

December 2017

TaxTalk Monthly

Keeping you up to date on the latest Australian and international tax developments



Corporate Tax Update

ATO guidance on when a company carries on a business for tax rate purposes

The Australian Taxation Office (ATO) has commented on its [website](#) that it is proposing to amend Draft Taxation Ruling [TR 2017/D7](#). TR 2017/D7 provides guidance on when a company carries on a business within the meaning of section 23AA of the *Income Tax Rates Act 1986 (Cth)* (ITR 1986) so that it applies more broadly in relation to section 23 of the ITR 1986 and section 328-110 of the *Income Tax Assessment Act 1997 (Cth)* which deals with the concept of a 'small business entity'. The ATO has also indicated that the reasoning expressed in TR 2017/D7 is equally applicable to determining whether a company is a small business entity within the meaning of those provisions for the 2015-16 and 2016-17 income years, and therefore the applicable tax rate that applies to it in those income years.

Comments were due on the draft ruling by 1 December 2017.

International Trends in Company Tax and Collective Investment Vehicles

Treasury has published a [working paper](#) which aims to provide a cross-country comparison on company tax rates, company tax collections, thin capitalisation rules and collective investment vehicles (CIVs). The paper contains the following key findings:

- There is a global trend to cut statutory company tax rates. In the last decade, most countries have sought to cut the statutory company tax rate in an effort to attract foreign capital. This trend is likely to continue with the United Kingdom's corporate tax rate scheduled to fall further, to 17 per cent, by 2020.
- Governments are encouraging the broader use of CIVs to attract a greater share of economic activity to their country and attract foreign private sector investment.
- The majority of countries selected in the study have thin capitalisation rules as an anti-avoidance measure to limit the level of interest deductions available to multinationals to reduce their overall tax liability. There is an expectation that countries will continue to expand their thin capitalisation rules to address profit shifting.

Government continues to focus on company tax rate cuts

In a [speech](#) at the Business Council of Australia's annual dinner, the Prime Minister reiterated the Government's intention to pursue the reduced company tax rate for all companies, stating that "*If we don't reduce our corporate rate to 25 per cent as planned over the coming decade, the only advanced nations that will exceed Australia's tax rate are Japan and Malta.*"

In a [speech](#) to the Committee for Economic Development of Australia (CEDA), the Federal Treasurer also cited Treasury modelling which demonstrated that tax cuts for all companies will deliver a boost to before-tax real wages of up to 1.2 per cent.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

Tom Seymour, Managing Partner
+61 (7) 3257 8623
tom.seymour@pwc.com

Alistair Hutson, Adelaide
+61 (8) 8218 7467
alistair.hutson@pwc.com

Jason Karametos, Melbourne
+61 (3) 8603 6233
jason.karametos@pwc.com

Richard Gregg, Brisbane
+61 (7) 3257 5117
richard.gregg@pwc.com

Warren Dick, Sydney
+61 (2) 8266 2935
warren.dick@pwc.com

David Ireland, Sydney
+61 (2) 8266 2883
david.ireland@pwc.com

Kirsten Arblaster, Melbourne
+61 (3) 8603 6120
kirsten.arblaster@pwc.com

Murray Evans, Newcastle
+61 (2) 4925 1139
murray.evans@pwc.com

Julian Myers, Brisbane
+61 (7) 3257 8722
julian.myers@pwc.com

Rob Bentley, Perth
+61 (8) 9238 5202
robert.k.bentley@pwc.com

Employment Taxes Update

Payroll tax grouping for discretionary trusts (NSW)

The High Court in *Smeaton Grange Holdings Pty Ltd ATF Smeaton Trust & Ors v Chief Commissioner of State Revenue [2017] HCASL 309* has refused the taxpayer's application for special leave on the basis that it considers the decision of the Supreme Court of NSW (Court of Appeal) was 'clearly correct'. The Court of Appeal held that the existence and composition of the relevant payroll tax group was to be made by reference to the legal relationships that existed at the time the liability to payroll tax arose, and the disclaimer of a beneficiary's right as a trust object could not retrospectively alter the joint and several liability of the group members at that time.

For a detailed analysis of the case, refer to the September 2017 edition of [TaxTalk monthly](#).

Senate Economics Legislation Committee report on proposed Superannuation changes

The Senate Economics Legislation Committee (the Committee) tabled its [report](#) on *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No 2) Bill 2017*, which proposes amendments regarding choice of funds and the integrity of salary sacrifice arrangements. The Committee recommended that the Bill be passed, with additional comments from Labor senators recommending amendments to the Bill to ensure there are no impediments to collective bargaining and sufficient safeguards exist when workers exercise choice of fund. This Bill has been passed by the House of Representatives and is now before the Senate.

State tax developments (SA)

The South Australian (SA) Treasurer [announced](#) during the month that the SA Government will deliver payroll tax relief of almost AUD10,000 for eligible small businesses as one of the measures contained within a revised Bill relating to the Foreign Investor Surcharge. The Treasurer has asked the Commissioner of State Taxation to find a way to deliver the tax relief for businesses with payrolls between AUD600,000 and AUD1.5 million via administrative rather than legislative means. Further details are expected to follow shortly.

State tax developments (VIC)

The *State Taxation Acts Further Amendment Bill 2017* has passed the Victorian Legislative Assembly. Amongst other things, the Bill proposes to amend the *Payroll Tax Act 2007 (VIC)* to extend the exemption for wages paid to new entrants to 'for profit' organisations declared to be an approved group training organisation.

Board of Taxation report on definitions in State and Federal tax law

The Board of Taxation (the Board) has published its recent report on [differences in core definitions and concepts between state, territory and federal tax](#). Broadly, the common areas of 'inconsistencies in core definitions and concepts' emerging from consultations were (in order of priority):

- payroll tax concepts;
- definition of employee;
- 'indirect interests in land' (commonly referred to as 'land rich rules'); and
- the meaning of 'employee' for the purposes of the PAYG withholding and superannuation guarantee.

As a result of identifying a number of inconsistencies in definitions and concepts, the Board recommended circulating the report to the relevant state and territory agencies responsible for tax policy for further consideration.

ATO advice under development

The Australian Taxation Office (ATO) is currently working on a new Practical Compliance Guideline which will outline the ATO's compliance approach to determining whether private use of certain vehicles is 'minor, infrequent and irregular' for Fringe Benefits Tax (FBT) purposes. It is expected that this will be released in the coming months.

Single Touch Payroll live stream

On 16 November 2017, the ATO hosted a Single Touch Payroll Employer Engagement Forum (live-streamed event) for employers to help them better understand Single Touch Payroll. A recording of the event is available via the [ATO website](#).

PwC submission on taxi travel FBT exemption

PwC has lodged a submission with the ATO on its Technical Discussion Paper [TDP 2017/2 : Definition of taxi for FBT purposes](#). Expanding the definition of 'taxi' for FBT purposes will produce a practical outcome for modern day travel within an employment context, and support the broadening of the definition of 'taxi' to include ridesourcing services and other similar vehicles for hire. The ATO is currently considering the submissions that have

been made by taxpayers, tax professionals and industry bodies.

ATO updates reasonable travel and overtime meal allowance expense amounts

The ATO has issued an [addendum](#) to Taxation Determination [TD 2017/19](#), which deals with reasonable travel and overtime meal allowance expense amounts for 2017-18. The amended determination provides separate reasonable travel allowance expense amounts for breakfast, lunch and dinner for employee truck drivers for the 2017-18 year (following detailed consultation with the transport industry). For the 2017-18 income year, the reasonable amounts for domestic travel meal expenses for employee truck drivers are: breakfast - AUD24.25, lunch - AUD27.65 and dinner - AUD47.40.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

Greg Kent, Melbourne
+61 (3) 8603 3149
greg.kent@pwc.com

Katie Lin, Sydney
+61 (2) 8266 1186
katie.f.lin@pwc.com

Paula Shannon, Brisbane
+61 (7) 3257 5751
paula.shannon@pwc.com

Stephen Baker-Smith, Melbourne
+61 (3) 8603 0045
stephen.baker-smith@pwc.com

Stephanie Males, Canberra
+61 (2) 6271 3414
stephanie.males@pwc.com

Penelope Harris, Perth
+61 (8) 9238 3138
Penelope.harris@pwc.com

Rohan Geddes, Sydney
+61 (2) 8266 7261
rohan.geddes@pwc.com

Maria Ravese, Adelaide
+61 (8) 8218 7494
maria.a.ravese@pwc.com

Global Tax Update

Latest news from international tax and transfer pricing

Draft law on hybrid mismatches

On 24 November 2017, the Government released [exposure draft law](#) that proposes the legislative framework to implement the Organisation for Economic Co-operation and Development (OECD) hybrid mismatch rules. The rules are aimed at eliminating double non-taxation benefits from hybrid mismatch arrangements which exploit differences in the tax treatment of an entity or instrument under the laws of two or more tax jurisdictions. Refer to our [TaxTalk Alert: Draft law](#)

[on Australia's hybrid mismatch rules](#) for further information.

The commencement date of the proposed law is subject to the legislative process and will broadly apply to payments made on or after the day that is six months after the day that the relevant Bill receives Royal Assent, subject to limited transitional rules for regulatory capital.

Comments can be made on the exposure draft law until Friday, 22 December 2017.

ATO amends CbC reporting guidance

The Australian Taxation Office (ATO) has issued an [addendum](#) to its Law Companion Guideline [LCG 2015/3](#) which deals with the requirements for Country by Country (CbC) reporting to remove paragraphs that are incorrect and, where appropriate, replace them with correct information. In particular the ATO has omitted a paragraph which had stated an intention that the ATO would not apply the CbC reporting provisions to significant global entities that are exempt from income tax, i.e. Commonwealth or State entities of the type covered by Division 50 of the *Income Tax Assessment Act 1997 (Cth)*.

ATO clarifies impact of the MAAL

The ATO has also [released](#) a statement on commentary which misrepresented the ATO's evidence given at Senate Estimates in relation to the Multinational Anti-Avoidance Legislation (MAAL). The ATO has confirmed that the MAAL is effective in bringing multinational taxpayers to the table and that the ATO has raised over AUD4 billion in total assessments against large public groups and multinationals in the last financial year alone, with almost AUD2.9 billion raised from just seven very large multinational companies. In addition, since 1 July 2016, the ATO has [stated](#) that its compliance action has resulted in AUD1.5 billion collected from large multinationals.

ATO statement regarding the 'Paradise Papers'

In relation to the International Consortium of Investigative Journalist's 'Paradise Papers' investigation, the ATO has indicated that it has [commenced analysis](#) of intelligence received to identify possible Australian links, and is working closely with other domestic agencies and tax administrations in other jurisdictions. The ATO has also encouraged those who believe they may have undeclared offshore income to contact the ATO and come forward by making a voluntary disclosure.

New Zealand election results from a tax perspective

The newly elected New Zealand Labour-led Government has stated that it is committed to a progressive tax system where taxpayers contribute to society equitably, according to their means. PwC New Zealand's [Tax Tips](#) publication discusses the key tax focus areas for the new Government, and the

steps proposed to address them. The publication also discusses the key tax-related policies that are expected to be introduced as part of the Government's 100-day plan, which relate to the Families Package, housing, and the establishment of a Tax Working Group.

UK Autumn Budget 2017

On 22 November 2017, the United Kingdom (UK) Chancellor delivered the [Autumn Budget 2017](#), which includes the following key business tax outcomes:

- The UK Government will amend the Substantial Shareholding Exemption legislation and the Share Reconstruction rules to avoid unintended chargeable gains being triggered where a UK company incorporates foreign branch assets in exchange for shares in an overseas company.
- Some aspects of the corporation tax rules which apply to arrangements involving hybrid structures and instruments will be amended to clarify how and when the rules apply, and to ensure that the rules operate as intended.
- Effective from April 2019, withholding tax obligations will be extended to royalty payments, and payments for certain other rights, made to low or no tax jurisdictions in connection with sales to UK customers.
- All gains on non-resident disposals of UK property will be brought within the scope of UK tax applicable to gains accrued on or after April 2019. Targeted exemptions will be introduced for institutional investors such as pension funds. A [consultation document](#) has been released on this proposal.
- From 22 November 2017, a restriction has been introduced to limit the amount of credit allowed or deduction given for foreign tax incurred by an overseas branch of a company, where losses of the branch have been offset against income other than those of the branch in the foreign jurisdiction.
- A [Her Majesty's \(HM\) Treasury position paper](#) sets out the challenges posed by the digital economy for the international corporate tax framework.

For further insights and analysis, refer to [PwC UK's Autumn Budget 2017 website](#), which discusses the key outcomes for business tax, property tax, personal tax, indirect tax and avoidance and evasion provisions.

Status update on US tax reform

Work is fast progressing on comprehensive tax reform in the United States (US) since the Trump Administration, the House Ways and Means Committee, and the Senate Finance Committee jointly released a tax reform 'framework' document in late September 2017 (see the '[Unified Framework for fixing our broken tax code](#)' and [one-page overview](#) publications). The 'framework' document outlines the key proposed changes to corporate, individual and international tax rules supported by the Trump Administration and Congressional Republicans (for further information, see PwC Global's [Tax Insights](#)).

Since the release of the framework, the US House of Representatives has now passed the '*Tax Cuts and Jobs Act*' without any additional amendments to the version previously reported by the Ways and Means Committee (see PwC Global's [Tax Insights](#) for further detail). In addition, the Senate Finance Committee has also approved a Senate version of tax reform legislation (see PwC Global's [Tax Insights](#) for further information). Once the Senate has approved its tax reform bill, the two chambers must reconcile differences between the two bills and then vote to pass a final bill, in identical form, before tax reform legislation can be signed into law by President Trump.

For the latest developments in relation to the US tax reform, see PwC Global's [Tax Insights](#).

Implications of US corporate tax reform

The Australian Department of the Treasury (Treasury) has released a [paper](#) examining the likely impacts of the United States' (US) corporate tax reforms on the US and the rest of the world, placing the US changes in the context of the global trend for lower corporate taxes. The paper concludes that if investors believe that the corporate tax cut is permanent, it will likely lead to an increase in investment in the US, which will be funded only partly from domestic US savings. The rest of the world would likely experience a decline in capital stock resulting from the flow of capital into the US, the magnitude of which will depend on a number of factors.

For Australia, the paper indicates that the size of the negative impact will also depend on how other countries respond. It also notes that the US reforms have the potential to accelerate tax competition between jurisdictions, making Australia's current corporate tax rate increasingly uncompetitive internationally.

OECD and BEPS developments

At the [10th Global Forum meeting on Transparency and Exchange of Information for Tax Purposes](#) held in Cameroon on 15 November 2017, African Ministers agreed on a call to tackle illicit financial flows through international tax cooperation. This meeting took place in the backdrop of the recently released 'Paradise Papers', which highlighted the global problem of cross-border tax avoidance and evasion, and the need for an international response to deal with them effectively.

In the meeting [statement of outcomes](#), it was indicated that the key focus agreed upon for 2018 was the full and timely delivery of the commitments made by jurisdictions scheduled to commence Automatic Exchange of Information (AEOI) exchanges in 2018, the development of the framework for the full AEOI peer reviews and the progress in the implementation of the AEOI Standard by developing country members. Furthermore, in relation to the Exchange of Information on Request (EOIR) Standard, the Global Forum will deliver further reports in the second round of EOIR peer reviews. The Forum also relaunched African political support for more tax transparency and agreed on the [Yaounde Declaration](#).

In a separate meeting, 80 delegates from 20 countries and 11 organisations [gathered](#) in Bratislava for the [third regional meeting](#) of the Inclusive Framework on BEPS in the Eastern Europe and Central Asia regions. The main [objective](#) of this event was to discuss the status of the implementation of the Base Erosion and Profit Shifting (BEPS) measures, with a specific focus on the peer-review mechanisms, as well as timelines for the implementation of the minimum standards.

The OECD has [released](#) the '[Mechanisms for the Effective Collection of VAT/GST: Where the Supplier Is Not Located in the Jurisdiction of Taxation](#)' report, which focuses on the implementation of the recommended approaches included in the 2015 final report on BEPS Action 1 '[Addressing the Tax Challenges of the Digital Economy](#)'. These recommended approaches, which are also included in the [International VAT/GST Guidelines](#), have already been successfully implemented by a large number of countries.

In other OECD developments:

- Austria and the Isle of Man have [deposited](#) their instrument of ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ('BEPS Multilateral Instrument').

- The [second round peer review reports](#) on the standard of transparency and exchange of information on request for Curaçao, Denmark, India, Isle of Man, Italy and Jersey have been released.
- Oman, Qatar, Saint Kitts and Nevis have joined the [Inclusive Framework on BEPS](#).
- [Peru](#) and [Qatar](#) have signed the Multilateral Convention on [Mutual Administrative Assistance in Tax Matters](#).
- Updated versions of [transfer pricing country profiles](#) have been published, reflecting the current transfer pricing legislation and practices of 31 participating countries. The document focuses on the countries' domestic legislation regarding key transfer pricing principles, including the arm's length principle, transfer pricing methods, comparability analysis, intangible property, intra-group services, cost contribution agreements, transfer pricing documentation, administrative approaches to avoiding and resolving disputes, safe harbours and other implementation measures.
- The [public comments](#) received following a request for input on the tax challenges of digitalisation and potential options to address these challenges has been published
- More than 200 global tax and economic crime experts met in London for the [Fifth OECD Forum on Tax and Crime](#). The forum identified five priorities for action, including implementation of the OCED's [Ten Global Principles](#) for fighting tax crime, and stepping up international cooperation, drawing from the key report

launched at the forum: [Effective Inter-Agency Co-Operation in Fighting Tax Crimes and Other Financial Crimes](#).

German Court grants foreign corporation full participation exemption for capital gains

The German Federal Tax Court has ruled that capital gains realised by a foreign corporation upon the disposal of shares in a German corporation are fully exempt from German corporate income tax, and not effectively only 95 per cent exempt. This exemption is available provided the capital gains are not realised through a German business, such as a permanent establishment. The decision is relevant for foreign corporate taxpayers for whom a tax treaty does not provide a German tax exemption for capital gains. While the decision provides relief from the effective five per cent tax burden, it remains to be seen how the German tax authorities and legislature will react to the decision. PwC Global's [Tax Insights](#) provides further information.

German tax authorities release circular on withholding tax on royalties for software and databases

On 2 November 2017, German tax authorities released a circular on German non-resident income taxation and withholding tax on royalties for the use of software and databases. The Circular is relevant for all taxpayers receiving royalty income from the licensing of software or databases that are used in a German business or institution. PwC Global's [Tax Insights](#) provides further information.

 [Explore PwC's global tax research and insights](#)

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

Peter Collins, Melbourne
+61 (3) 8603 6247
peter.collins@pwc.com

Nick Houseman, Sydney
+61 (2) 8266 4647
nick.p.houseman@pwc.com

Eddy Moussa, Sydney
+61 (2) 8266 9156
eddy.moussa@pwc.com

Michael Taylor, Melbourne
+61 (8) 8603 4091
michael.taylor@pwc.com

Michael Bona, Brisbane
+61 (7) 3257 5015
michael.bona@pwc.com

Greg Weickhardt, Melbourne
+61 (3) 8603 2547
greg.weickhardt@pwc.com

Angela Danieletto, Sydney
+61 (2) 8266 0973
angela.danieletto@pwc.com

Indirect tax update

GST withholding on residential property transactions

Treasury has released [exposure draft legislation](#) on proposed amendments to give effect to the 2017-18 Federal Budget announcement to impose an obligation on purchasers of 'new residential premises' or 'potential residential land included in a property subdivision plan' to withhold and remit 1/11th of the purchase consideration to the Australian Taxation Office (ATO) on or before the day that consideration for the supply (other than a deposit) is first provided. The obligation will take effect from 1 July 2018.

This withheld amount is effectively on account of the potential goods and services tax (GST) amount payable on the supply, irrespective of the fact that the actual amount of GST payable by the vendor may be less than 1/11th of the total price (for example, if the supply is made under the margin scheme). The vendor is entitled to a credit for the amount withheld via their Business Activity Statement (BAS). Refer to our [TaxTalk Alert: New GST obligations for parties to residential property transactions](#) for further information about the key aspects of the exposure draft law.

Productivity Commission reports on GST on low value imported goods

The Productivity Commission (the Commission) has released its report on [Collection Models for GST on](#)

[Low Value Imported Goods](#). Below is a summary of the key points from the report:

- Given the Government's decision to collect GST on low value imported goods, the Commission has concluded that the legislated model is the most feasible among the imperfect alternatives at this time.
- Although there is an in-principle case to delay implementation of the legislated model to provide more time for technological changes to play out, to learn from the experiences of other nations and to avoid 'first mover' risks, the Commission considers there is insufficient basis to recommend delaying the implementation schedule, given the Australian Parliament's decision to apply the GST to low value imported goods.
- The Commission has identified some prospective improvements to the design of the legislated model and enforcement strategy, although it has not been in a position to adequately evaluate these options. If the legislated model does not perform broadly as expected, these options should be considered as part of a future review.

To understand the implications of the new rules, refer to our [TaxTalk Alert: GST: Import of low value goods into Australia taxed from 1 July 2018](#).

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

Michelle Tremain, Perth
+61 (8) 9238 3403
michelle.tremain@pwc.com

Brady Dever, Sydney
+61 (2) 8266 3467
brad.dever@pwc.com

Matt Strauch, Melbourne
+61 (3) 8603 6952
matthew.strauch@pwc.com

Adrian Abbott, Sydney
+61 (2) 8266 5140
adrian.abbott@pwc.com

Mark Simpson, Sydney
+61 (2) 8266 2654
mark.simpson@pwc.com

Shagun Thakur, Adelaide
+61 (8) 9238 3059
shagun.thakur@pwc.com

Gary Dutton, Brisbane
+61 (7) 3257 8783
gary.dutton@pwc.com

Ross Thorpe, Perth & Sydney
+61 (8) 9238 3117
ross.thorpe@pwc.com

Personal Tax Update

Government to focus on tax cuts for middle-income earners

In a [speech](#) at the Business Council of Australia's annual dinner, the Prime Minister indicated that he is "actively working with the Treasurer and all ... Cabinet colleagues to ease the burden on middle-income Australians, while also meeting our commitment to return the budget to surplus." The prospect of tax cuts for certain individuals was further reiterated in an [interview](#) with the Prime Minister who indicated that the Government will focus next year on the process for delivering tax cuts for middle-income Australians.

No further details of the timing or form in which such measures might be delivered has been provided.

Whistleblower protection regime

The Government has [released](#) for consultation [exposure draft legislation](#) which creates a single whistleblower protection regime in the *Corporations Act 2001* (Cth), to cover the corporate, financial and credit sectors, and creates a new whistleblower protection regime in the taxation law, to protect those who expose tax misconduct. The new whistleblower protections will facilitate disclosures about tax misconduct being made directly to the Australian Taxation Office.

Once the measures are enacted, it is proposed that they will apply to whistleblower disclosures made on or after 1 July 2018, including disclosures about events before this date. The amendments will also apply to conduct that victimises or causes damage to individuals after 1 July 2018 because of a protected disclosure, including where the disclosures have been made prior to this date.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

Bruce Ellis, Melbourne
+61 (3) 8603 3303
bruce.ellis@pwc.com

Murray Evans, Newcastle
+61 (2) 4925 1139
murray.evans@pwc.com

Glen Frost, Sydney
+61 (2) 8266 2266
glen.frost@pwc.com

Cesare Scalise, Perth
+61 (8) 9238 3417
cesare.scalise@pwc.com

Chris Lowe, Brisbane
+61 (7) 3257 8561
chris.h.lowe@pwc.com

State Taxes Update

South Australia - no major bank levy, but increases to Foreign Investor Surcharge

Premier of South Australia (SA) Jay Wetherill has [announced](#) that the State Government will abandon attempts to introduce the major bank levy and will not take the levy to the next State election, or seek to introduce the tax if re-elected. The Premier's announcement follows disagreement to the proposals to be made by the [Budget Measures Bill 2017](#) (the Bill). To fund the various measures originally proposed by the Bill, including payroll tax relief of almost AUD10,000 for eligible small businesses, the SA Treasurer has [announced](#) that the Government will increase the SA Foreign Investor Surcharge from 4 per cent to 7 per cent.

Victorian legislative amendments

The [State Taxation Acts Further Amendment Bill 2017 \(VIC\)](#) has been introduced into the Victorian Parliament. Amongst other things, the Bill proposes to amend:

- The *Duties Act 2000 (VIC)* to correct possible anomalies in the operation of the foreign purchaser additional duty, and the calculation of the first home buyer concession, including amendments that ensure the additional duty applies on a dutiable transaction subject to a concession, such as the principal place of residence duty concession.
- The *Land Tax Act 2005 (VIC)* to extend the absentee owner surcharge exemption to landowners that are trustees of an absentee trust, and provide rules to 'look through' a sub-trust structure to identify an absentee beneficiary's ultimate interest in the trust land.
- The *Payroll Tax Act 2007 (VIC)* to extend the exemption for wages paid to new entrants to 'for profit' organisations declared to be an approved group training organisation, and
- The *Taxation Administration Act 1997 (VIC)* in relation to permitted disclosures of information and to make further provision for the service of documents.

For further insight, see our [TaxTalk Alert: Some positive Victorian land tax news for trusts](#).

ACT introduces law to improve administration and operation of tax system

The [Revenue Legislation Amendment Bill 2017 \(No 2\) \(ACT\)](#) has been introduced into the Australian Capital Territory (ACT) Parliament, and proposes to amend various Acts to improve the administration and operation of the ACT tax system for the benefit of both taxpayers and administrators. The amendments seek to smooth administration of the Barrier Free Conveyance model, improve the clarity and quality of tax legislation, ensure a sound and fair tax system and harmonise legislation with other jurisdictions.

Tasmanian land tax amendments

The [Land Tax Amendment Bill 2017 \(TAS\)](#) has been introduced into the Tasmanian Parliament to amend the *Land Tax Act 2000 (TAS)* to adopt a fairer, simpler and taxpayer-favourable approach to the manner in which the assessed land value of principal residence land that is used for purposes in addition to the principal residence is to be apportioned. The amendments are proposed to take effect from 1 July 2017.

Northern Territory release revenue discussion paper

The Northern Territory (NT) Government has issued a [Revenue Discussion Paper](#) which details a number of reform options that could be considered to secure its revenue base. The paper provides a summary of the NT's tax and royalty systems, setting out policy objectives, along with economic efficiencies and inefficiencies of the current system. The options are not recommendations and do not reflect any policy proposal of Government. Comments are due on the paper by 28 February 2018.

NSW revenue electronic duties return form

NSW Revenue has issued an [Electronic Duties Returns \(EDR\) update](#), including information about processing surcharge purchaser duty (SPD) on the EDR system, additional fields and functionality to calculate the correct amount of duty and where SPD applies, and requirements for supporting evidence and record keeping.

Victoria - vacant residential land tax FAQs

The State Revenue office of Victoria has [published](#) a list of frequently asked questions (FAQs) on the vacant residential land tax. The vacant residential land tax, which applies from 1 January 2018, is a tax on residential properties in Melbourne's inner and middle suburbs which are unoccupied for more than six months a year.

NSW duty on transfer of property from deceased estate

The NSW Civil and Administrative Tribunal in [Watts v Chief Commissioner of State Revenue \[2017\] NSWCATAD 320](#) has held that duty was payable on the transfer of property from a deceased estate to a beneficiary under the will. This was because the sale of the property was not made as trustee under, and in conformity with, the trusts contained in the will, but rather as an executor disposing of an asset of the estate under a contract. Accordingly, the concession in section 63(1)(a)(i) of the *Duties Act 1997 (NSW)* was not available.

Land tax decisions

The following decisions relevant to land taxes were handed down in the last month:

- The NSW Civil and Administrative Tribunal in [Teebee Holdings Pty Ltd atf Teebee Property Trust v Chief Commissioner of State Revenue \[2017\] NSWCATAD 338](#) primarily considered the

question of whether land owned by the taxpayer is eligible for exemption from land tax as land used for primary production. The Tribunal held that the dominant use of the land in question was not for primary production purposes, i.e. the dominant use of the subject land was not found to be the cultivation of trees on a tree farm for the purpose of sale. The Tribunal also held that as the land was not entirely zoned as 'rural', and it must also satisfy the 'commerciality' test in s10AA(2) of the *Land Tax Management Act 1956 (NSW)*. In this matter, the 'commerciality' test was failed as there was no evidence of a significant and substantial commercial enterprise. Accordingly it was not exempt from land tax.

- The Victorian Supreme Court in [North West Melbourne Recycling Pty Ltd v Commissioner of State Revenue \[2017\] VSC 647](#) has held that a taxpayer was entitled to a refund under Part 4 of the *Taxation Administration Act 1997 (VIC)* of Victorian land tax paid, notwithstanding that the taxpayer did not object to the relevant land tax assessments, as the assessments were based on an incorrect taxable value of the land.
- The ACT Civil and Administrative Tribunal in [Samani & Anor v Commissioner for ACT Revenue \[2017\] ACAT 93](#) confirmed the decision under review to disallow the applicants' objection to the penalty tax imposed on land tax assessed. The Tribunal held that there was no statutory basis that allowed the penalty tax not to be paid, and for the penalty tax assessed to be remitted in whole or in part.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

Costa Koutsis, Sydney
+61 (2) 8266 3981
costa.koutsis@pwc.com

Stefan DeBellis, Brisbane
+61 (7) 3257 8781
stefan.debellis@pwc.com

Rachael Cullen, Sydney
+61 (2) 8266 1035
rachael.cullen@pwc.com

Rachael Munro, Perth
+61 (8) 9238 3001
rachael.munro@pwc.com

Barry Diamond, Melbourne
+61 (3) 8603 1118
barry.diamond@pwc.com

Superannuation update

ATO warns SMSF trustees to be wary of risky retirement planning arrangements

The Australian Taxation Office (ATO) is warning self-managed superannuation fund (SMSF) trustees and retirees about the risks of some emerging retirement planning arrangements that they may be considering, or be approached about. Some emerging arrangements the ATO warns affected entities of include:

- Artificial arrangements involving SMSFs and related-party property development ventures.
- Arrangements where an individual or related entity grants a legal life interest over a commercial property to an SMSF. This results in the rental income from the property being diverted to the SMSF and taxed at lower rates whilst the individual or related entity retains legal ownership of the property.
- Arrangements where individuals (including SMSF members) deliberately exceed their non-concessional contributions cap to manipulate the taxable component and non-taxable component of their fund balance upon refund of the excess.

Further information on these arrangements has been released through the [ATO Super Scheme Smart program](#).

Concession for SMSF event-based reporting

The ATO has finalised its position on SMSF event-based reporting following consultation. From 1 July 2018, event-based reporting for those SMSFs with members with a total superannuation account balance of AUD1 million or more will be required to report events impacting members' transfer balances within 28 days after the end of the quarter in which the event occurs. An SMSF whose members' total superannuation balances are less than AUD1 million can choose to report events which impact members' transfer balances at the same time that it lodges its SMSF annual return.

Reporting can be done more frequently but is only required when and if an event that impacts a member's transfer balance cap actually occurs.

Senate Economics Legislation Committee endorses Bills introduced to Senate

The Senate Economics Legislation Committee tabled reports on 23 October 2017 recommending that the following Bills, all introduced to the Senate on 14 September 2017, be passed:

- *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No 1) Bill 2017*, which amends the *Superannuation Industry (Supervision) Act 1993*, the *Corporations Act 2001* and the *Financial Services (Collection of Data) Act 2001* so as to modernise and increase confidence within the superannuation system.
- *Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017*, which proposes amendments to strengthen trustee arrangements for registrable superannuation entities.
- *Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No 2) Bill 2017*, amends to the *Superannuation Guarantee (Administration) Act 1992* regarding choice of funds and the integrity of salary sacrifice arrangements.
- *Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No 1) Bill 2017*, which proposes to establish the First Home Super Saver Scheme (in conjunction with the *First Home Super Saver Tax Bill 2017*), and to allow individuals aged 65 years and over to use the proceeds from the sale of their main residence to make 'downsizer contributions' of up to AUD300,000 to their superannuation.

These Bills are expected to be debated in the remaining sitting weeks of the current Spring session of Parliament.

Proposed US tax reform affects funds

On 2 November 2017, the United States (US) House Republicans introduced a Bill proposing an extensive overhaul of the US tax code. The *Tax Cuts and Jobs Act*, which is a 429-page Bill, has now been

passed with amendments by the House of Representatives (see PwC Global's [Tax Insights](#) for further detail). In addition, the Senate Finance Committee has also approved a Senate version of tax reform legislation (see PwC Global's [Tax Insights](#) for detail).

The relevant items in the Bill which, if passed, could impact the post-tax return of superannuation funds investing into US investments are as follows:

- Reduction in the headline US corporate tax rate from 35 per cent to 20 per cent for tax years beginning after 2017.
- A 20 per cent excise tax to US entities on imports from related parties, which is not expected to be covered by double tax agreements.
- Taxing of 'foreign high returns', meaning that high earning foreign subsidiaries of US groups may have 50 per cent of their 'excess profits' taxed in the US.

- Interest deductibility limited to 110 per cent of foreign-owned US companies' share of the worldwide interest expense for the group.
- Deemed assessability of unrepatriated foreign earnings, with incentives for companies to repatriate income back to the US.
- Immediate capital write-offs for qualified property put in place by US entities between 27 September 2017 and 1 January 2023.

New process for adjusting unclaimed super

There is a new lodgment process for correcting mistakes on unclaimed super money statements with the ATO. A new template will be released on 11 December 2017, which seeks to simplify resolutions for mistakes such as adjustments for incorrectly reporting an amount, forgetting to include a member and incorrectly reporting a member.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

David Ireland, Sydney
+61 (2) 8266 2883
david.ireland@pwc.com

Alice Kase, Sydney
+ 61 (2) 8266 5506
alice.kase@pwc.com

Matthew Strauch, Melbourne
+ 61 (3) 8603 6952
matthew.strauch@pwc.com

Marco Feltrin, Melbourne
+ 61 (3) 8603 6796
marco.feltrin@pwc.com

Peter Kennedy, Sydney
+ 61 (2) 8266 3100
peter.kennedy@pwc.com

Ken Woo, Sydney
+ 61 (2) 8266 2948
ken.woo@pwc.com

Abhi Aggarwal, Brisbane
+ 61 (7) 3257 5193
abhi.aggarwal@pwc.com

Jeff May, Melbourne
+ 61 (3) 8603 0729
jeffrey.may@pwc.com

Naree Brooks, Melbourne
+ 61 (3) 8603 1200
naree.brooks@pwc.com

Legislative update

Commonwealth revenue measures registered as legislative instruments or regulations since the November edition of TaxTalk Monthly, include:

- [*Treasury Laws Amendment \(2017 Measures No. 2\) Regulations 2017*](#). The regulations exempt MITRE Corporation from income tax, and make a number of other minor technical amendments. The Regulations also streamline and improve the administrative efficiency of the tourist refund scheme.
- [*Income Tax – Exploration Development Incentive Modulation Factor – Declaration Instrument 2017*](#). The instrument sets out a

modulation factor of one for the purposes of working out an entity's maximum exploration credit amount for the 2017-18 income year under the exploration development incentive.

The following legislative instruments in relation to the Singapore-Australia Free Trade Agreement (SAFTA) were made:

- [*Foreign Acquisitions and Takeovers Amendment \(Amendments of Singapore-Australia Free Trade Agreement\) Regulations 2017*](#), which amends the *Foreign Acquisitions and Takeovers Regulation 2015* to give effect to Australia's obligations under the Agreement to amend the

SAFTA. The Regulations alter certain threshold values that apply to determine when Singaporean investors (other than foreign government investors) are subject to the foreign investment framework.

- [Customs \(Singaporean Rules of Origin\) Regulations 2017](#), which prescribes matters that are required under new Division 1BA of the *Customs Act 1901 (Cth)*. This includes the methods used to determine the regional value of content of goods (a calculation used in determining whether a good is a Singaporean originating good) for the purposes of some of the product-specific requirements set out in SAFTA and valuation rules for different kinds of goods.
- [Customs \(International Obligations\) Amendment \(Singapore-Australia Free Trade Agreement Amendment Implementation\)](#)

[Regulations 2017](#), which amends the *Customs (International Obligations) Regulation 2015* to make complementary amendments in relation to record keeping obligations, including extension of existing record keeping obligations to also apply to Australian originating goods that are exported to Singapore, and to also enable a refund of duties paid on Singaporean originating goods, or on goods that would have been Singaporean originating goods, in specified circumstances.

As the House of Representatives did not sit in November, no new tax or superannuation-related Bills have been introduced into Parliament since the November edition of TaxTalk Monthly .

The Spring session of Parliament is scheduled to end on Thursday 7 December 2017.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

Tom Seymour, Managing Partner
+61 (7) 3257 8623
tom.seymour@pwc.com

Alistair Hutson, Adelaide
+61 (8) 8218 7467
alistair.hutson@pwc.com

Jason Karametos, Melbourne
+61 (3) 8603 6233
jason.karametos@pwc.com

Warren Dick, Sydney
+61 (2) 8266 2935
warren.dick@pwc.com

David Ireland, Sydney
+61 (2) 8266 2883
david.ireland@pwc.com

Kirsten Arblaster, Melbourne
+61 (3) 8603 6120
kirsten.arblaster@pwc.com

Murray Evans, Newcastle
+61 (2) 61 4925 1139
murray.evans@pwc.com

Julian Myers, Brisbane
+61 (7) 3257 8722
julian.myers@pwc.com

Rob Bentley, Perth
+61 (8) 9238 5202
robert.k.bentley@pwc.com

Other news

Happy 20th Birthday Division 7A



The private company deemed dividend rules contained in Division 7A of the *Income Tax Assessment 1936* turn 20 this month! Division 7A contains integrity provisions designed to prevent shareholders (or their associates) of private companies from inappropriately accessing the profits of those companies in the form of payments, loans or debt forgiveness transactions. There have been a number of amendments to Division 7A since it first applied from December 1997, and further legislative amendments are in the pipeline.

The Government announced in the Federal Budget 2016-17 that, from 1 July 2018, it will make much needed amendments to improve the operation and administration of Division 7A based on the Board of Taxation's 2015 Post-implementation Review into Division 7A. These changes, which are intended to provide clearer rules for taxpayers and assist in easing their compliance burden while maintaining the overall integrity and policy intent of Division 7A, include:

- A self-correction mechanism for inadvertent breaches of Division 7A.
- Appropriate safe-harbour rules to provide certainty.

- Simplified loan arrangements and a number of technical adjustments to improve its operation and provide increased certainty for taxpayers.

With the start date for these proposed changes looming, we are looking forward to the release of further details. The next twelve months is shaping up as an interesting time for those that are subject to these rules.

ATO guidance on the Petroleum Resource Rent Tax

The Australian Taxation Office (ATO) has updated Practical Compliance Guideline [PCG 2016/13](#), which explains how the ATO will allocate compliance according to the assessment of risk in relation to deductibility of general project expenditure under section 38 of the *Petroleum Resource Rent Tax Assessment Act 1987 (Cth)*. The guideline has been updated to include social infrastructure expenditure costs arising from a statutory requirement or an entity's social license.

In addition, the ATO has issued [Practice Statement PS LA 2017/1](#) which provides guidance to ATO staff on the period within which a Petroleum Resource Rent Tax assessment can be amended to correct an error in a transfer of exploration expenditure.

Proposed amendments to Early Stage Investors, VCLP and ESVCLP regimes

Treasury has [released](#) exposure draft legislation and explanatory material for public consultation regarding proposed amendments to the Tax Incentive for Early Stage (angel) Investors and the Venture Capital Limited Partnership (VCLP) and Early Stage Venture Capital Limited Partnership (ESVCLP) regimes. The amendments are proposed to ensure that investments in FinTech businesses can access support under each program, and to also rectify a number of minor technical issues.

Draft law on new measures to tackle black economy

The Minister for Revenue and Financial Services, Hon Kelly O'Dwyer MP, has [released](#) for public consultation [draft legislation and explanatory materials](#) on measures announced in the 2017-18 Federal Budget to address the black economy. This package of measures includes amendments to the law to:

- ban the manufacture, distribution, possession, use or sale of sales suppression technology, and
- extend the Taxable Payment Reporting system to two high-risk industries – cleaning and couriers

– to ensure payments made to contractors in these sectors are reported to the Australian Taxation Office (ATO).

Labor proposes reforms to target tax evasion and aggressive tax planning

In a [speech](#) at the Australian Petroleum Production & Exploration Association's Biennial Taxation and Commercial Conference, the Shadow Assistant Treasurer discussed the Australian Labor Party's proposed reforms to target tax evasion and aggressive tax planning which includes:

- Public reporting of country-by-country reports.
- Whistleblower protection and incentive/rewards.
- Implementing a publicly accessible registry of the beneficial ownership of Australian legal entities, including trusts.
- Amending Australian Government procurement processes.
- Requiring mandatory reporting of a specific 'material tax risk' - tax haven exposure - to shareholders. The proposal would amend the *Corporations Act 2001 (Cth)* to require disclosure of dealings in 'international material tax risk jurisdictions' to shareholders.

Board of Taxation's report on definitions in State and Federal tax law

The Board of Taxation has published its recent report on the [differences in core definitions and concepts between state, territory and federal tax](#). Broadly, the common areas of 'inconsistencies in core definitions and concepts' emerging from consultations were (in order of priority):

- Payroll tax concepts.
- Definition of employee.
- 'Indirect interests in land' (commonly referred to as 'land rich rules').
- The meaning of 'employee' for the purposes of the PAYG withholding and superannuation guarantee.

ATO's annual report for 2016-17

The ATO has released its [2016-17 Annual report](#). Some of the key highlights include:

- The Tax Avoidance Taskforce (established on 1 July 2016) raised AUD4 billion of additional liabilities against a handful of large businesses and multinationals. Since 1 July 2016, [ATO action](#) has resulted in AUD1.5 billion collected from large multinationals.
- Early engagement and alternative dispute resolution has resulted in a 61 per cent reduction in the number of appeals to the Administrative Appeals Tribunal since 2013-14.
- Since the introduction of the independent review process for the large market in July 2013, 41 reviews of significant disputes over large corporate audit positions have been conducted. Of those, only one matter proceeded to litigation.
- ATO litigation results show success in more than 80 per cent of cases.
- The implementation of SuperStream has realised significant efficiencies - about AUD400 million per year for funds, AUD400 million per year for employers and generated savings for members at an estimated AUD2.4 billion per year.

Challenges which the ATO has indicated it faces include influencing community perceptions and attitudes about tax, and minimising the various tax gaps. Its reported continued focus will be on delivering under the Tax Avoidance Taskforce. In the coming year, the ATO will increase its attention on small businesses, the black economy, phoenix operators and the individuals market.

Government response to review of prior ATO annual reports

The Government has responded to the House of Representatives Standing Committee on Tax and Revenue Committee reports on the [2015 ATO Annual Report](#) and [2016 ATO Annual Report](#). The Government has agreed, or partially agreed, to most recommendations of the Committee in relation to the ATO including:

- The ATO is to publish on its website a timetable for transition to the new tax agent platform.
- The ATO is to consult on whether draft public rulings should cease on a certain date or when they are made redundant by legislation.
- The ATO is to report on additional information on staff deployment in person to person advice, compared with online delivery and maintenance;

staff training; and the use of contract staff and volunteers.

- The ATO is to report progress on its digital strategy, and the security and functionality of online systems in its annual report.
- Further investment is required by the ATO in data analytics and auditing to promote integrity of the tax system.
- The ATO is to continue to publish information on system availability on the Tax Agents Dashboard, soon to be supplemented by a Practitioner Lodgment Service Dashboard with similar features.
- The ATO is to report on the number and timeliness of public rulings issued and finalised in its annual report.
- The ATO is to refresh published tax gap estimates, and release these as part of its annual report.
- The ATO is to report in its 2017-18 Annual Report, debts written off as unrecoverable at law and those which are uneconomic to pursue.

IGT's Annual Report for 2016-17

The Inspector General of Taxation (IGT) has released his [Annual report for 2016-17](#). Some of the key points include:

- For the 2016-17 financial year, the IGT received 2251 complaints - an approximate five per cent increase compared to the number received in the previous financial year. The most common complaints related to the ATO's debt collection action, delays in processing activity statements and tax returns, the ATO's audit and internal review activities, Superannuation Guarantee investigations and the handling of complaints.
- The IGT has also begun to leverage the insights from complaints data to improve the tax system on a more real time basis by conducting targeted or specific investigations promptly. The first such investigation examined the ATO's handling of allegations of tax evasion received from the community.
- As at 30 June 2017, two reviews were finalised - a review into the Taxpayers' Charter and taxpayer protections, and the review into the ATO's employer obligations compliance activities. Reviews into aspects of the PAYG instalments system, GST refund verification, future of the tax profession and the ATO's fraud control management are currently in progress.

Productivity Commission Report

The Productivity Commission has [released](#) a report on its five-year productivity review. The report evaluates the factors and influences that may affect Australia's economic performance over the medium term, in order to offer advice on Government priorities (see also the Government's [media release](#)). The Commission has made a number of tax-related recommendations, including:

- Removing the tax rebate for private health insurance ancillaries.
- Removing the current concessional treatment of high-alcohol, low-value products, primarily cheap cask and fortified wines.
- Removing stamp duties and transition to a broad-based land tax.
- A commitment to tax reform as an integral part of the reform agenda.

High Court to consider matter regarding distribution of franking credits to trust beneficiary

The Commissioner of Taxation has been granted [special leave to appeal](#) to the High Court against the Full Federal Court's decision in [Thomas v Commissioner of Taxation \[2017\] FCAFC 57](#). The Full Federal Court had allowed the taxpayer's appeal, finding that the beneficiary of the trust was entitled to the benefit of the franking credits for the relevant years, notwithstanding that the allocation of franking credits was disproportionate to the distribution of the franked dividends. The Supreme Court of Queensland, in the first instance, held that trustee resolutions were effective in distributing franking credits to the beneficiaries of the trust.

AAT affirms defaults assessments relating to sale of website domain name to foreign buyer

The Administrative Appeals Tribunal (AAT) in [VPRX v Commissioner of Taxation \[2017\] AATA 2156](#) has affirmed default assessments and penalties issued to a taxpayer for failing to lodge tax returns and disclose payments received in relation to the sale of a website domain name to a foreign buyer.

In this case, the taxpayer had received payment for the sale that was structured by an initial payment, followed by earn-out payments contingent upon the purchaser 'monitoring' the asset. A final payment was to be made contingent on a set revenue target being exceeded. The Commissioner identified the foreign sourced payments utilising Australian Transaction Reports and Analysis Centre (AUSTRAC) data. As the taxpayer had not filed any tax return for the relevant financial years, the Commissioner issued default assessments on the basis that the payments were revenue in nature.

As the taxpayer failed to provide documentation to verify the arrangements for the sale, he was not able to establish that the issued assessments were excessive or incorrect.

Peru-Australia FTA

Australia and Peru have [finalised](#) a comprehensive free trade agreement (PAFTA). The PAFTA will eliminate 99 per cent of tariffs that Australian exporters face into Peru. There will be immediate duty free access for Australian sheep meat, most wine, and most horticulture products including almonds, kangaroo meat and wheat.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

Tom Seymour, Managing Partner
+61 (7) 3257 8623
tom.seymour@pwc.com

Alistair Hutson, Adelaide
+61 (8) 8218 7467
alistair.hutson@pwc.com

Jason Karametos, Melbourne
+61 (3) 8603 6233
jason.karametos@pwc.com

Warren Dick, Sydney
+61 (2) 8266 2935
warren.dick@pwc.com

David Ireland, Sydney
+61 (2) 8266 2883
david.ireland@pwc.com

Kirsten Arblaster, Melbourne
+61 (3) 8603 6120
kirsten.arblaster@pwc.com

Murray Evans, Newcastle
+61 (2) 61 4925 1139
murray.evans@pwc.com

Julian Myers, Brisbane
+61 (7) 3257 8722
julian.myers@pwc.com

Rob Bentley, Perth
+61 (8) 9238 5202
robert.k.bentley@pwc.com

TaxTalk Monthly

© 2017 PricewaterhouseCoopers. All rights reserved.

PwC refers to the Australian member firm, and may sometimes refer to the PwC network.

Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

At PwC Australia our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 223,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

WL 127056339