

15 September 2011

Australian Information Commissioner
GPO Box 5218
SYDNEY NSW

CC: Office of the Hon Bill Shorten MP, Minister for Financial Services and Superannuation

Dear Commissioner

Re: Review of the Tax File Number (TFN) Guidelines

I am writing to you in response to your review of the TFN guidelines.

The Financial Services Council (FSC) represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers and financial advisory networks. The FSC has over 130 members who are responsible for investing \$1.8 trillion on behalf of more than 11 million Australians.

We note this review is intended to maintain the existing policy intent of the TFN guidelines to protect individuals' privacy by restricting the use, and ensuring careful handling, of TFNs.

However, we also note that the scope of the review does include updating definitions so that they are consistent with relevant legislation and flexible enough to capture new legislation relating to the handling of TFNs.

The purpose of this submission is to outline our concern that the TFN guidelines remain reasonably narrow and inflexible, which may undermine the objectives that are being sought through the Government's Stronger Super reforms. In particular, they may undermine the SuperStream element of the reforms which is designed to improve the efficiency of the superannuation system and reduce the number of lost accounts.

Guideline 6, for example, draws reference to the storage, security and destruction of TFN information. Given the proposed usage of TFNs as an identifier for superannuation purposes, it is likely that the TFN will be on a significantly higher number of documents than is currently the case.

It may therefore not be reasonable to require destruction or permanent de-identification of the TFN, so long as it is securely stored. The requirement to destroy or de-identify TFN information may mean that the recent legislative amendments, to allow for the use of TFNs as an identifier for superannuation purposes, are frustrated in their intent to achieve superannuation account consolidation.

This may occur as superannuation funds will no longer have the TFN information where they have followed the destruction guidelines.

We would recommend that the guidelines in relation to the destruction and permanent de-identification of TFN information be amended so that the requirement is to securely store the information (not destroy or de-identify it).

Where reference is made in the *Superannuation Industry (Supervision) Act 1993* to destruction of the TFN, this should also be amended in a consistent manner.

I can be contacted on 02 9299 3022 should you wish to discuss this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Bragg', with a stylized flourish at the end.

ANDREW BRAGG
Senior Policy Manager