



**bhpbilliton**

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Group Tax

8 May 2002

The Board of Taxation  
C/- The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir/Madam

### **Tax Value Method Submission**

BHP Billiton Ltd welcomes the opportunity to provide comments to the Board of Taxation on Tax Value Method ("TVM"). As a member of the Business Council of Australia ("BCA") and the Corporate Tax Association ("CTA"), rather than providing a formal submission, we endorse the joint BCA/CTA submission (copy attached).

In particular, BHP Billiton would like to re-enforce the following points:

1. The Board must continue to make concerted efforts to address the high compliance costs and also address the complexity and uncertainty of the existing law;
2. BHP Billion commends the Board for its open and consultative processes in which TVM has been development and evaluated. This type of consultative process should be adopted for other areas of tax reform.
3. BHP Billiton does not support the continued evaluation of the TVM project. The main reasons for our position are:
  - The TVM objectives of simplicity, transparency, certainty and durability have not been satisfactory demonstrated.
  - The benefits of TVM do not outweigh the transitional costs and timeframe of TVM implementation.

The project has advanced an alternative proposal (ie Option 3) to secure a reduction in compliance costs and remove the complexity and uncertainty of the existing law. The alternative project should continue to be considered but priority must be given to pending tax reform in the nature of the Consolidations Regime and the Review of International Tax.

BHP Billion would like to take the opportunity to thank the Board, its Secretariat and the members of the Legislative Group and Working Group for their contribution to the evaluation of the TVM.

A member of the BHP Billiton group  
which is headquartered in Australia  
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If you would like to discuss our position in more detail, please contact myself on 03 9609 3997 or Kel Wall on 03 9652 7389.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ian C Edney". The signature is written in a cursive style with a prominent "I" and "E".

**Ian C Edney**  
Vice President Group Tax