

(Minister/Member in Charge Shown in Parenthesis)  
Finance (No. 4) (Hon. Maurice McTigue)

Referred to Select Committee  
Government Administration

## Summary of Bills Introduced

### *Privacy of Information*

This Bill sets down a number of information privacy principles. These principles relate to the collection, use, and disclosure of, and access to, personal information (i.e., information about an identifiable individual) that is held by public or private sector agencies. In general, these principles do not create legal rights enforceable in a Court.

The Bill provides for the appointment of a Privacy Commissioner. The Commissioner, in conjunction with the Equal Opportunities Tribunal (re-named the Human Rights Tribunal), provides an enforcement mechanism for the information privacy principles.

The Privacy Commissioner would also have a more general role in relation to the protection of individual privacy. In this regard, the Commissioner takes over the general watchdog role that the Human Rights Commission currently performs under Part V of the Human Rights Commission Act 1977. The Privacy Commissioner's role includes the promotion of the information privacy principles, inquiring into enactments, laws, practices, and procedures that may infringe individual privacy, the monitoring of technological developments as they relate to individual privacy, and providing assistance and advice to agencies in relation to their obligations under the Bill.

*Parts IV and V* of the Bill relate to the information privacy principles that confer entitlements to access to personal information. They set out the grounds on which such access may be refused, and prescribe the procedures that agencies must follow in dealing with requests for such access. The provisions are modelled on Parts II and IV of the Official Information Act 1982.

*Part VI* provides for exemptions from the information privacy principles.

*Part VII* sets out the procedures for dealing with possible cases of interference with the privacy of individuals. The initial investigation is carried out by the Privacy Commissioner, either on a complaint or on his or her own initiative. After investigation, the Commissioner is to attempt to secure a settlement of the matter and obtain an assurance against repetition of the interference. If that fails, proceedings may be taken before the Human Rights Tribunal against the person alleged to have interfered with an individual's privacy. The Tribunal will have power to grant a number of remedies, including an award of damages.

*Part VIII* sets out the powers of the Commissioner in carrying out an investigation under *Part VII* of the Bill.

*Part IX* contains provisions relating to information matching. Information matching consists of the comparison of one set of personal information with another set of personal information.

The provisions of *Part IX* provide for the approval, by the Privacy Commissioner, of information matching programmes that would otherwise be a breach of the information privacy principles, or are prohibited by statute. *Part IX* also lays down certain requirements that will apply to information matching programmes (whether approved by the Privacy Commissioner or authorised by statute), except for programmes that are already authorised by statute.

*Part X* relates to unique identifiers. These are identification numbers or other identifiers that are assigned to an individual by an agency in order to identify the individual in dealings with the agency.

*Part X* provides for the making of regulations regulating the creation and use of unique identifiers. Such regulations may prescribe the procedures to be used by agencies in assigning unique identifiers to individuals, and may impose restrictions on their use.

*Part XI* makes special provision for certain law enforcement information. That Part incorporates, in a modified form, the Schedule to the Wanganui Computer Centre Act 1976 (which is repealed by the Bill). The purpose of *Part XI* is to authorise access by certain Government departments and local authorities to law enforcement information stored by certain Government departments on the Wanganui Computer.

*Part XII* contains various miscellaneous provisions relating to the operation of *Parts II to VIII* of the Bill. It also provides for the repeal of certain enactments, including the Wanganui Computer Centre Act 1976, and various provisions of the Area Health Boards Act 1983, the Health Act 1956, and the Hospitals Act 1957.

*Part XIII* contains a number of amendments to various enactments. These amendments fall into two categories—

- (a) Amendments that are consequential on the provisions of the Bill;
- (b) Amendments that authorise the exchange of information between Government agencies for the purposes of preventing and detecting fraud and abuse of the social welfare system.

### *Income Tax Amendment (No. 6)*

This Bill amends the Income Tax Act 1976 in a number of respects.

The main areas of amendment are as follows:

- (a) A number of changes are made in the definition of the term "dividends" and related definitions in *sections 3 to 4B* of the Act, with numerous consequential and related amendments throughout the Bill. These changes largely follow the recommendations of the Valabh Committee.
- (b) The continuity and commonality of shareholding provisions in the Act (*sections 188 and 191*) that relate to the ability of companies to carry forward losses and set off losses between group members are repealed and replaced with new provisions that (i) are based on a standard continuity percentage of 66 percent, and (ii) now require 66 percent commonality of interest throughout an income year before the company loss offset provisions can be utilised.

The standard continuity percentage of 66 percent is also applied to the shareholding continuity requirements relating to imputation credit accounts and other accounts in *sections 394E (1) (g), 394Zw (1) (f), and 394Zp (3) (d)* of the Act.

- (c) New *Part XIII A* introduces the qualifying company regime recommended by the Valabh Committee in relation to closely-held companies. Under the regime, companies with (generally) 5 shareholders or less who meet the election and other