



Gazette notice: Commissioner of Taxation – Notice of a novated leases data-matching program 23 February 2024

The Australian Taxation Office (ATO) will acquire novated lease data from McMillan Shakespeare Group, Smartgroup Corporation, SG Fleet Group, Eclipx Group, LeasePlan, Toyota Fleet Management, LeasePLUS and Orix Australia for 2023–24 through to 2025–26.

The data items include:

- lessee/employee identification details (unique identifier of the lessee, name of the lessee, addresses of the lessee [residential and postal], date of birth of the lessee, all contact telephone numbers [for example: fixed line, mobile] for the lessee, email addresses of the lessee)
- employer identification details (unique identifier of the employer, name [trading name and legal name] of the employer, ABN of the employer, addresses [business and postal] of the employer, contact name for the employer, contact telephone numbers [for example: fixed line, mobile] for the employer, email addresses of the employer)
- lease transaction details (unique identifier for the lease transaction, lease start date, lease end date, lease expected end date, lease termination date, number plate of the vehicle, type of vehicle [new or used], category of vehicle [sedan, wagon, utility etc], lease price per month including GST, items packaged with the vehicle lease, expenses packaged with the vehicle lease [for example: fuel, servicing], bank account name for the lessee, bank account number for the lessee, bank account BSB for the lessee.

We estimate that records relating to approximately 240,000 individuals will be obtained each financial year.

Novated leases data may be used to initiate nudge messaging to taxpayers and tax professionals through online services at, or before the time of lodgment.

This messaging will appear for taxpayers identified in the prior financial year and it will inform the taxpayer that motor vehicle expenses under a novated lease arrangement are not tax-deductible.

The nudge messaging will be available for:

- tax professionals through messaging in
 - Online services for agents
 - Practitioner Lodgment Service (PLS) through Standard Business Reporting (SBR) enabled software
- individual self-preparers through myTax, specifically
 - label **D1** – work related car expenses (prompts the taxpayer through online messaging when completing a return)

- label **D2** – work related travel expenses (prompts the taxpayer through online messaging when completing a return).

The objectives of the novated leases data-matching program are to:

- promote voluntary compliance and increase community confidence in the integrity of the tax and super systems
- help ensure that individuals and businesses are fulfilling their tax and super obligations
- help ensure that individuals are correctly reporting motor vehicle deductions within their income tax returns
- identify and educate those individuals and businesses who may be failing to meet their lodgment obligations
- gain insights to help develop and implement strategies to improve voluntary compliance - this may include educational, behavioural or compliance activities for individuals and businesses with novated lease arrangements.

A document describing this program is available at ato.gov.au/dmprotocols.

This program follows the Office of the Australian Information Commissioner's *Guidelines on data matching in Australian Government administration* (2014) (the guidelines). The guidelines include standards for the use of data matching as an administrative tool in a way that:

- complies with the Australian Privacy Principles (APPs) and the *Privacy Act 1988* (Privacy Act)
- is consistent with good privacy practice.

A full copy of the ATO's privacy policy can be accessed at ato.gov.au/privacy.