairness of the data matching program — including its effect on the ability of individuals to determine the basis of decisions that affect them, and their ability to dispute those decisions

program or the ability of taxpayers to find out the basis of decisions that impact them or their ability to dispute those decisions

- Before any administrative action is undertaken, taxpayers will be given at least 28 days to verify the accuracy of the information that has been derived from this data matching program
- Where administrative action is to be undertaken, we will adhere to the principles established in the Taxpayers' Charter and compliance model to ensure an equitable and consistent approach is taken
- If a taxpayer does not agree with an assessment, they maintain the right to dispute the decision. They also have the legal right to appeal against those decisions through the courts and tribunals.

10.2.d

The effect that not abiding by the Guidelines would have on the transparency and accountability of agency and government operations

- There will be no adverse effects on the transparency and accountability of government operations
- A program protocol is submitted to the Office of the Australian Information Commissioner and we will strictly adhere to the



commitments in that document

- We will publish a notice with general information about the program in the Federal Register of Legislation - Gazettes before administrative action commences. We will also make a copy of the program protocol available on our website.

10.2.e      The effect that not abiding by the Guidelines would have on compliance of the proposed data matching program with the Australian Privacy Principles in the *Privacy Act 1988*

- There will be no effect on compliance with the Australian Privacy Principles contained in Schedule 1 to the *Privacy Act 1988* due to longer retention of the data. The data is collected solely for the stated objectives established in the data matching program protocol.

10.2.f      The effect that complying with the Guidelines would have on the effectiveness of the proposed data matching program

- The effectiveness of the program would be reduced if the data retention period is not extended
- There would be a significant reduction in our ability to detect incorrect reporting and taxation fraud without assessing trends in the data collected
- The destruction of the data in accordance with the current guidelines would impact the integrity of the taxation system by:

- limiting our ability to identify taxpayers who may be subject to administrative action
- resulting in the loss of revenue

10.2.g Whether complying fully with the Guidelines could jeopardise or endanger the life or physical safety of information providers or could compromise the source of information provided in confidence

- Not abiding by all the requirements of the Guidelines would not influence or affect the personal safety of any individual identified as part of the program or compromise the source of the information provided in confidence.

10.2.h The effect that complying fully with the Guidelines would have on public revenue – including tax revenue, personal benefit payments, debts to the Commonwealth and fraud against the Commonwealth

- Not allowing the variation to the data retention period of the current program would cause us to miss potential breaches of taxation laws and subsequent non-payment of tax. This would result in the Commonwealth foregoing taxation revenue
- There are risks to the integrity of taxation system when people fail to comply with their obligations. Abiding by all of the requirements of the guidelines will reduce the effectiveness of the proposed compliance activity. We would miss the opportunity to educate those

taxpayers trying to do the right thing, and deter those that are non-compliant from repeating the behaviour

- The effect of abiding by all of the requirements in the guidelines could negatively impact both public revenue and the confidence the public and government have in the ATO as an administrator of the taxation system. People not complying with their taxation obligations, including those operating outside the system, set a bad example to compliant taxpayers and may encourage their non-compliance. Maintaining community and government confidence in the taxation system is critical to our ongoing role.

10.2.i Whether complying fully with the Guidelines would involve the release of a document that would be an exempt document under the *Freedom of Information Act 1982*

- Upon receipt of a freedom of information request only information relating to the taxpayer's own affairs will be released to the taxpayer concerned.

10.2.j Any legal authority for, or any legal obligation that requires, the conduct of the proposed data matching program in a way that is inconsistent with the Guidelines.

- There is no specific legislative power authorising the conduct of this program inconsistent with the Guidelines
- The Commissioner of Taxation, or his

authorised representative, has formed the opinion that this data is required to enable us to effectively and efficiently carry out its legislated functions under the general powers of administration contained in:

- Section 3A of the *Taxation Administration Act 1953*
  - Section 8 of the *Income Tax Assessment Act 1936*
  - Section 1-7 of the *Income Tax Assessment Act 1997*
  - Section 356-5 in Schedule 1 of the *Taxation Administration Act 1953*
- The reasons for proposing to operate outside requirements of the Guidelines are detailed above.

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## Table 2: Matters considered in seeking this variation to the Guidelines

This section outlines where we are being consistent with the requirements of the Guidelines.

Paragraph/Guideline		Action taken/To be taken
Paragraph 6	Status of the Guidelines	Our commitment to complying with the Guidelines is embedded in our data management

		policies and principles and clearly stated in the chief executive instruction.
Guideline 1	Application of the Guide	<p>We apply the guidelines for all data matching programs where it is anticipated the program will include records of 5,000 or more individuals.</p> <p>We recognise that programs where there are multiple data sources but with common objectives and algorithms are treated as a single data matching program.</p>
Guideline 2	Deciding to carry out or participate in a data matching program	<p>We conduct a cost-benefit analysis and consider alternate methods prior to proposing to conduct a data matching program.</p> <p>Further, we have rigorous governance arrangements, processes and system controls in place to protect the privacy of individuals.</p>
Guideline 3	Prepare a program protocol	<p>Prior to conducting a data matching program, we prepare a data matching program protocol, submit this to the Office of the Australian Information Commissioner and make a copy publicly available on the ATO website</p> <p>When elements of a data matching program change, the protocol is amended, a copy of the amended protocol is provided to the Office of the Australian Information Commissioner and updated on our website</p>
Guideline 4	Prepare a technical	Documentation is prepared and maintained so as to

	standards report	satisfy the requirements of a technical standards report.
Guideline 5	Notify the public	<p>We publish notification of our intention to undertake a data matching program in the Federal Register of Legislation - Gazettes prior to the commencement of the program.</p> <p>This notice will include the following information as required by the Guidelines:</p> <ul style="list-style-type: none"> <li>• a brief description of the objectives of the data matching program</li> <li>• the matching agency and source entities involved in the data matching program</li> <li>• a description of the data contained in the data set involved in the data matching program</li> <li>• the categories of individuals about whom personal information is to be matched</li> <li>• the approximate number of individuals affected</li> <li>• reference to our privacy policy.</li> </ul> <p>Notification of the program is also published on our website and data providers are advised they can advertise their participation in the data matching program.</p>
Guideline 6	Notify individuals of proposed administrative action	Prior to taking any administrative action as a result of the data matching programs, individuals and other entities are given at least 28 days to verify the

		accuracy of the information provided to us by third parties.
Guideline 7	Destroy information that is no longer required	We are seeking to vary from this requirement.
Guideline 8	Do not create new registers, data sets or databases	We do not create new registers or databases using data obtained in the course of a data matching program.
Guideline 9	Regularly evaluate data matching programs	Programs are evaluated within three years of the commencement of the data matching program. These evaluations are provided to the Office of the Australian Information Commissioner on request.
Guideline 10	Seeking exemptions from Guideline requirements	When we intend to vary from the requirements of the Guidelines, we seek the approval of the Office of the Australian Information Commissioner and provide documentation to support the variance.
Guideline 11	Data matching with entities other than agencies	<p>We undertake our own data matching programs. This function is not outsourced.</p> <p>Where data is obtained from an entity other than an individual, we usually do so using our formal information gathering powers. In these instances the entities are advised they are able to notify their clients of their participation in the data matching program.</p>
Guideline 12	Data matching with exempt agencies	We do not usually undertake data matching with agencies that are exempt

from the operations of the *Privacy Act 1988* under section 7 of that Act and that are subject to the operation of the Guidelines (i.e. any data matching undertaken with an exempt agency would usually be for fewer than 5,00 individuals).

In the event a data matching activity would otherwise be subject to these Guidelines except for the exemption status, we still adhere to the principles of the Guidelines and prepare a program protocol, seeking to vary from the Guidelines by not publicly notifying of the program and publishing the protocol. We would still lodge a copy of the protocol with the Office of the Australian Information Commissioner.

Guideline 13      Enable review by the Office of the Australian Information Commissioner

We would not prevent the Office of the Australian Information Commissioner from reviewing our data matching activities and processes. These activities and processes have been reviewed by the Australian National Audit Office and Inspector-General of Taxation.

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During July 2018 the then acting Information Commissioner approved our request to retain information collected during our data matching program for a period longer than 90 days. On the understanding that the information will not be retained beyond seven years from the receipt of all data files from source entities, unless a further exemption is approved.

## More information



## What we will do before we amend a return

Where we detect a discrepancy that requires verification we will contact the taxpayer by telephone, letter or email.

Before any administrative action is taken, taxpayers will be provided with the opportunity to verify the accuracy of the information obtained by us. Taxpayers will be given at least 28 days to respond before administrative action is taken.

For example, where discrepancy matching identifies that a taxpayer is not reporting all of their income, but in fact they are reporting the income under another entity, the taxpayer will be given the opportunity to clarify the situation.

The data may also be used to ensure that taxpayers are complying with their other taxation and superannuation obligations, including registration requirements, lodgment obligations and payment responsibilities.

In cases where taxpayers fail to comply with these obligations, even after being reminded of them, escalation for prosecution action may be instigated in appropriate circumstances.

Where a taxpayer is correctly meeting their obligations, the use of the data will reduce the likelihood of contact from us.

## Our on-disclosure provisions

Division 355 of Schedule 1 to the *Taxation Administration Act 1953* sets out the other government agencies we can disclose taxpayer information to, and the circumstances we are permitted to make those disclosures. These include agencies responsible for:

- state and territory revenue laws
- payments of social welfare and health and safety programs for determining eligibility for certain types of benefits and rebates
- overseeing superannuation funds, corporations and financial market operators to ensure compliance with prudential regulations
- determining entitlement to rehabilitation and compensation payments
- law enforcement activities to assist with specific types of investigations

- policy analysis, costing and effectiveness measurement.

Each request for information by other agencies will be assessed on its merits and must be for an admissible purpose allowed for by taxation laws. In specific permissible circumstances on-disclosures may include de-identified datasets for statistical analysis.

## **How we undertake data matching**

We use sophisticated identity matching techniques to ensure we identify the correct taxpayer when we obtain data from third parties. This technique uses multiple details to obtain an identity match. For example, where a name, address and date of birth are available, all items are used in the identity matching process. Very high confidence matches will occur where all fields are matched.

Additional manual processes may be undertaken where high confidence identity matches do not occur, or a decision taken to destroy the data with no further action. Our manual identity matching process involves an ATO officer reviewing and comparing third party data identity elements against ATO information on a one-on-one basis, seeking sufficient common indicators to allow confirmation (or not) of an individual's identity. We commonly call this process manual uplifting.

Where administrative action is proposed, additional checks will take place to ensure the correct taxpayer has been identified. The taxpayers will be provided with the opportunity to verify the accuracy of the information before any administrative action is taken.

Data analysts use various models and techniques to detect potential discrepancies, such as under-reported income or over-reported deductions. Higher risk discrepancy matches will be loaded to our case management system and allocated to compliance officers for actioning.

Lower risk discrepancy matches will be further analysed and a decision made to take some form of compliance or educational activity, or to destroy the data.

Destruction of data is conducted in accordance with the timeframes and requirements of the Guidelines and the General Disposal Authority 24 (GDA24) or an extension of time is sought from the Information Commissioner.

## How we protect your personal information

Our staff are subject to the strict confidentiality and disclosure provisions contained in Division 355 of Schedule 1 to the *Taxation Administration Act 1953* and include terms of imprisonment in cases of serious contravention of these provisions.

All ATO computer systems are strictly controlled, with features including:

- system access controls and security groupings
- login identification codes and password protection
- full audit trails of data files and system accesses.

We will utilise our secure internet-based data transfer facility to convey the data from source agencies.

## Our quality assurance framework

Quality assurance processes are integrated into our procedures and computer systems and are applied throughout the data matching cycle.

These assurance processes include:

- registering the intention to undertake a data matching program on an internal register
- obtaining approval from the data matching gatekeeper and relevant Senior Executive Service (SES) officers prior to any activity being undertaken
- conducting program pilots or obtaining sample data to ensure the data matching program will achieve its objectives prior to full data sets being acquired
- notifying the Office of the Australian Information Commissioner of our intention to undertake the data matching program and requesting permission to vary from the data matching guidelines (where applicable)
- access to the data is restricted to approved users and access management logs record details of who has accessed the data
- quality assurance processes embedded into compliance activities include:

- review of risk assessments, taxpayer profiles and case plans by senior officers prior to client contact
- ongoing reviews of cases by subject matter technical experts at key points during the life cycle of a case
- regular independent panel reviews of samples of case work to provide assurance of the accuracy and consistency of case work.

These processes ensure data is collected and used in accordance with our data management policies and principles, and complies with the Information Commissioner's data matching guidelines.

## **Why we undertake data matching**

We have considered a range of alternatives to this data matching program to ensure entities are complying with their taxation and superannuation obligations. Relying only on data already held by the ATO is of limited value for the following reasons:

- the taxation system operates on willing participation so our data is derived from taxpayers that are correctly registered and meeting their lodgment obligations
- we have no other data to cross-reference to ensure taxpayers are reporting their obligations correctly other than by directly contacting every taxpayer.

This data matching program will allow us to identify taxpayers who are not fully complying with their obligations, as well as those that may be operating outside the taxation and superannuation systems. It will also reduce the likelihood of the ATO unnecessarily contacting taxpayers who are complying with their taxation obligations.

Data matching is an effective method of examining records of thousands of taxpayers to ensure compliance with lodgment and reporting obligations that would otherwise be a resource-intensive exercise.

Data matching also assists us in effectively promoting voluntary compliance by notifying the public of areas and activities under scrutiny.

## **Costs and benefits of data matching**

## Costs

There are some incidental costs to us in the conduct of this data matching program, but these will be more than offset by the total revenue protected. These costs include:

- data analyst resources to identify potential instances of non-compliance
- compliance resources to manage casework and educational activities
- governance resources to ensure that the Guidelines and the *Privacy Act 1988* are complied with, and quality assurance work to ensure the rigour of the work undertaken by analysts and compliance staff
- storage of the data.

## Benefits

Benefits from conducting this data matching program include:

- maintaining community confidence in both the taxation and superannuation systems by creating a level playing field, as well as maintaining community confidence in the ATO's capacity to fairly administer those systems
- maintaining integrity of the taxation and superannuation systems – there are inherent risks in taxpayers not complying with their obligations, including those that deliberately abuse these systems – this program will assist the ATO in detecting, dealing with and deterring those that are not meeting their obligations
- enabling enforcement activity and recovery of taxation revenue – without undertaking this data matching program and subsequent compliance activity, there are no assurances that a wider risk to revenue does not exist.

## Making a privacy complaint

If a taxpayer is not satisfied with how we have collected, held, used or disclosed their personal information, they can make a formal complaint by:

- using the online **Complaints** form
- phoning our complaints line on **1800 199 010**

- phoning the National Relay Service on **13 36 77** (if you have a hearing, speech or communication impairment)
- sending us a free fax on **1800 060 063**
- writing to us at:  
**ATO Complaints**  
**PO Box 1271**  
**ALBURY NSW 2640**

If a taxpayer is not satisfied with the outcome of the privacy complaint, they can contact the Office of the Australian Information Commissioner.

**See also:**

- [How do I make a privacy complaint](#)  – details on the complaint process
- Privacy

## **Our lawful role**

The Commissioner of Taxation has responsibility for ensuring taxpayers meet their taxation and superannuation obligations. Compliance with these obligations is a matter we take seriously and failure to address non-compliant behaviour has the potential to undermine community confidence in the integrity of the taxation and superannuation systems and our capacity to administer those systems.

Our data matching program is one of the strategies used to identify and deal with non-compliant behaviour. Data matching programs also provide a degree of assurance that taxpayers are meeting their obligations.

## **Our legal authority to undertake a data matching program**

### **ATO legislation**

The data will be obtained under our formal information gathering powers contained in section 353-10 of Schedule 1 to the *Taxation Administration Act 1953*.

This is a coercive power that obligates the data providers to give the information requested. We will use the information for taxation and superannuation compliance purposes.

## **Privacy Act**

Data will only be used within the limits prescribed by Australian Privacy Principle 6 (APP6) contained in Schedule 1 of the *Privacy Act 1988* and in particular:

- APP6.2(b) – the use of the information is required or authorised by an Australian law
- APP6.2(e) – the ATO reasonably believes that the use of the information is reasonably necessary for our enforcement-related activities.

QC 50393

## **Our commitment to you**

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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