

27 January 2016

Mr Michael Andrew
Chair
The Board of Taxation
C/ The Treasury
Langton Crescent
Canberra ACT 2600

By email: taxtransparency@taxboard.gov.au

Dear Mr Andrew

Voluntary Tax Transparency Code

Thank you for the opportunity to comment on the Board's consultation paper on the tax transparency code.

The Property Council is the peak body representing the interests of owners and investors in Australia's \$670 billion property investment industry. The Property Council represents members across all four quadrants of property investment, debt, equity, public and private.

The Property Council supports the development of a voluntary code that promotes greater public disclosure of tax information by businesses. Australia has a robust tax system and it is important for the broader community to have confidence that businesses are meeting their tax obligations.

The model put forward by the Board appears to strike the right balance between promoting community confidence in the system through the release of appropriate information, commercial sensitivity of taxpayer information and compliance costs.

However, given the details have yet to be finalised, we are concerned there is insufficient time to implement the code for this financial year (i.e. the 2015-16 reporting period).

Consultation on the code remains ongoing, and there are several areas requiring further clarity. In particular:

- what additional disclosures will be required in the tax note to the financial statements;
- whether the proposed code will require changes to the accounting standards; and
- how the calculation of the effective tax rate will apply for specific entities (for example, stapled entities, and Australian head entities of multinational companies).

Once these details are finalised, taxpayers will need to assess how they will capture all the relevant information. This is expected to result in system and process changes.

On this basis, we recommend that the start date for the code be **postponed by 12 months**.

The Property Council looks forward to working with the Board on finalising the scope of the voluntary code.

Please contact me (on 0406 45 45 49) or Belinda Ngo (on 0400 356 140) if you have any queries.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'AMH', with a horizontal line underneath it.

Andrew Mihno
Executive Director, International & Capital Markets