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11 July 2025

Board of Taxation Secretariat
taxtransparency@taxboard.gov.au

Dear Secretariat,

Updating and Simplifying the Voluntary Tax Transparency Code

Aware Super welcomes the opportunity to provide a submission in response to the redesigned Voluntary Tax Transparency Code ("Redesigned Code") set out in the Board of Taxation's Consultation Guide "Updating and Simplifying the Voluntary Tax Transparency Code" dated June 2025 ("Consultation Guide").

Aware Super, as a signatory to the Voluntary Tax Transparency Code ("VTTC"), supports the Redesigned Code, which will align the Tax Transparency Reports to global tax transparency developments (including the enacted public Country by Country ("CbC") reporting regime) and allow entities to leverage off existing disclosure regimes. We affirm our support for the ongoing refinement of the Redesigned Code recognising its critical role in ensuring continued relevance to users of the Tax Transparency Reports and alignment with evolving global standards.

The new delineation between Public CbC reporters and Non-public CbC reporters, and the greater disclosure requirements for the former will provide greater insight into the tax affairs of signatories of the VTTC.

In our view, the users of the VTTC Reports should benefit from the enhancements to the Redesigned Code and the additional guidance issued by the Board of Taxation will provide further clarity to the signatories of the VTTC.

In response to the Board of Taxation's request for views on the proposed updates to the VTTC, we set out, in the Appendix, our comments in response to specific questions in the Consultation Guide.

If you wish to discuss any aspect of this submission, please contact me.

Yours sincerely

Megan McBain
Head of Tax

Appendix: Responses to consultation questions

We have outlined our responses to specific questions raised in the Consultation Guide:

5. Does the inclusion of the example template format for VTTC reporting and the self-assessment reporting checklist sufficiently support VTTC participants and encourage consistency in reporting? Is there any additional guidance that the Board can provide?

We refer to the accompanying checklists and sample Tax Transparency Reports for Public and Non-public CbC reporters in the Redesigned Code. The accompanying checklists and sample Tax Transparency Reports are welcome additions to the Redesigned Code and provide clarity to the signatories of the VTTC.

To further enhance the clarity of the changes to the VTTC under the Redesigned Code, we recommend that the Board provide:

- A comparative table outlining the requirements and optional elements of the 2016 Voluntary Tax Transparency Code ("2016 Code") alongside those of the Redesigned Code (dated June 2025) for both Public and Non-public CbC reporters. In our view, a comparative table should assist current signatories who are currently reporting under the 2016 Code to efficiently identify new requirements and optional elements, evaluate the availability of required data and gather the necessary information for updated disclosures on a timely basis.
- Whilst optional, for the total Australian tax contribution, further guidance on the disclosure of Goods and Services Tax ("GST") would be helpful to signatories, particularly for those that make input-taxed supplies. We recommend the Board provide clarity on whether the GST disclosures should be a gross GST basis or on an unrecovered GST basis after Reduced Input Tax Credits ("RITCs") to encourage consistency of Reporting across entities who make predominately input-taxed supplies. (For example, if a transaction had a 55% RITC, to disclose the 45% unrecovered GST).

12. When reviewing the updated VTTC reporting 'requirements' and the 'optional elements', do you consider:

12.1 The requirements and optional elements interact appropriately with other global and domestic tax transparency measures?

12.2 Any requirements or optional elements should be removed or revised? If so, please specify.

12.3 Any additional reporting requirements or optional elements should be included? If so, please specify.

- Optional inclusion of GRI 207 standards: Incorporating the international Global Reporting Initiative ("GRI") 207 standards as optional elements in the Redesigned Code is a welcome addition to the VTTC. Aligning the Redesigned Code with global tax transparency trends supports consistency with international frameworks and should enhance the readability of the Reports.
- Enhanced requirements for Public CbC Reporters: The Redesigned Code has greater disclosure on 'Tax Governance, Control and Risk Management' and 'Stakeholder Engagement and Management of Concerns related to tax' sections for Public CbC reporters which enhance tax transparency and align with the objectives of the VTTC.

14. For ‘Public CbC reporters’, does aligning the preparation and publication of the VTTC with the public CbC report provide the most beneficial and efficient timing option? Are there other preferred timings for publication of the VTTC?

The timing of publication should remain flexible and at the discretion of each reporter. This provides reporters with the flexibility needed to support existing tax compliance and financial reporting obligations and ensuring sufficient time for reporters under the VTTC to collate all the relevant data and information which can assist the useability of the VTTC Report.

15. Noting the first public CbC reports are due by 30 June 2026 (for 30 June reporters), what are your views or preferences for when the redesigned VTTC should first take effect?

The first public CbC report will cover the year ending 30 June 2025 and is due by 30 June 2026. The Board should allow VTTC reporters flexibility in adopting the Redesigned Code prior to 30 June 2026, depending on individual circumstances and the availability of ATO guidance on the public CbC reporting regime. A flexible approach will smooth the transition to the new disclosures in the Redesigned Code, in light of the additional new reporting requirements under the public CbC reporting regime.

16. Do you consider inclusion of the ‘reconciliation to ATO CTT’ in the draft redesigned VTTC to be of value noting the proposed VTTC publication timing is likely to be prior to the ATO CTT Report publication (see below timelines)? Potential approaches to deal with this timing include:

16.1 The VTTC requires a reconciliation of the data as an addendum to the current year VTTC report, once the ATO CTT Report is published; or

16.2 The VTTC requires the current year data to be reconciled in the following year VTTC.

Do any issues arise with respect to the above approaches and which approach is preferable?

We are supportive of businesses which are subject to the ATO Corporate Tax Transparency Disclosure (“ATO CTT”) being permitted to provide a reconciliation of the data published by the ATO against the data in the VTTC. A reconciliation could be useful in many instances and may enhance the Community’s understanding of a business’ tax affairs.

However, in some instances, a reconciliation may not achieve this outcome. We envisage this to be the case for large business groups which may have some businesses covered by the ATO CTT and some businesses not covered by the ATO CTT. A reconciliation for such groups may cause confusion and have limited benefit in a VTTC Report. As such, we recommend the Board consider including this reconciliation as an “Optional Element” rather than a Requirement under the Redesigned Code.

We also note that given the time lag of the publication of the ATO CTT, a reconciliation to the ATO CTT may also cause confusion in the readability of a VTTC Report and, again, may be of limited value to the users of the VTTC Report.

About Aware Super

Aware Super is one of Australia’s largest profit-to-member superannuation funds, investing more than $190 billion (as of March 2025) around the world on behalf of our 1.1 million members. We strive to deliver strong long-term returns for our members and the help, guidance and advice they need to prepare for and enjoy their best possible retirement