

## Voluntary codes on tax disclosure just won't work

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The [Australian has reported that](#):

*BHP Billiton's chief financial officer Peter Beaven has thrown his support behind proposals for a voluntary code for reporting of tax information.*

*Mr Beaven declared the planned move could "greatly assist" in "building the community's confidence in the integrity of the tax system".*

*"We support the development of a voluntary tax transparency code in Australia for corporates," Mr Beaven told The Australian.*

He said that BHP's report on its economic contribution and payments to governments for the 2016 financial year would comply with recent recommendations of the government's main adviser on tax policy for a voluntary code.

I have to say that this is just nonsense. A voluntary code defeats all the essential requirements of good accounting information. These are that the data supplied be relevant, reliable, consistent, comparable, comprehensive and comprehensible. Leave decisions on what to disclose to companies and they will, inevitably, choose what suits their purpose, in a format of their convenience, that discloses as little as possible to competitors and that may be subject to whimsical change as circumstances suit. That reduces the data from disclosure to PR and that is the last thing that is needed to restore trust in business on tax or any other issue.

What is needed are [Tax Reporting Standards](#). *It is time that work was under way on them.*