



WHO

**PAYS FOR OUR
COMMON WEALTH?**

TAX PRACTICES
OF THE ASX 200



This report was produced by United Voice and the Tax Justice Network - Australia, in consultation with corporate tax expert Dr Roman Lanis of the School of Accounting at the University of Technology, Sydney.

A survey of 26,000 United Voice members and subsequent discussions concluded that a fair tax system was crucial to create a more equitable future.

United Voice will continue to work with the Tax Justice Network - Australia and others to develop and advocate for policy solutions to adequately fund health, education, retirement and other essential services.

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Who Pays for Our Common Wealth?

Tax Practices of the ASX 200

The Tax Justice Network – Australia has issued this report to stimulate a broader discussion about the responsibility of Australia's largest corporations to be more transparent about their tax paying practices. Taxes pay for the services that businesses and people need in order to maintain and improve economic and social wellbeing. The current opaque tax arrangements of many multinational companies operating in Australia undermine confidence that these companies actually contribute what they should to our common wealth.

The current budget has focused attention on cuts to public spending, but there has been little focus on government revenues. This report examines the tax practices of all ASX 200 companies. Individual income tax accounts for over two-thirds of government income tax revenue and most individuals pay their fair share. However, some corporations bend the rules to legally lower their tax obligations. As a result, communities pay the price.

Overall, the effective tax rate of ASX 200 companies over the last decade is 23%, below the statutory rate of 30%. If the ASX 200 companies had paid at the statutory rate it would have produced an additional \$8.4 billion in annual revenues.

Within the ASX 200 companies:

- nearly one third have an average effective tax rate of 10% or less;
- 57% disclose having subsidiaries in secrecy jurisdictions; and
- 60% report debt levels in excess of 75%, which may artificially reduce taxable profits.

Corporate tax avoidance must be addressed.

The practices of Australian multinationals can have global implications. The amount of tax revenue lost in developing countries due to multinational corporate tax avoidance far exceeds all global spending on foreign aid. As Australia is currently president of the G20, where multinational tax avoidance is high on the agenda, we call on the Australian Government to advocate for tougher global rules to crack down on tax avoidance.

The Australian Government must lead by example and change domestic tax laws, increase enforcement and mandate greater corporate transparency and disclosure.

Governments, including Australia's, must also be pressured to hold corporations accountable and collect the revenues needed to create a fairer world and a brighter future.

Background on the Tax Justice Network Australia

The Tax Justice Network – Australia (TJN-Aus) is the Australian branch of the Tax Justice Network (TJN) and the Global Alliance for Tax Justice. TJN is an independent organisation launched in the British Houses of Parliament in March 2003. It is dedicated to high-level research, analysis and advocacy in the field of tax and regulation. TJN works to map, analyse and explain the role of taxation and the harmful impacts of tax evasion, tax avoidance, tax competition and tax havens. TJN's objective is to encourage reform at the global and national levels.

The Tax Justice Network aims to:

1. promote sustainable finance for development;
2. promote international cooperation on tax regulation and tax related crimes;
3. oppose tax havens;
4. promote progressive and equitable taxation;
5. promote corporate responsibility and accountability; and
6. promote tax compliance and a culture of responsibility.

In Australia, the current members of TJN-Aus are:

- ActionAid Australia
- Aid/Watch
- Australian Council for International Development (ACFID)
- Australian Council of Trade Unions (ACTU)
- Australian Education Union
- Anglican Overseas Aid
- Baptist World Aid Australia
- Caritas Australia
- Columban Mission Institute, Centre for Peace Ecology and Justice
- Community and Public Sector Union
- Friends of the Earth
- Global Poverty Project
- Greenpeace Australia Pacific
- Jubilee Australia
- National Tertiary Education Union
- Oaktree Foundation
- Oxfam Australia
- Save the Children Australia
- SEARCH Foundation
- Social Justice Around the Bay
- Social Policy Connections
- TEAR Australia
- Union Aid Abroad – APHEDA
- United Voice
- Uniting Church in Australia, Synod of Victoria and Tasmania
- UnitingWorld
- Victorian Trades Hall Council
- World Vision Australia

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Executive Summary

This report focuses on a specific aspect of government revenue – corporate income tax – and in particular on the tax practices of Australia's 200 largest ASX-listed companies (the ASX 200). The current average effective tax rate for ASX 200 companies is only 23% compared to the current statutory company tax rate of 30%. While there has been some focus on the high profits and low taxes of multinationals such as Apple and Google, until now little attention has been paid to the tax practices of Australian companies.

Australia's budget is more dependent on corporate tax than all other OECD countries, except Norway. After personal income tax, company tax is the second largest source of Federal Government revenue in Australia. Tackling corporate tax avoidance is an urgent priority; Australia does not have a spending problem, it has a revenue problem and it must be fixed.

Concerns over tax avoidance by multinational corporations are not limited to Australia. Tax avoidance is set to be a key focus of the November 2014 G20 meeting in Brisbane. As the current president of the G20, Australia has a responsibility to meet local and international expectations for serious reform to the global tax system. Australia must also continue to support OECD and G20 efforts to curb base erosion and profit shifting (BEPS) across borders.

This report is timely in the context of the debate over the international responsibility of corporations. Money lost by developing countries in tax dodging and other illicit losses far outweighs global spending on foreign aid. As a number of recent reports have shown, tackling tax dodging by multinationals would provide developing countries with revenue to address pressing social needs and create pathways out of poverty. Secrecy jurisdictions (see Appendix 1 for definitions) play a key role in multinational tax dodging. They undermine the ability of democratically elected governments to levy taxes in a consistent way and provide loopholes for the wealthiest to escape paying their fair share of tax.

Scope of the Report

This is the first time in Australia that a comprehensive review of long-term corporate tax has been conducted. This report examines effective corporate tax rates over the last ten years and builds on a 2013 report by the Uniting Church in Australia on the use of secrecy jurisdictions by ASX 100 companies. The broader tax practices of ASX 200 companies are examined in this report, including:

- annual average effective tax rates (ETR) over the last decade (2004–2013);
- the number of subsidiaries registered in secrecy jurisdictions; and
- the impact of high levels of debt on taxable income.

Moreover, the report places these findings within the broader context of the Australian economy, arguing that the tax minimisation practices of a minority of very large companies have a significant and disproportionate impact on Australia's corporate tax revenue base.

This report is intended to stimulate a broader conversation and provide information to concerned stakeholders on individual companies that will open up opportunities for deeper analysis and enable stakeholders to meaningfully engage with companies about responsible tax practices. Australians need to hold corporations and governments to account by addressing aggressive corporate tax avoidance and its consequences.

Findings

Utilising publicly available data, this report provides useful insights into the corporate tax practices of Australia's largest listed companies and suggests which corporations may need to publicly explain their tax arrangements. The report does not imply that any company is engaged in illegal tax activities. However, in some instances the tax planning activities of particular ASX 200 companies have already attracted the attention of the Australian Tax Office (ATO) and other observers as potential tax avoidance schemes.

The research presented here suggests that the tax planning activities of the ASX 200 allow Australia's largest publicly listed companies to avoid up to an estimated **\$8.4 billion in corporate tax annually**.

Other key findings on ASX 200 companies include:

- nearly one-third have an average ETR of 10% or less;
- 57% disclose having subsidiaries in secrecy jurisdictions;
- a combined total of 1,078 disclosed subsidiaries registered in secrecy jurisdictions; and
- 60% report debt levels in excess of 75% of equity, suggesting that high levels of debt may artificially lower taxable profits.

We recognise that certain business practices, circumstances and corporate structures may legitimately lower a company's ETR. However, in order to get a broad estimate across the ASX 200, companies' estimated ETRs have been benchmarked against the 30% statutory corporate tax rate. While some very large companies may have an estimated annual ETR close to the 30% rate, their scale means that any tax minimisation undertaken by the company could result in large losses of revenue. It is also worth noting that the ETRs are calculated based on reported profits. Some companies may artificially shift profits to subsidiaries based in secrecy jurisdictions in order to lower tax payments, but this does not result in a lower ETR.

Additionally, we recognise that there are valid business reasons to have subsidiaries in certain secrecy jurisdictions, such as Singapore or Hong Kong, where business may be conducted. Nonetheless, ASX 200 companies have hundreds of subsidiaries registered in secrecy jurisdictions. ASX 200 companies should therefore strive to increase their transparency and provide an explanation for why these subsidiaries have been located in secrecy jurisdictions rather than any other jurisdiction. Choosing to set up companies in a secrecy jurisdiction can reward those jurisdictions for maintaining laws that facilitate tax evasion, money laundering and tax avoidance. Using secrecy jurisdictions can also undermine corporate transparency and accountability more broadly.

We also note the present limitations of disclosure amongst ASX 200 companies, which makes genuine comparisons across all companies difficult. Some companies maintain greater levels of transparency and report the vast majority of their subsidiaries, including those registered in secrecy jurisdictions. Many other companies, however, choose only to disclose a list of 'principal subsidiaries' that are deemed of material importance. The lack of standardised transparency across the ASX 200 may obscure the corporate tax practices of some of Australia's largest companies.

Recommendations

Disclosure and transparency of corporate tax practices needs to be increased. Greater public awareness of aggressive tax avoidance will provide an incentive to Australian corporations to be less tax aggressive. Tax dodging practices, when exposed, will damage corporate reputations and may increase regulatory and financial risks. Responsible companies should not wait for inevitable changes to the rules before deciding to act.

The Australian Government should:

- Require large corporations to provide more public disclosure and transparency.
- Increase fines for tax evasion and extend laws to effectively cover the full range of corporate tax avoidance strategies.
- Eliminate or restrict the use of stapled securities for tax arbitrage, according to global norms.
- Ensure that the Australian Tax Office is adequately funded and staffed.
- Lead the G20 to adopt tough and effective global rules to combat corporate tax dodging.

Based on the findings of the report, these measures can be achieved through the following more specific recommendations of the Tax Justice Network – Australia.

The Tax Justice Network – Australia urges the Australian Government to:

- Support the OECD's Action Plan on Base Erosion and Profit Shifting (BEPS) and pressure secrecy jurisdictions to end their status as such through effective cooperation with other governments to combat tax evasion, tax avoidance and money laundering.
- Support the automatic exchange of information on tax matters between tax authorities of different countries, with appropriate safeguards, and follow through on its commitment to implement automatic exchange of information on tax matters into Australian law.
- Require greater transparency from multinational corporations, including country-by-country reporting.¹ Consolidated annual reports should include revenues, profits, staffing levels and taxes paid in each country in which they operate or have subsidiaries.

For multinational corporations, the Tax Justice Network – Australia recommends:

- Greater transparency on the purpose and function of subsidiaries in secrecy jurisdictions.
- Voluntary reporting of revenue, profits, staff levels and taxes paid in each jurisdiction until such a measure is implemented by law. Some companies, particularly in the mining sector, have already taken steps towards increasing disclosure.
- Avoiding setting up subsidiaries in secrecy jurisdictions.

“ Ultimately, sustainable, well-run businesses should pay a fair level of tax, and avoid the reputational, legal and financial risks posed by overly aggressive tax planning. Doing so is in their interests, the interests of their shareholders and the interests of the long-term health of the global economy. ”

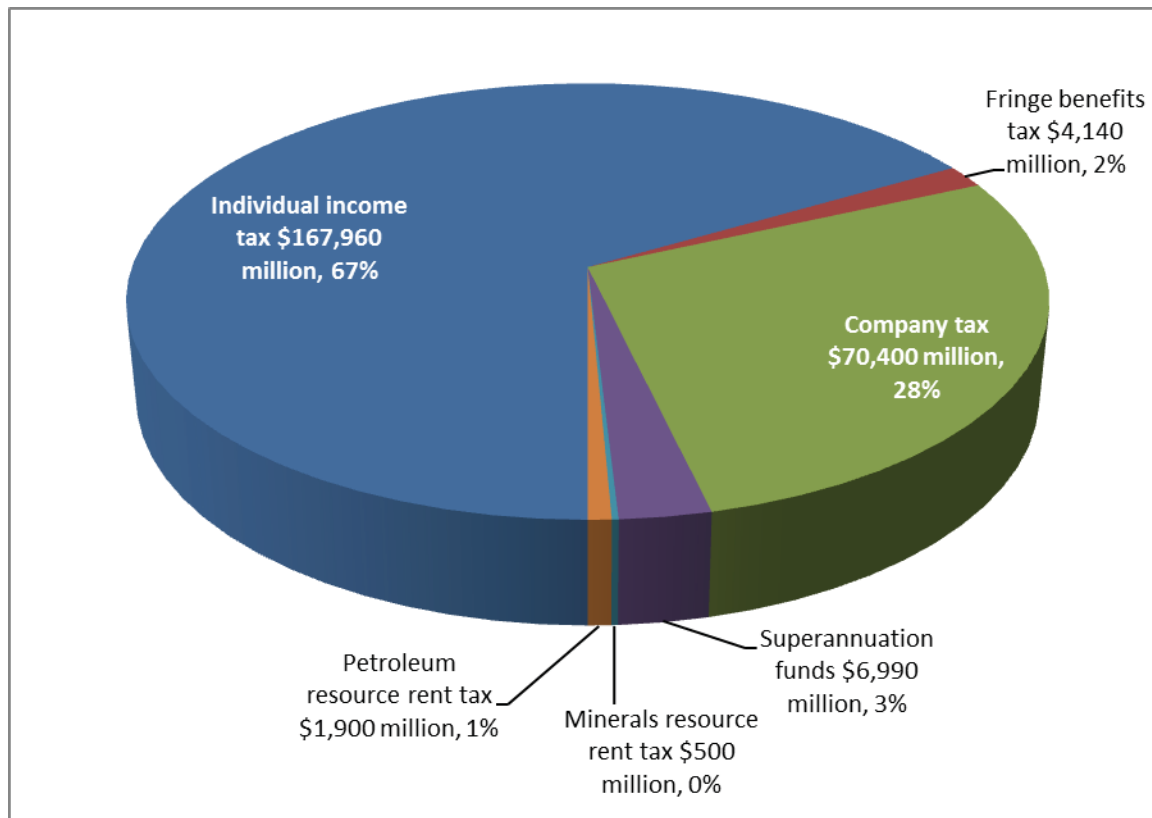
**FIONA REYNOLDS,
MANAGING DIRECTOR
UN PRI (PRINCIPLES FOR
RESPONSIBLE INVESTMENT)**



Assessing Australia's Corporate Tax Base

Corporate tax is the second largest tax revenue base for the Australian economy, comprising 28% of total income tax revenue in 2013-14 budget estimates. In 2013-14, the government projected that they would collect \$70.4 billion from company tax alone.² For comparison, GST was projected to collect \$52.7 billion.³

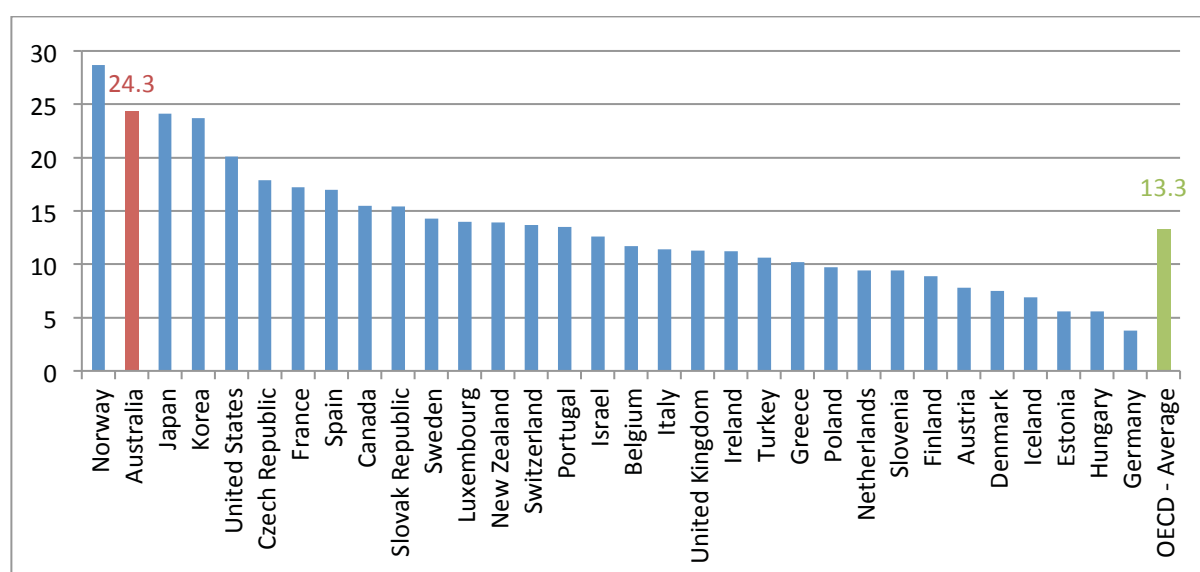
Figure 1: Australia's Income Tax Revenue by Source, 2013-14



Moreover, Australia relies more heavily on company tax than all other OECD countries, except Norway. According to 2011 statistics, company tax comprises on average 13.3% of total tax revenues within OECD countries. Australia's reliance on company tax has increased over the last three decades, rising from a low of 11.1% of total taxation in 1983 to a high of 28.1% in 2007, just before the global financial crisis.⁴

Australia's statutory 30% corporate tax rate is below the 2013 weighted (by GDP) average corporate tax rate for all OECD countries of 32.5%.⁵

Figure 2: Company Tax as a Percentage of Total Tax, OECD Countries 2011



Company tax is therefore a vital part of the Australian economy. Despite a statutory corporate tax rate of 30%, in 2011 the Australian Council of Trade Unions (ACTU) found that the average effective tax rate paid by companies was 22%.⁶

Utilising data available through the Australian Tax Office and the Morningstar DatAnalysis Program, this section breaks down some of the available statistics on overall company tax revenues and average individual company tax rates over the last decade.

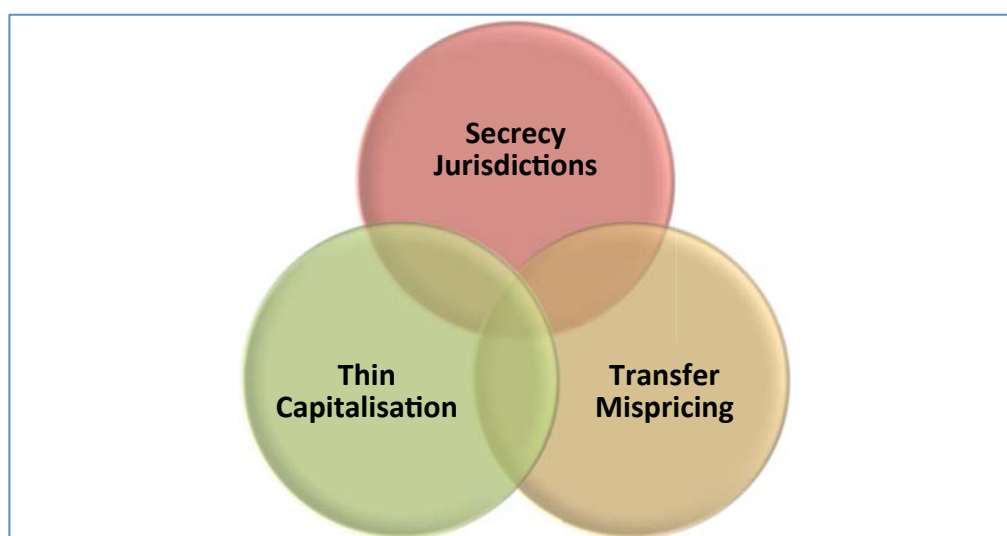
MEASURES OF TAX AGGRESSIVENESS USED IN THIS REPORT

The following measures are considered in this report as possible signs that a company may be tax aggressive:

- **Secrecy Jurisdiction Subsidiaries** – the number of subsidiaries a company has registered in an identified secrecy jurisdiction. This can help to identify the capacity of a company to shift profits into a secrecy jurisdiction.
- **Effective Tax Rates (ETRs)** – the amount of tax a company pays as a percentage of reported profits, compared to the statutory corporate tax rate of 30%.
- **Levels of Debt** – how much debt a company has as a percentage of their total equity. This measure helps to show where companies may artificially elevate debt to reduce taxable profit.
- **Impact of Debt Financing on Profitability** – the percentage amount of profit that is used to finance debts. Related to the above, this proxy helps to show where debt lowers profitability and reduces potential tax revenue.

Combinations of these measures help to identify which corporations appear to be tax aggressive. Several brief case studies are included in this report; however, further analysis is required for these and other ASX 200 companies and large non-listed corporations as well.

Figure 3: Integrated Methods of Corporate Tax Avoidance



EFFECTIVE CORPORATE TAX RATES

The Australian Tax Office releases annual data on the amount of tax paid by corporations, the most recent of which is for the 2011-2012 financial year. This data helps us to assess how much revenue is derived from corporate taxes and the potential tax foregone through corporate tax minimisation. While the data is presented in a number of different ways, this section focuses on those companies that were identified as taxable and reported a profit. This includes listed and non-listed companies.⁷

Table 1: Summary of Taxable Companies Reporting a Profit by Size, 2011-2012

Company Size	Number of Companies	Profit \$'000s	Net Tax \$'000s	Average ETR	Potential Tax Foregone \$'000s
Medium-Very Large	11,180	\$191,104,994	\$49,417,815	26%	\$7,913,683
Small	35,590	\$23,305,720	\$6,281,066	27%	\$710,650
Micro	279,895	\$25,175,790	\$6,840,347	26%	\$712,390
TOTAL	326,665	\$239,586,505	\$62,539,228	26%	\$9,336,723

This table demonstrates that the majority of companies paid close to the statutory tax rate of 30%, with the average effective tax rate (ETR) being 26% across all sizes of companies.⁸ Nevertheless, the loss of this 4% in potential tax revenue has a sizable impact on public revenues, resulting in a potential tax foregone of \$9.3 billion. The majority of this loss comes from companies assessed as medium-very large – that is, those companies earning an income above \$10 million.

When we look more closely at this subset of medium to large companies, we see that the ETR differs across different industry segments:

Table 2: Summary of Medium-Large Taxable Companies by Industry Segment, 2011-2012

Industry Segment	Number of Companies	Profit \$'000s	Net Tax \$'000s	Avg. ETR	Potential Tax Loss \$'000s
Arts and Recreation Services	30	\$1,382,954	\$267,281	19%	\$147,606
Transport, Postal and Warehousing	635	\$5,512,595	\$1,182,317	21%	\$471,461
Rental Hiring and Real Estate Services	360	\$3,342,637	\$733,634	22%	\$269,156
Manufacturing	1,430	\$13,251,621	\$2,971,065	22%	\$1,004,421
Electricity, Gas, Water and Waste Services	70	\$1,198,318	\$274,493	23%	\$85,002
Health Care and Social Assistance	105	\$1,209,438	\$296,982	25%	\$65,849
Agriculture, Forestry and Fishing	150	\$417,083	\$103,705	25%	\$21,420
Financial and Insurance Services	1,095	\$54,284,395	\$13,685,154	25%	\$2,600,165
Other	45	\$533,789	\$135,936	25%	\$24,201
Mining	230	\$58,444,785	\$14,997,652	26%	\$2,535,783
Education and Training	40	\$249,487	\$64,634	26%	\$10,212
Accommodation and Food Services	215	\$1,386,203	\$368,278	27%	\$47,583
Professional, Scientific and Technical Services	920	\$6,866,955	\$1,893,207	28%	\$166,879
Other Services	170	\$485,136	\$134,771	28%	\$10,770
Administrative and Support Services	435	\$1,701,097	\$474,759	28%	\$35,570
Construction	1,460	\$4,320,541	\$1,208,124	28%	\$88,039
Wholesale Trade	2,340	\$19,177,448	\$5,398,002	28%	\$355,232
Retail Trade	1,325	\$9,468,257	\$2,776,487	29%	\$63,990
Information Media and Telecommunications	125	\$7,872,257	\$2,451,333	31%	-\$89,656
ALL SEGMENTS	11,180	\$191,104,994	\$49,417,815	26%	\$7,913,683

This table demonstrates that the average ETR across all medium-very large companies varies from between 19% for companies in the Arts and Recreation Services Sector to 31% in the Information Media and Telecommunications Sector.

According to research conducted by the ACTU, companies use a number of key tax concessions to help minimise their tax payments:

- fuel tax breaks;
- depreciation concessions; and
- research and development concessions.⁹

These federal, state and territory tax breaks and corporate subsidies are beyond the scope of this report. However, as one example, mining corporations are huge beneficiaries. It has been estimated that the mining sector benefitted from \$4.5 billion in federal subsidies in 2013 and \$3.2 billion from state and territory subsidies in the most recent fiscal year (2013-14).¹⁰

In addition to these legal tax concessions, other strategies can help to reduce a company's tax payments. For example:

- **The Use of Trusts:** Some companies make use of trust structures to minimise their tax liability. This is particularly prevalent within the real estate sector, where real estate investment trusts do not pay any tax on the basis that the taxable income is distributed to shareholders at the end of the financial year. This accounts for the large number of real estate companies that pay virtually no tax. Unfortunately, there is no way to ascertain tax payments or tax rates at the shareholder level.
- **Stapled Securities:** Stapled securities involve the stapling together of different units, including trusts, to form one entity that is then listed on the stock market. Stapled securities often accompany trust structures, as they allow a company to easily arrange their finances so that debt is concentrated into the part of the group that is taxable, while profits are shifted into trust structures.¹¹ While stapled securities are commonly found in the real estate sector, other sectors are beginning to adopt these structures due to their advantage for investors. For example, the energy utility company DUET Group, is a stapled security of four separate structures – a registered managed investment scheme (a trust), and three public companies.¹² Most OECD countries have restricted the use of stapled securities because of their ability to facilitate tax avoidance.
- **Related Party Transactions:** Companies are able to avoid paying tax by loaning money for capital expenditure or asset acquisition between related parties. As the ACTU explains, 'For example, if a company builds a mine it is not entitled to any tax deductions. However, if subsidiary A lends \$1 billion to subsidiary B in order to build the mine, subsidiary A can claim a \$1 billion deduction for the loan (generating a \$300 million tax credit). If subsidiary B fails to repay the loan, there is no further tax to be paid by either company.'¹³ Related party transactions are utilised in the thin capitalisation and transfer mispricing methods of tax avoidance described below.

THE IMPACT OF DEBT FINANCING ON CORPORATE TAX REVENUES

One problem with assessing company tax revenues based on Effective Tax Rates is that ETRs only indicate the amount of tax paid on total reported profits. There are a number of methods that companies can use to artificially lower their profits in order to minimise their tax obligation while also not adversely impacting on the company's overall viability. One way to do this is through high levels of debt, since money spent on financing costs is tax deductible. This technique, when a company's debt is elevated in comparison to total equity, is known as thin capitalisation. In recent years thin capitalisation has been considered a key indicator of possible tax avoidance.

One way of examining how much money is lost to financing debt is by comparing Earnings Before Interest and Tax (EBIT) to total profit before tax. EBIT records a company's profit prior to the payment of interest on borrowing and prior to the receipt of income from investments. It is also widely considered to be a better measure of overall profitability than total profit before tax. The same data on company tax revenue published by the Australian Tax Office for the 2011-2012 financial year helps to explore this problem.

Table 3: Impact of Debt on Total Profit by Company Size, 2011-2012

Company Size	Number of Companies	EBIT \$'000s	Total Profit \$'000s	% of Profit Lost to Financing Costs
Medium-Very Large	11,180	\$321,244,554	\$191,104,994	41%
Small	35,590	\$24,990,503	\$23,305,720	7%
Micro	279,895	\$26,689,538	\$25,175,790	6%
TOTAL	326,665	\$372,924,595	\$239,586,505	36%

Table 4: Net Tax Compared to EBIT by Company Size, 2011-2012

Company Size	Number of Companies	EBIT \$'000s	Net Tax \$'000s	Average ETR on EBIT	Potential Tax Foregone \$'000s
Medium-Very Large	11,180	\$321,244,554	\$49,417,815	15%	\$46,955,551
Small	35,590	\$24,990,503	\$6,281,066	25%	\$1,216,085
Micro	279,895	\$26,689,538	\$6,840,347	26%	\$1,166,514
TOTAL	326,665	\$372,924,595	\$62,539,228	17%	\$49,338,150

These two tables demonstrate that overall 36% of total corporate profits are lost to financing costs.¹⁴ However, the reliance on debt appears to be mostly confined to the larger companies, with 41% of profits in this category being lost to financing costs. Simplistically, if we were to apply the statutory tax rate of 30% to EBIT, we could raise an additional \$49.3 billion annually. This would mean denying interest repayments on debt as a tax deduction, which we acknowledge would have a significant impact on businesses that actually need to borrow money from unrelated parties. Significantly, most of this potential tax revenue would come from the largest companies, who would contribute an additional \$46.9 billion annually. This equates to an **extra \$39 billion above the \$7.9 billion tax gap identified in the ATO data** (refer to Table 1) for medium-large companies.

The difference between EBIT and total profit before tax does not automatically imply that companies are engaged in tax avoidance. There are many reasons why a company may have high debt levels. Nonetheless, thin capitalisation has become a noted proxy for tax aggressive behaviour, and tax authorities globally – including the ATO – have instituted measures that aim to limit the amount of debt a company is allowed to write-off against their taxable income to curb the use of artificial debt loading from related parties.

Moreover, there are some industry segments that appear to rely heavily on debt, and this could have a significant impact on their tax obligations. In particular, the Financial and Insurance Services sector lost 68% of its profit to financing costs in 2011-2012. While this might make sense in the case of banks or insurance companies, the sector also includes real estate development companies which are known to make use of certain structures such as trusts and stapled securities to shift profit around and elevate debt levels. Moreover, the size of this sector – outweighing the mining sector by nearly three times – means that the lost potential tax revenue has a substantial impact on the overall Australian corporate tax base.

Table 5: Impact of Financing Costs on Total Profit: Medium-Large Companies, 2011-2012

Industry Segment	Number of Companies	EBIT \$'000s	Total Profit \$'000s	% of Profit Lost to Financing Costs	ETR on EBIT
Financial and Insurance Services	1,095	\$167,825,250	\$54,284,395	68%	8%
Accommodation and Food Services	215	\$1,789,084	\$1,386,203	23%	21%
Information Media and Telecommunications	125	\$10,148,180	\$7,872,257	22%	24%
Arts and Recreation Services	30	\$1,735,934	\$1,382,954	20%	15%
Health Care and Social Assistance	105	\$1,512,634	\$1,209,438	20%	20%
Transport, Postal and Warehousing	635	\$6,704,388	\$5,512,595	18%	18%
Rental Hiring and Real Estate Services	360	\$4,043,383	\$3,342,637	17%	18%
Agriculture, Forestry and Fishing	150	\$500,659	\$417,083	17%	21%
Manufacturing	1,430	\$15,331,328	\$13,251,621	14%	19%
Wholesale Trade	2,340	\$22,019,398	\$19,177,448	13%	25%
Retail Trade	1,325	\$10,841,108	\$9,468,257	13%	26%
Electricity, Gas, Water and Waste Services	70	\$1,350,099	\$1,198,318	11%	20%
Education and Training	40	\$275,099	\$249,487	9%	23%
Other	45	\$586,210	\$533,789	9%	23%
Construction	1,460	\$4,728,003	\$4,320,541	9%	26%
Administrative and Support Services	435	\$1,858,362	\$1,701,097	8%	26%
Professional, Scientific and Technical Services	920	\$7,413,820	\$6,866,955	7%	26%
Other Services	170	\$521,179	\$485,136	7%	26%
Mining	230	\$62,060,435	\$58,444,785	6%	24%
ALL SEGMENTS	11,180	\$321,244,554	\$191,104,994	41%	15%

THE PREVALENCE OF SECRECY JURISDICTIONS AMONGST LISTED COMPANIES

Although it is impossible to know the full extent of secrecy jurisdiction use by Australian companies across the entire economy, it is possible to study the number of subsidiaries registered in secrecy jurisdictions reported by companies listed on the Australian Stock Exchange (ASX).

There are currently 2,156 companies listed on the ASX, with a total of 26,096 reported subsidiaries.¹⁵ Roughly a quarter of these companies (524 in total) reported subsidiaries in secrecy jurisdictions. These companies had 15,564 subsidiaries, and of these 15% (2,262 subsidiaries) were registered in secrecy jurisdictions.

Figure 4: Percentage of Listed Company Subsidiaries Registered in Secrecy Jurisdictions

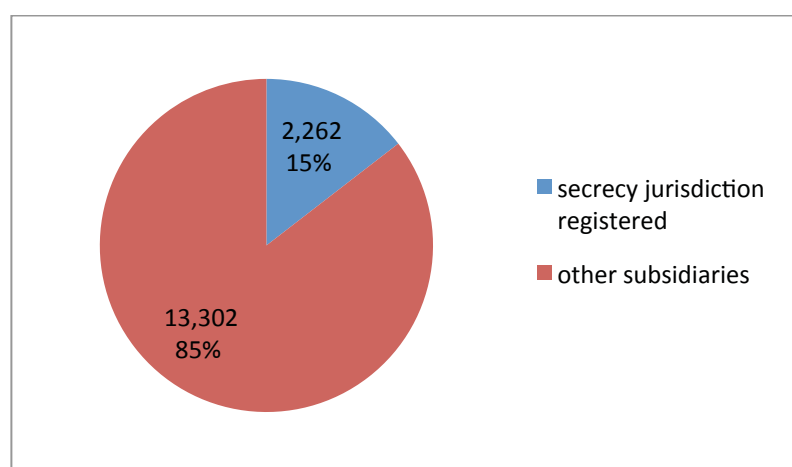


Table 6: Breakdown of the Number of Secrecy Jurisdiction Subsidiaries per Company

Number of Subsidiaries in Secrecy Jurisdictions	Companies in this Category
≥ 50 Subsidiaries	5
25-49 Subsidiaries	6
15-24 Subsidiaries	12
10-14 Subsidiaries	24
5-9 Subsidiaries	67
3-4 Subsidiaries	108
1-2 Subsidiaries	302
TOTAL	524

40 out of 52 identified secrecy jurisdictions are represented in this data. The vast majority of these subsidiaries are registered in the secrecy jurisdictions of Singapore, Hong Kong and Malaysia; however, Australian companies are also known to make use of jurisdictions more traditionally associated as secrecy jurisdictions, including the British Virgin Islands, Mauritius, Luxembourg, Switzerland and the Channel Islands of Jersey and Guernsey. Table 7 shows the number of disclosed ASX subsidiaries in each secrecy jurisdiction and the percentage belonging to ASX 200 companies.

Table 7: Number of Secrecy Jurisdiction Subsidiaries by Country

Country of Incorporation	Number of Subsidiaries	% in ASX 200 Companies
Singapore	561	48%
Hong Kong	373	51%
Malaysia	252	35%
British Virgin Islands	230	33%
Mauritius	120	34%
Philippines	108	34%
Jersey	80	94%
Luxembourg	72	83%
Cayman Islands	68	71%
Bermuda	65	68%
Switzerland	53	79%
Ghana	49	12%
United Arab Emirates	42	64%
Botswana	39	8%
Panama	17	94%
Isle of Man	13	8%
Barbados	13	8%
Liberia	12	42%
Vanuatu	12	67%
Uruguay	10	20%
Bahrain	8	38%
Guatemala	8	88%
Samoa	8	63%
Saudi Arabia	8	13%
Guernsey	7	57%
Cook Islands	5	60%
Macau	5	40%
Dominican Republic	4	50%
Bahamas	4	25%
Saint Lucia	4	25%
Costa Rica	2	100%
Anguilla	2	0%
Brunei	2	50%
Saint Kitts and Nevis	2	100%
Seychelles	2	0%
Gibraltar	2	100%
Channel Islands	2	50%
Aruba	1	0%
Lebanon	1	0%
Belize	1	0%
TOTAL	2,267	48%

“ Australian people aren't stupid. If you show them the facts and figures, that we're losing so much money because of loopholes in the tax system... I think the Australian people will come around. We're not after jet planes for ourselves; we're not after penthouses or anything like that. All we're asking for is the money that rightfully should go to the government that can be then spent on the community.”

DAVE ARTHUR
SECURITY GUARD
MELBOURNE



Tax Aggressiveness and the ASX 200

An analysis of the tax practices of the top 200 companies listed on the Australian Stock Exchange helps to explore some of the reasons why the Australian corporate tax base might be less than expected.

The following findings demonstrate that among the ASX 200 companies:

- The majority (57%) disclose subsidiaries registered in secrecy jurisdictions.
- Nearly a third (29%) pay an effective tax rate of 10% or less, while more than 14% have an effective tax rate of 0% or actually received a rebate on their tax.
- They collectively pay \$8.4 billion less than if they each paid the statutory rate of 30%.
- 60% had debt levels in excess of 75% of equity.
- 58% reported losing 10% or more of their profit to financing costs.
- Artificially high debt levels may have a huge potential impact on tax revenues.

SECRECY JURISDICTION SUBSIDIARIES AMONGST ASX 200 COMPANIES

Despite comprising just 9% of all companies listed on the Australian Stock Exchange, the ASX 200 accounts for 48% of all secrecy jurisdiction subsidiaries utilised by publicly listed companies in Australia. 188 of the ASX 200 disclose having one or more subsidiary or controlled entity.¹⁶ Of these, 44 operate only in Australia or New Zealand and have no other disclosed subsidiaries registered elsewhere in the world. This means that 144 of the ASX 200 companies operate as multinationals, with a total of 5,421 subsidiaries registered in 143 countries.

113 of these companies report having subsidiaries registered in secrecy jurisdictions. This means that 78% of ASX 200 multinational companies make use of secrecy jurisdictions as part of their operations. The total number of disclosed secrecy jurisdiction subsidiaries owned by the ASX 200 is 1,078.

Table 8: Breakdown of Number of Secrecy Jurisdiction Subsidiaries by ASX 200 Companies

Number of Subsidiaries in Secrecy Jurisdictions	Companies in this Category	Percentage of Total
≥ 50 Subsidiaries	4	4%
25-49 Subsidiaries	5	4%
15-24 Subsidiaries	9	8%
10-14 Subsidiaries	11	10%
5-9 Subsidiaries	26	23%
3-4 Subsidiaries	23	20%
1-2 Subsidiaries	35	31%
TOTAL	113	100%

The majority of ASX 200 companies utilising secrecy jurisdictions have between one and four subsidiaries registered in secrecy jurisdictions. There are, however, a few companies that are notable for their extensive use of secrecy jurisdictions:

Table 9: ASX 200 Companies with the Most Disclosed Secrecy Jurisdiction Subsidiaries

Companies with more than 50 Subsidiaries in Secrecy Jurisdictions	
Name	Number
Twenty-First Century Fox ¹⁷	117
Toll Holdings	72
Rio Tinto PLC ¹⁸	69
BHP Billiton Limited ¹⁹	54
Companies with between 25 and 49 Subsidiaries in Secrecy Jurisdictions	
Name	Number
Telstra Corporation	46
Leighton Holdings Limited	44
AMP Limited	39
Singapore Telecommunications Limited	39
Westfield Group ²⁰	32
Companies with between 15 and 24 Subsidiaries in Secrecy Jurisdictions	
Name	Number
Orica Limited	24
QBE Insurance Group Limited	20
Computershare Limited	18
Nufarm Limited	18
BlueScope Steel Limited	17
Origin Energy Limited	16
Ansell Limited	16
Qantas Airways Limited	15
News Corporation ²¹	15

Case Study 1: The Offshoring of James Hardie

While most people associate the company James Hardie with the high profile case of asbestos victims' compensation, the company is also well-known for its tax avoidance practices. With eleven disclosed subsidiaries registered in secrecy jurisdictions, James Hardie has also sought to register its parent company in tax favourable jurisdictions such as the Netherlands and Ireland. In 2001, the company shifted its parent company to the Netherlands in order to make use of a beneficial arrangement offered by the Dutch government towards foreign multinationals. Although the Netherlands disputes its status as a tax haven, it offers foreign companies a statutory corporate tax rate of just 5%.²² In response to changes by the Netherlands Government in 2009, James Hardie then announced its intention to shift to Ireland in order to take advantage of that country's favourable tax regime.²³

In 2012, the Sydney Morning Herald reported that 'James Hardie will receive more than \$300 million from the Australian Taxation Office after the High Court refused to hear a \$368 million dispute over the capital gains tax payable after a 1998 corporate restructure. ... The dispute related to a series of transactions involving three wholly owned subsidiaries of James Hardie in Australia, the US and Malta.'²⁴

The analysis in this report suggests that James Hardie over the last decade paid an average of \$0 in corporate tax in Australia and had an average ETR of 0% on average annual profits of \$204 million. The company has an estimated average gearing of 1768% and currently discloses 11 subsidiaries in secrecy jurisdictions, 8 in Bermuda, 2 in the Philippines and 1 in Guernsey. If James Hardie had paid tax at the statutory rate, it would have generated an average \$61 million in annual tax revenues.

The ASX 200 makes use of 35 secrecy jurisdictions, with the most frequently utilised being Singapore, Hong Kong, Malaysia, the British Virgin Islands and Jersey.

Table 10: Number of Companies and Subsidiaries Registered in Secrecy Jurisdictions

Country of Incorporation	Number of Companies Utilising this Jurisdiction	Number of Subsidiaries
Singapore	72	269
Hong Kong	55	190
Malaysia	34	89
British Virgin Islands	15	77
Jersey	12	75
Luxembourg	15	60
Cayman Islands	15	48
Bermuda	17	44
Switzerland	17	42
Mauritius	13	41
Philippines	18	37
United Arab Emirates	15	27
Panama	10	16
Vanuatu	6	8
Guatemala	2	7
Ghana	5	6
Samoa	4	5
Liberia	2	5
Guernsey	3	4
Botswana	3	3
Bahrain	3	3
Cook Islands	3	3
Macau	2	2
Saint Kitts and Nevis	1	2
Uruguay	1	2
Dominican Republic	2	2
Costa Rica	2	2
Gibraltar	1	2
Saint Lucia	1	1
Barbados	1	1
Brunei	1	1
Saudi Arabia	1	1
Channel Islands	1	1
Bahamas	1	1
Isle of Man	1	1
TOTAL	113	1,078

DISCLOSURE LIMITATIONS

The analysis presented in this report is limited by what companies disclose within their annual reports. Companies are only obliged to disclose information that they deem to be material to shareholders and other stakeholders. Within the Australian Accounting Standards, information is deemed 'material if its omission, misstatement or non-disclosure has the potential, individually or collectively to: (a) influence the economic decisions of users taken on the basis of the financial statements; or (b) affect the discharge of accountability by the management or governing body of the entity'.²⁵

The vagueness of this definition has been the cause of some consternation by accountants and advocates of corporate social responsibility. Accountants are concerned with simplifying financial reporting to make it easier to prepare, read and understand; thus, an imprecise definition of materiality clouds exactly what information is necessary to disclose.²⁶ Advocates of corporate social responsibility encourage companies to disclose above and beyond the bare minimum. Projects like the UN Principles for Responsible Investment have led to an increased uptake of sustainability reporting, which supplements traditional financial results with key data on environment, social and governance (ESG) practices by corporations.²⁷

The materiality principle, which underlies disclosure within Australian financial reporting standards, particularly impacts the disclosure of subsidiaries. While some companies disclose their full number of subsidiaries, others disclose just the first layer of subsidiaries. For example, Rio Tinto discloses a list of 'principal subsidiaries', stating that 'The Group comprises a large number of companies and it is not practical to include all of them in this list. The list therefore only includes those companies that have a more significant impact on the profit or assets of the Group'.²⁸ The Henderson Group similarly states that it only discloses 'those subsidiaries which principally affect the figures shown in the Group's consolidated financial statements. There are a number of other subsidiaries which do not materially affect the Group's results or net assets. Particulars of these subsidiaries have been omitted for simplification purposes'.²⁹

Thus, some companies that disclose their full list of subsidiaries may come out looking worse than others that seek to restrict this information. One example is AMP Limited, which in 2013 disclosed a total of 463 subsidiaries registered in thirteen jurisdictions, including 39 subsidiaries in secrecy jurisdictions. By these standards, AMP ranks in the top ten of ASX 200 companies utilising secrecy jurisdictions. However, this is likely due to their higher level of disclosure compared to other ASX 200 companies.

The accounts of the Westfield Group help to explore this issue further. In the previous secrecy jurisdiction report released by the Uniting Church, Westfield ranked fourth amongst ASX 100 companies utilising secrecy jurisdictions. This was based on the last available list of Westfield subsidiaries, published in the 2010 annual report, which listed more than 700 subsidiaries and controlled entities registered in nine different jurisdictions.³⁰ By contrast, the 2013 Westfield Group annual report listed just 21 subsidiaries and controlled entities. This does not reflect a disbursement of these subsidiaries by Westfield; rather, the company has simply revised what they consider to be 'material' to shareholders. The net result is that the company's operations are much less transparent. This report has supplemented data on Westfield's use of secrecy jurisdictions from previous research conducted by United Voice into the Group's tax avoidance practices in the United Kingdom.³¹

The consolidation of group accounts also means that the amount of tax paid per jurisdiction is not transparent. It therefore becomes impossible to monitor whether a company is avoiding paying taxes in some of the jurisdictions in which it operates. In this way, common tax avoidance techniques like transfer mispricing are effectively masked by consolidated accounting practices. Thus, tax justice advocates have long been campaigning for country-by-country disclosures of tax payments and other financial details.

What all of these examples suggest is that the level of disclosure that a company adopts has a real impact on the transparency of their tax practices. At the same time, they also point to the limitations of corporate social responsibility practices. Susan George, a renowned political economist, has commented that, rather than Corporate Social Responsibility, CSR should actually stand for Corporate Self-Regulation. Companies are able to manipulate self-imposed regulations to boost their public relations profile, without really changing their behaviour.³²

Case Study 2: Disclosure of Subsidiaries and Tax Payments by BHP Billiton and Rio Tinto

Some mining companies have responded to the lobbying of groups like Publish What You Pay and adopted country-by-country disclosures of their tax payments, but not country-by-country disclosure of revenue earned and profits made. Two of Australia's largest mining companies – BHP Billiton and Rio Tinto – are in this category. BHP Billiton includes country-by-country tax disclosures within their annual sustainability reports, while Rio Tinto now publishes a separate tax disclosure report. Both companies are also members of the Extractive Industry Transparency Initiative.³³

Despite this, the adoption of country-by-country tax disclosure does not automatically imply that companies are being more transparent with their tax practices. Neither Rio Tinto nor BHP Billiton disclose their full use of subsidiary companies. In 2011, Publish What You Pay Norway conducted extensive research into the subsidiary accounts of major mining companies. Their research revealed that both of these companies only disclose a fraction of their total subsidiaries. In the case of Rio Tinto, all of their subsidiaries registered in secrecy jurisdictions were not deemed materially important enough to disclose.³⁴

Table 11: Rio Tinto and BHP Billiton Disclosed versus Actual Subsidiaries, 2011

	Number of Subsidiaries	Disclosed Subsidiaries	Number of Secrecy Jurisdiction Subsidiaries	Disclosed Secrecy Jurisdiction Subsidiaries
Rio Tinto	926	18	69	0
BHP Billiton	462	49	54	3

In April 2012, UK-based ShareAction asked Rio Tinto at their AGM why they did not disclose all of their subsidiaries and report on the tax paid within all of the jurisdictions where they had registered subsidiaries. The questioner specifically asked 'Are we to assume that no payments are made to any such countries?'. The official response given by the CFO was: 'I can give you assurance that we report all taxes that we pay. We do this not only on a country by country basis but also on a state by state or province by province basis.' This suggests that the company does not pay taxes in jurisdictions not covered by their country-by-country analysis.³⁵

In 2013, BHP Billiton had 462 subsidiaries in 49 countries; tax payments were disclosed in 12 countries, but not in the other 37 countries with 128 subsidiaries. Rio Tinto had 926 subsidiaries in 71 countries; tax payments were disclosed in 28 countries, but not in the other 43 countries with 111 subsidiaries.³⁶

EFFECTIVE TAX RATES AMONGST THE ASX 200

This research examines data extracted from ASX 200 financial reports for the decade from 2004 to 2013. Companies with less than 3 years of available data were removed from the sample, leaving 192 companies. The effective tax rate of these 192 companies was averaged over the decade.³⁷

The research demonstrates that the majority of ASX 200 companies pay well below the statutory rate of 30%. Over the decade, the average annual effective tax rate of these 192 companies is 23%. As a result, \$8.4 billion less tax is paid annually compared to the straight application of the 30% statutory rate to the reported profits of these companies.

This suggests that aggressive tax minimisation practices may be concentrated among some of Australia's largest listed companies, given the earlier estimate, based on ATO statistics, of \$9.3 billion foregone tax revenue from all Australian companies.

The results of this study are detailed below. Note that all tables of data included in this section of the report are annual averages for the decade 2004–2013. If data did not exist for the full decade, calculations were made based on existing years, excluding companies with less than 3 years of data.

Table 12: Summary of ASX 200 Accounts, 2004–2013

ASX 200 Annual Averages 2004–2013	
Average Annual Total Assets	\$3,471.1 billion
Average Annual Pre-Tax Profit	\$120.7 billion
Average Annual Tax Paid	\$27.8 billion
Average Annual Effective Tax Rate	23%
30% Tax Rate on Pre-Tax Profit	\$36.2 billion
Average Annual Tax Foregone	\$8.4 billion

Moreover, nearly a third of ASX 200 companies pay an effective tax rate of 10% or less, while more than 14% have an effective tax rate of 0% or actually received a rebate on their tax. It should be noted that negative ETRs are difficult to interpret and could be caused by a variety of factors. For example, a negative ETR could indicate that a company has received more in tax rebates than it has paid in tax over the decade. Alternatively, a company could have a negative ETR as a result of sustaining pre-tax losses on average over the decade (even though it may have actually paid more tax than it received in rebates over the same time period). However, negative average ETRs and average pre-tax losses over the time frame should be cause for concern and require further investigation and interpretation on an individual company basis.

Table 13: Number of ASX 200 Companies by ETR Ranges

ETR	Companies	Cumulative %
< 0%	8	4.2%
0%	19	14.1%
1%-2%	11	19.8%
3%-5%	9	24.5%
6%-10%	9	29.2%
11%-15%	14	36.5%
16%-20%	21	47.4%
21%-25%	28	62.0%
26%-30%	51	88.5%
30%+	22	100%

A number of industry sectors stand out as being particularly tax aggressive. Table 15 breaks down the ASX 200 data by industry sector. The most tax aggressive is the real estate sector, which has an overall average effective tax rate of just 5%. Low effective tax rates are common across all 17 real estate companies registered in the ASX 200, ranging between 0% and 15%. The average effective tax rate for the entire sector is 5%; however the median effective tax rate paid by the individual companies is as low as 1%. In both instances, this is well below the statutory company tax rate of 30%. Moreover, the real estate sector is one of the most aggressive of these sectors, accounting for 18% of foregone tax revenue if the ASX 200 companies had all paid the 30% statutory rate, while comprising just 4% of the ASX 200 (by share of total ASX 200 assets).

Case Study 3: Low Tax Rates in the Real Estate Sector

The reason for low effective corporate tax rates within the real estate sector relates to the prevalent use of real estate investment trusts (REITs), which are effectively tax free entities. REITs were introduced in Australia in the 1970s, in line with a growing global trend towards managed investment trusts, particularly within the property sector. The principle behind the tax-free nature of REITs is that income is supposed to be taxed once it is distributed to investors, however capital gains tax discounts and other measures currently limit the amount of tax that is collected on this income at the shareholder level. In some instances – particularly if investors themselves use personal trusts to claim their dividends – no tax will be collected on this revenue at all.

In addition to this, many real estate companies make use of stapled securities – a corporate structure which is almost unique to Australia. Stapled securities have significant advantages for a company interested in minimising its tax obligations, since it allows a company to shift profit into trust structures while maintaining debt within the taxed-proportion of the company. Most countries have disallowed the stapling of securities because of the tax arbitrage implications of this arrangement.

The prevalent use of trusts and stapled securities in the real estate sector has meant that the 17 real estate companies listed in the ASX 200 annually pay on average just \$283 million in tax, while generating profits of more than \$6 billion. If the statutory rate of 30% is applied to the sector's profits, we estimate an average \$1.5 billion in annual tax revenue foregone (see Table 18 below).

There are two ways to use effective tax rates to compare the impact of tax aggressiveness of ASX 200 companies. The first is to look at the overall effective tax rate, which helps to demonstrate which companies pay the least as a percentage of their overall profits. Table 13 shows there are 8 companies that had a negative ETR, and another 19 companies that had an ETR of 0%. Appendix 4 contains the full ASX 200 list ranked by ETR from lowest to highest. Table 16 provides a list of 27 companies with the lowest ETRs, excluding companies with less than \$50 million in average pre-tax annual profits.

Table 17 looks at the top companies by average annual tax dollars forgone as a measure of the overall impact on the corporate tax revenue base. In this case, even companies that have relatively high ETRs on reported profits can have a large impact on overall revenues. If the data is cut in this way, only 23 companies make up 75% of the estimated tax foregone and just seven companies account for 50% of the estimated annual tax foregone – or \$4.2 billion in total. Table 14 lists these 7 companies with their average ETRs and average annual tax revenue forgone.

Table 14: Companies That Have the Greatest Impact on Australia's Tax Revenue

ASX Code	Company Name	ETR	Average Annual Tax Foregone \$'000s
FOX	Twenty-First Century Fox, Inc. ³⁸	1%	\$1,603,740
SGT	Singapore Telecommunications Limited	9%	\$713,251
BHP	BHP Billiton Limited	27%	\$673,006
RIO	Rio Tinto Limited	27%	\$436,173
WDC	Westfield Group	8%	\$370,040
NAB	National Australia Bank Limited	27%	\$210,630
CBA	Commonwealth Bank of Australia	27%	\$193,900
TOTAL			\$4,200,739

Most of these companies are widely known. Singapore Telecommunications, or SingTel, also listed in Singapore, operates the Optus mobile network in Australia. For dual listed companies, like SingTel, and other companies with global operations, a portion of tax foregone may be attributable to other jurisdictions.

This data indicates that the vast majority of ASX 200 companies actually pay the statutory rate (or very close to it) on their reported profits.

Case Study 4: Westfield and Tax Minimisation

Within any analysis of the real estate sector in Australia, one player stands out as both the largest and most profitable. Westfield – consisting of the Westfield Group (WDC) and the Westfield Retail Trust³⁹ – own 38 shopping centres with a total of 11,300 retail outlets and 3.4 million square metres of retail space. Internationally, the Westfield Group is the largest shopping centre owner anywhere in the world, having expanded into New Zealand, the United States, the United Kingdom and Europe.

As the largest and most profitable of Australia's real estate companies, Westfield unsurprisingly contributes the greatest share in lost tax revenue within the sector, with an annual average tax loss of \$541 million arising from the tax minimisation practices of both the Group and the Trust combined. This represents 34% of the total tax minimisation activities of the real estate sector annually.

Westfield is known to be tax aggressive in other circumstances. A previous report commissioned by United Voice indicated that Westfield, compared to other listed property companies, had the greatest capacity to be tax aggressive based on a number of variables including the use of secrecy jurisdiction subsidiaries. An investigation into the company's corporate structure in the UK revealed a web of subsidiaries registered in Jersey which allowed the company to shift up to 75% of their profits out of the UK into the secrecy jurisdiction. Another report showed that Westfield was aggressive in appealing their property taxes in the US, saving \$116.4 million in property taxes in 2012 alone.

Additionally, the largest owners of Westfield – the Lowy Family – have themselves previously come under fire for tax avoidance activities. An ATO investigation in the early 1990s into unreported personal profits resulted in a Lowy Family company being fined \$300 million – a sum that was later reduced to a settlement worth just \$25 million. Immediately following this, the Lowys appear to have shifted a sum of money into a secret Liechtenstein bank account. The tax avoidance activities of the Lowys in Liechtenstein were revealed dramatically in a 2008 US Senate Inquiry, described by the Senate Subcommittee as reading 'like [a] spy novel ... with secret meetings, hidden funds, shell corporations, captive foundations, and complex offshore transactions spanning the globe.'⁴⁰

Table 15: Summary of ASX 200 Effective Tax Rates by Industry Sector

Industry Sector	Number of Companies	Average Total Assets \$'000s	Share of ASX 200 Assets	Average Pre-Tax Profit \$'000s	Average Tax Paid \$'000s	ETR	Average Annual Tax Foregone \$'000s	Industry Share of Tax Foregone
Real Estate	17	\$135,730,062	4%	\$6,063,009	\$282,571	5%	\$1,536,331	18%
Media	9	\$81,106,335	2%	\$6,518,697	\$304,086	5%	\$1,651,523	20%
Transportation	10	\$71,595,394	2%	\$2,224,723	\$307,980	14%	\$359,437	4%
Utilities	7	\$36,638,788	1%	\$1,043,530	\$149,758	14%	\$163,301	2%
Health Care Equipment & Services	7	\$14,331,143	0%	\$1,249,087	\$227,755	18%	\$146,971	2%
Insurance	4	\$240,855,885	7%	\$4,493,347	\$960,703	21%	\$387,301	5%
Capital Goods	9	\$15,972,416	0%	\$1,314,042	\$281,044	21%	\$113,169	1%
Pharmaceuticals, Biotechnology & Life Sciences	4	\$5,498,415	0%	\$939,133	\$201,355	21%	\$80,385	1%
Software & Services	4	\$3,181,744	0%	\$518,824	\$112,161	22%	\$43,486	1%
Telecommunication Services	6	\$73,833,685	2%	\$9,399,078	\$2,057,186	22%	\$762,537	9%
Commercial & Professional Services	12	\$20,093,161	1%	\$1,895,848	\$422,632	22%	\$146,122	2%
Food, Beverage & Tobacco	4	\$14,191,399	0%	\$1,091,232	\$257,059	24%	\$70,310	1%
Diversified Financials	9	\$163,342,121	5%	\$2,634,238	\$644,091	24%	\$146,181	2%
Consumer Services	14	\$25,586,017	1%	\$2,299,664	\$586,627	26%	\$103,273	1%
Materials (includes mining)	38	\$270,126,725	8%	\$41,143,066	\$10,522,988	26%	\$1,819,932	22%
Retailing	12	\$12,734,666	0%	\$1,356,045	\$349,498	26%	\$57,315	1%
Consumer Durables & Apparel	1	\$339,555	0%	\$57,749	\$15,779	27%	\$1,546	0%
Banks	6	\$2,175,456,800	63%	\$26,830,630	\$7,366,770	27%	\$682,419	8%
Food & Staples Retailing	3	\$46,834,777	1%	\$4,515,846	\$1,253,725	28%	\$101,029	1%
Energy	16	\$63,670,174	2%	\$5,100,568	\$1,521,207	30%	\$8,964	0%
TOTAL	192	\$3,471,119,263	100%	\$120,688,356	\$27,824,975	23%	\$8,381,532	100%

Table 16: Top 27 Companies Ranked by Lowest Average Annual Effective Tax Rate (ETR)

Rank	ASX Code	Company Name	Average Annual Tax Paid \$'000s	Average Annual Pre-Tax Profit \$'000s	Average Annual ETR
1	BWP	BWP Trust	\$0	\$51,262	0%
2	ENV	Envestra Limited	\$0	\$54,976	0%
3	SKI	Spark Infrastructure Group	\$0	\$101,993	0%
4	CPA	Commonwealth Property Office Fund	\$0	\$150,960	0%
5	JHX	James Hardie Industries Plc	\$0	\$203,663	0%
6	CFX	CFS Retail Property Trust Group	\$0	\$267,547	0%
7	AWC	Alumina Limited	\$420	\$198,833	0%
8	WRT	Westfield Retail Trust	\$1,800	\$534,933	0%
9	GPT	GPT Group	\$3,870	\$647,140	1%
10	CGF	Challenger Limited	\$1,766	\$243,397	1%
11	DXS	Dexus Property Group	\$2,985	\$335,574	1%
12	RMD	ResMed Inc.	\$2,198	\$237,310	1%
13	CMW	Cromwell Property Group	\$546	\$58,332	1%
14	FOX	Twenty-First Century Fox, Inc.	\$59,200	\$5,543,132	1%
15	CQR	Charter Hall Retail REIT	\$1,651	\$147,557	1%
16	APA	APA Group	\$1,522	\$128,250	1%
17	AZJ	Aurizon Holdings Limited	\$11,233	\$526,333	2%
18	ABP	Abacus Property Group	\$1,601	\$69,756	2%
19	IOF	Investa Office Fund	\$4,010	\$148,858	3%
20	SYD	Sydney Airport	\$15,556	\$543,935	3%
21	GMG	Goodman Group	\$11,489	\$399,344	3%
22	SGP	Stockland	\$18,292	\$564,926	3%
23	MGR	Mirvac Group	\$12,851	\$305,420	4%
24	EGP	Echo Entertainment Group Limited	\$10,067	\$204,667	5%
25	OZL	OZ Minerals Limited	\$20,805	\$303,681	7%
26	MGX	Mount Gibson Iron Limited	\$8,816	\$121,877	7%
27	WDC	Westfield Group	\$140,300	\$1,701,133	8%

Table 17: Top Tax Aggressive Companies by Overall Impact on Corporate Tax Revenue Base (Annual Estimated Average Tax Foregone)

ASX Code	Company Name	Average Total Assets \$'000s	Average Pre-Tax Profit \$'000s	Average Tax Paid \$'000s	ETR	Average Annual Tax Foregone \$'000s	Company Share of Total Tax Foregone	Cumulative Share
FOX	Twenty-First Century Fox, Inc.	\$65,727,014	\$5,543,132	\$59,200	1%	\$1,603,740	19%	19%
SGT	Singapore Telecommunications Limited	\$29,315,504	\$3,324,278	\$284,033	9%	\$713,2513	9%	28%
BHP	BHP Billiton Limited	\$88,593,908	\$20,389,718	\$5,443,909	27%	\$673,006	8%	36%
RIO	Rio Tinto Limited	\$93,576,020	\$14,409,357	\$3,886,635	27%	\$436,173	5%	41%
WDC	Westfield Group	\$43,066,467	\$1,701,133	\$140,300	8%	\$370,040	4%	45%
NAB	National Australia Bank Limited	\$620,246,100	\$6,507,100	\$1,741,500	27%	\$210,630	3%	48%
CBA	Commonwealth Bank of Australia	\$532,355,000	\$7,288,000	\$1,992,500	27%	\$193,900	2%	50%
GPT	GPT Group	\$10,548,620	\$647,140	\$3,870	1%	\$190,272	2%	52%
QBE	QBE Insurance Group Limited	\$40,472,785	\$1,480,232	\$260,203	18%	\$183,866	2%	55%
ANZ	Australia & New Zealand Banking Group Ltd	\$470,027,000	\$6,065,800	\$1,652,900	27%	\$166,840	2%	57%
WRT	Westfield Retail Trust	\$13,317,133	\$534,933	\$1,800	0%	\$158,680	2%	58%
SGP	Stockland	\$12,537,701	\$564,926	\$18,292	3%	\$151,186	2%	60%
SYD	Sydney Airport	\$13,910,206	\$543,935	\$15,556	3%	\$147,624	2%	62%
AZJ	Aurizon Holdings Limited	\$9,900,433	\$526,333	\$11,233	2%	\$146,667	2%	64%
NCM	Newcrest Mining Limited	\$8,568,939	\$683,489	\$78,475	11%	\$126,572	2%	65%
SUN	Suncorp Group Limited	\$80,867,800	\$985,200	\$184,700	19%	\$110,860	1%	67%
GMG	Goodman Group	\$7,953,767	\$399,344	\$11,489	3%	\$108,314	1%	68%
ORG	Origin Energy Limited	\$17,586,334	\$781,727	\$126,973	16%	\$107,545	1%	69%
WBC	Westpac Banking Corporation	\$486,843,900	\$6,499,200	\$1,847,400	28%	\$102,360	1%	70%
DXS	Dexus Property Group	\$8,160,759	\$335,574	\$2,985	1%	\$97,687	1%	72%
AMP	AMP Limited	\$99,103,400	\$1,179,314	\$258,400	22%	\$95,394	1%	73%
QAN	Qantas Airways Limited	\$19,639,270	\$612,710	\$90,210	15%	\$93,603	1%	74%
CSL	CSL Limited	\$5,123,817	\$936,971	\$195,878	21%	\$85,212	1%	75%

Table 18: Effective Tax Rates in the Real Estate Sector

ASX Code	Company Name	Average Total Assets \$'000s	Share of ASX 200 Assets	Average Pre-Tax Profit	Average Tax Paid \$'000s	ETR	Average Annual Tax Foregone \$'000s	Company Share of Sector Tax Foregone
WDC	Westfield Group	\$43,066,467	32%	\$1,701,133	\$140,300	8%	\$370,040	24%
GPT	GPT Group	\$10,548,620	8%	\$647,140	\$3,870	1%	\$190,272	12%
WRT	Westfield Retail Trust	\$13,317,133	10%	\$534,933	\$1,800	0%	\$158,680	10%
SGP	Stockland	\$12,537,701	9%	\$564,926	\$18,292	3%	\$151,186	10%
GMG	Goodman Group	\$7,953,767	6%	\$399,344	\$11,489	3%	\$108,314	7%
DXS	Dexus Property Group	\$8,160,759	6%	\$335,574	\$2,985	1%	\$97,687	6%
CFX	CFS Retail Property Trust Group	\$6,829,468	5%	\$267,547	\$0	0%	\$80,264	5%
MGR	Mirvac Group	\$7,278,747	5%	\$305,420	\$12,851	4%	\$78,775	5%
LLC	Lend Lease Group	\$9,826,810	7%	\$471,960	\$69,180	15%	\$72,408	5%
CPA	Commonwealth Property Office Fund	\$3,295,969	2%	\$150,960	\$0	0%	\$45,288	3%
CQR	Charter Hall Retail REIT	\$2,432,418	2%	\$147,557	\$1,651	1%	\$42,617	3%
IOF	Investa Office Fund	\$2,647,617	2%	\$148,858	\$4,010	3%	\$40,647	3%
ALZ	Australand Property Group	\$3,566,959	3%	\$164,054	\$13,995	9%	\$35,221	2%
ABP	Abacus Property Group	\$1,387,764	1%	\$69,756	\$1,601	2%	\$19,326	1%
CMW	Cromwell Property Group	\$1,126,471	1%	\$58,332	\$546	1%	\$16,954	1%
BWP	BWP Trust	\$987,978	1%	\$51,262	\$0	0%	\$15,379	1%
CHC	Charter Hall Group	\$765,415	1%	\$44,252	\$1	0%	\$13,274	1%
TOTAL		\$135,730,062	100%	\$6,063,009	\$282,571	5%	\$1,536,331	100%

IMPACT OF FINANCING COSTS ON THE CORPORATE TAX BASE AMONGST ASX 200 COMPANIES

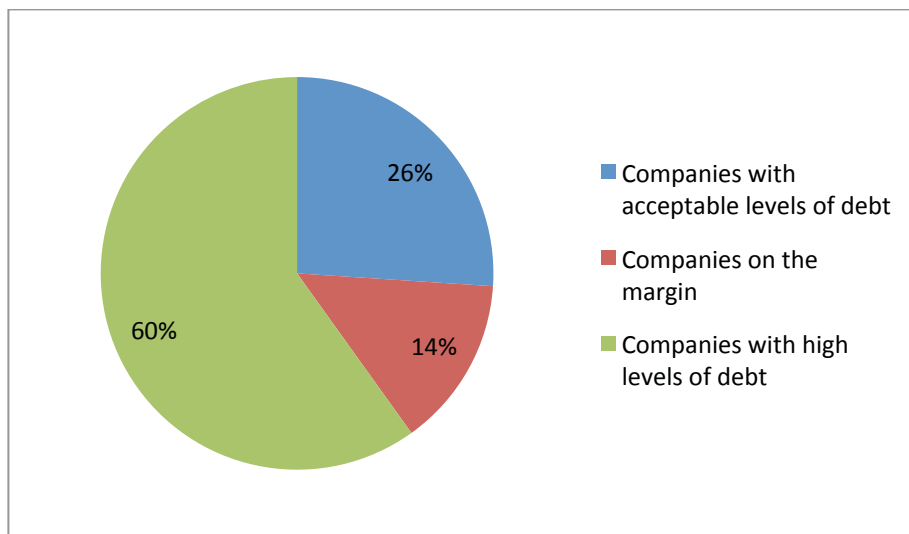
As indicated earlier in this report, one of the limitations in utilising effective tax rates to assess tax aggressiveness is that the effective tax rate can only be calculated against reported profits. Companies can make use of a number of tactics to artificially reduce their reported profits and minimise their tax obligations. This section will look at one further proxy for possible tax minimisation – sustained high levels of debt. This is of concern where the debt is effectively manufactured through loans from other parts of the same company located in a lower tax jurisdiction. When a multinational company loans one part of the company funds from another part, the interest paid is used as a tax deduction. This practise is known as thin capitalisation.

Until recently, the Australian Tax Office defined thin capitalisation as debt which exceeds 75% of total equity. Debt in excess of this level was considered to be high, and companies were obliged to complete an additional assessment to explain their debt levels.⁴¹ Under proposed legislation, the threshold would be reduced to 60% to disincentivise this form of tax minimisation.⁴² In our analysis, 60% of the ASX 200 had debt levels in excess of 75%. A further 14% of companies fell into the marginal category of between 60% and 75%. This means that just 26% of ASX 200 companies have debt levels that are not of some concern from a tax minimisation perspective. However, the work here has made no analysis of how much of this debt might be manufactured for the purposes of reducing tax and how much is legitimate loans, often from unrelated companies.

Table 19: Debt Levels amongst ASX 200 Companies

Debt as a Percentage of Equity	Number of Companies
400%+	15
250%-400%	8
150%-250%	29
100%-150%	31
75%-100%	32
60%-75%	27
<60%	50

Figure 5: Debt Levels amongst ASX 200 Companies



The costs associated with financing debts are tax exempt. Thus, high debt levels are a concern from a tax perspective only if they have an appreciable impact on the total amount of profit that is reported as taxable and only if the debts are being constructed primarily for the purpose of shifting profits to lower tax jurisdictions to avoid paying tax in Australia.

Case Study 5: Glencore's Zero Dollar Tax Bill

Although not in the ASX 200, the Swiss-based company Glencore is Australia's largest coal miner. A recent high profile exposé of the company's tax practices in Australia help to explain how a company may use excessive levels of debt to reduce the amount of tax paid. Despite revenues of \$15 billion over three years, the company had loans worth \$3.4 billion dollars, which they were paying back at an interest rate of 9%. Moreover, these loans were intra-group loans – meaning the money was borrowed from a related party registered in a jurisdiction outside of Australia. Additionally, 46% of Glencore's coal sales were also to related parties, suggesting that the company may have been engaging in transfer mispricing. The result of both of these activities was to reduce Glencore's tax bill to almost nothing, according to an independent international finance expert.⁴³

These findings were reported by Fairfax media in June 2014, prompting Glencore to respond that they had in fact paid \$400 million in company tax in Australia over the same period.⁴⁴ Nevertheless, the effective company tax rate has presumably been significantly reduced by these intra-group transactions.

While avoiding their tax obligations in Australia, Glencore has also benefited from state government subsidies to the mining sector estimated to be \$17.6 billion over the last six years and Federal Government subsidies of up to \$4.5 billion per year.⁴⁵

Another way to assess the impact of high debt levels on the taxes that companies pay, therefore, is to look at the impact of financing costs on overall profit. This is done by comparing Earnings Before Interest and Taxation (EBIT) to Pre-Tax Profit. Data was available for 163 companies listed in the ASX 200. 42% of these companies – 69 companies in total – reported that financing costs reduced their profit by less than 10%. This suggests that although debt levels are high overall amongst ASX 200 companies, the impact is not necessarily extreme. The remaining 58% of companies reported losing 10% or more of their profits to financing costs.

Table 20: Impact of Financing Costs on ASX 200 Company Profits

% of Profit Lost to Financing Costs	Number of Companies
100%+	3
75%-100%	1
50%-75%	6
25%-50%	19
10%-25%	65
< 10%	69
Unknown	29

Nevertheless, a handful of companies demonstrate that financing costs can have a very large impact on taxable profit. Ten companies reported losing more than 50% of their profits to financing costs. The majority of these same companies also had very high debt levels. Again, the authors have not identified how much of this is due to artificial related-party debt (and not all related party debt is artificial) and how much is from legitimate third party loans.

Table 21: Companies Reporting Significant Losses of Profit to Finance Costs

ASX Code	Company Name	Average of % Profit Lost to Finance Costs	Average Debt Levels
CGF	Challenger Limited	511%	1031%
BDR	Beadell Resources Limited	190%	117%
TCL	Transurban Group	134%	166%
DUE	DUET Group	78%	443%
ENV	Envestra Limited	74%	514%
FMG	Fortescue Metals Group Ltd	64%	389%
APA	APA Group	57%	242%
TPI	Transpacific Industries Group Ltd	55%	129%
SPN	SP AusNet	55%	196%
AIO	Asciano Limited	54%	149%

Debt is an important part of conducting business. Companies particularly report large amounts of debt when they are first established or when they are embarking on a new project. In these instances, debt almost naturally exceeds equity, since a company is expending a lot of money in order to build its asset base for future years. For example, Recall Holdings Limited reported a phenomenal debt level worth 199,415% of their total equity in 2013; however, this was the first year of operation for the company, and debt levels would be expected to drop dramatically in subsequent years.

Debt levels are thus of greater concern if they are consistently high over a longer period of time. The vast majority of average debt levels listed in the above table are calculated over a ten year period, indicating that high debt is likely to be more of a permanent fixture for these companies. Fortescue Metals Group, a well-known mining company, came under scrutiny in 2010 when it emerged that the company was able to reduce its tax bill to 0% by writing off the tax against debts owed.⁴⁶ At the same time, the CEO of Fortescue Metals, Andrew Forrest was leading a vocal campaign against a proposed special mining tax.⁴⁷ Over the period 2004-2013, Fortescue Metals had an average debt level of 389%, and lost on average 64% of its profit to financing

costs. This suggests that if the company was able to reduce its debt levels to within normal standards, the tax revenues from this large mining company would be many times greater than they currently are.

Case Study 6: Macquarie Group

The finance sector is another place where we would expect to find high levels of debt as an ordinary part of business, since banks are essential net debtors to account holders. All of the big four banks in Australia have debt levels well in excess of 1000%. However, even within the finance sector debt can be utilised for tax avoidance purposes.

Macquarie Group has come under intense scrutiny by both the ATO and OECD for tax avoidance practices, with allegations that the company has used tax minimisation schemes to claim more than \$1.3 billion in tax deductions over the decade 2001-2011. Macquarie Group – which also has five disclosed subsidiaries registered in secrecy jurisdictions – is accused of extensively using offshore banking units in order to lower its tax rate from 30% to 10%. The ATO has been auditing the Group's accounts for 2006, 2007 and 2008 since 2011, which has prompted some changes in the company's practices, including raising their effective tax rate from 15% to above the statutory 30%. It is also alleged that Macquarie effectively lobbied the Liberal Treasurer Arthur Sinodinos to call a halt and a watering-down of an investigation into the use of offshore banking units.⁴⁸ Similarly, the Group have been lobbying for a reduction in the corporate tax rate from 30% to 25%.⁴⁹

Macquarie has also been involved in tax avoidance schemes overseas. The Group owned the main water supply company for London, Thames Water, via a holding company in Guernsey and a series of offshore funds. A complex structuring of debt to these offshore funds meant that while the company was making large profits, almost no tax was paid.⁵⁰

Sydney Airport, also listed on the ASX 200 with the Macquarie Group as its largest shareholder, has been accused of tax avoidance resulting from high levels of debt. In 2013, it was reported that Sydney Airport had paid no tax since being sold to Macquarie Bank in 2002. Rather than paying tax, the corporation had received \$400 million in tax benefits between 2003-2013. Reportedly, the main way that Sydney Airport avoids its tax obligations is through high levels of debt. The investment remains extremely lucrative for investors and shareholders; however, the asset is 'cash-flow negative', meaning that the financing costs outweigh all of the profits.⁵¹

Conclusion & Recommendations

Disclosure and transparency of corporate tax practices needs to be increased. Greater public awareness of aggressive tax avoidance will provide an incentive to Australian corporations to be less tax aggressive. Tax dodging practices, when exposed, will damage corporate reputations and may increase regulatory and financial risks. Responsible companies should not wait for inevitable changes to the rules before deciding to act.

The Australian Government should:

- Require large corporations to provide more public disclosure and transparency.
- Increase fines for tax evasion and extend laws to effectively cover the full range of corporate tax avoidance strategies.
- Eliminate or restrict the use of stapled securities for tax arbitrage, according to global norms.
- Ensure that the Australian Tax Office is adequately funded and staffed.
- Lead the G20 to adopt tough and effective global rules to combat corporate tax dodging.

Based on the findings of the report, these measures can be achieved through the following more specific recommendations of the Tax Justice Network – Australia.

The Tax Justice Network – Australia urges the Australian Government to:

- Support the OECD's Action Plan on Base Erosion and Profit Shifting (BEPS) and pressure secrecy jurisdictions to end their status as such through effective cooperation with other governments to combat tax evasion, tax avoidance and money laundering.
- Support the automatic exchange of information on tax matters between tax authorities of different countries, with appropriate safeguards, and follow through on its commitment to implement automatic exchange of information on tax matters into Australian law.
- Require greater transparency from multinational corporations, including country-by-country reporting.⁵² Consolidated annual reports should include revenues, profits, staffing levels and taxes paid in each country in which they operate or have subsidiaries.

For multinational corporations, the Tax Justice Network – Australia recommends:

- Greater transparency on the purpose and function of subsidiaries in secrecy jurisdictions.
- Voluntary reporting of revenue, profits, staff levels and taxes paid in each jurisdiction until such a measure is implemented by law. Some companies, particularly in the mining sector, have already taken steps towards increasing disclosure.
- Avoiding setting up subsidiaries in secrecy jurisdictions.

APPENDIX 1: METHODS OF CORPORATE TAX AVOIDANCE

In recent years, the Australian Tax Office has noted a trend towards an increasing number of Australian companies reporting a zero tax liability – a trend which is replicated in other tax jurisdictions like the United States and is particularly related to the proliferation of secrecy jurisdiction usage and transfer pricing.⁵³ A recent academic study into corporate tax avoidance amongst publicly listed Australian companies indicated that corporations regularly use the following methods to aggressively reduce their tax liabilities: thin capitalisation, transfer mispricing, income shifting, multinationality and secrecy jurisdiction utilisation.⁵⁴

THIN CAPITALISATION

Thin capitalisation is when a company has much greater levels of debt than equity. High levels of debt allow a company to use financing costs to artificially lower their profit margins, by being able to claim interest repayments as a tax deduction, thereby reducing their tax obligation. While debt is an important part of conducting business, in some instances these debts can be entirely artificially generated – for instance, when one part of the company registered in a low taxing jurisdiction (such as a secrecy jurisdiction) loans money to another part of the company that is registered in a standard-taxing jurisdiction like Australia. Tax law specialist, Dr. Antony Ting explains how this works using a simple hypothetical:

‘Assume a multinational is cash rich and does not have to borrow from third parties. Despite this enviable financial position, it can still establish a Bermuda group finance company (with zero income tax rate), which enters into an intra-group loan arrangement with its sister company in Australia. In this way, profits in Australia can be shifted to Bermuda through the artificially created interest expenses paid to Bermuda.’⁵⁵

High debt-to-equity ratios may be an indication that a company is engaged in tax minimisation practices. Regulations have recently been introduced in Australia to try to mitigate some of the tax avoidance that is possible through the use of artificial debt by setting maximum levels of interest-bearing debt that can be deducted for tax purposes.⁵⁶ In Australia, currently interest payments can automatically be claimed as tax deductions if the total level of debt is less than 75% of total equity. Companies with debt levels in excess of this are considered to be more likely to be engaged in tax avoidance, especially if the company is also multinational and the loan has come from one or more subsidiaries registered in a low-tax secrecy jurisdiction.

TRANSFER PRICING

Transfer pricing involves transactions between parts of the same multinational corporation. As long as the multinational subsidiaries charge each other a fair market price – known as an ‘arm’s length’ price – such transactions are perfectly legitimate. Tax is paid where it should be, in the place where the business is actually taking place. However, by artificially altering the price or cost of a good or service, a multinational company can increase its costs artificially in a location with higher taxes and transfer revenue to a location with lower taxes (often a secrecy jurisdiction or tax haven). This is known as ‘transfer mispricing’, and in many countries (including Australia) it is illegal.

With 60% of world trade now taking place within, rather than between, multinational corporations, there are substantial opportunities to manipulate transactions to reduce tax.⁵⁷

Transfer mispricing is recognised globally as a major cause for declining corporate tax revenue.⁵⁸ Although Australia has instituted transfer pricing rules which attempt to mitigate some of the worst tax avoidance practices, the ATO found \$1.25 billion worth of disallowed tax losses between 2001 and 2006 that were the result of transfer mispricing by Australian companies.⁵⁹ Transfer mispricing is more easily used as a form of tax avoidance by larger firms which have complex structures and substantial intercompany transactions.

Some corporations utilise more complex transfer mispricing arrangements involving intangible assets such as research and development expenditure or intellectual property rights where the asset value and hence taxable income is difficult to establish.⁶⁰ This has been a major component of some recent high-profile tax avoidance scandals in the UK involving Google and Starbucks.⁶¹

Another technique in this category involves a subsidiary registered in a secrecy jurisdiction charging another part of the company management fees, which are then recorded as a cost or a debt to be paid by the part of the company registered within the higher-taxing jurisdiction.

SECRECY JURISDICTIONS

Australian companies utilise and interact with secrecy jurisdictions in a substantial way. In the 2012-13 financial year, \$47 billion flowed from Australia to secrecy jurisdictions (as recognised by the Australian Government), while a further \$60 billion flowed from secrecy jurisdictions to Australia. Over the six years 2007-13, a total of \$292 billion was transferred into tax secrecy jurisdictions, while \$367 billion was received from tax secrecy jurisdictions.⁶²

While secrecy jurisdictions provide subsidiaries of multinational corporations with the capacity to avoid paying tax altogether, they are also the major facilitator of international transfer mispricing.

HOW WE DEFINE A SECRECY JURISDICTION

Developed by the Tax Justice Network, the Financial Secrecy Index identifies and ranks jurisdictions according to their level of financial secrecy and their share of the global market for offshore financial services.

The 2013 Financial Secrecy Index is used in this report to define which jurisdictions are identified as secrecy jurisdictions. The jurisdictions of concern were taken to be those having a Secrecy Score of 65 or over and these are ranked below in Table 1. In total 52 jurisdictions were considered.

Table 22: The Financial Secrecy Index 2013 Ranked by Secrecy Score

Jurisdiction	Secrecy Score	Jurisdiction	Secrecy Score
Samoa	88	Guatemala	77
Vanuatu	87	Cook Islands	77
Seychelles	85	Curacao	77
St Lucia	84	Anguilla	76
Brunei Darussalam	84	Andorra	76
Liberia	83	Jersey	75

Marshall Islands	82	Monaco	75
Barbados	81	Saudi Arabia	75
Belize	80	Montserrat	74
San Marino	80	Panama	73
Mauritius	80	Botswana	73
Antigua & Barbuda	80	Dominican Republic	73
Bahamas	80	Bahrain	72
Bermuda	80	Uruguay	72
St Kitts & Nevis	80	Hong Kong	72
Malaysia (Labuan)	80	Costa Rica	71
Maldives	79	Aruba	71
Liechtenstein	79	Macao	71
United Arab Emirates (Dubai)	79	Singapore	70
Nauru	79	Cayman Islands	70
Lebanon	79	US Virgin Islands	69
Gibraltar	79	Guernsey	67
Dominica	79	Isle of Man	67
Switzerland	78	Philippines	67
Turks & Caicos Islands	78	Luxembourg	67
Grenada	78	Ghana	66
St Vincent & the Grenadines	78	British Virgin Islands	66

The secrecy score in the Financial Secrecy Index is a measure of how willing the jurisdiction is to require companies to be transparent, their willingness to share information with other national authorities and their compliance with international norms to combat money-laundering.⁶³ The secrecy score uses 15 indicators.⁶⁴

REPORT METHODOLOGY

The ASX 200 list was current as of March 2014. Companies that had less than three years' worth of available data were removed from the sample, meaning that only 192 companies were analysed. All percentage calculations reflect this. All of the data is as reported by ASX 200 companies and provided through Morningstar's DatAnalysis program. The methodologies used for each proxy are as follows:

Identifying Secrecy Jurisdiction Usage by the ASX 200

The most recent list of controlled entities has been downloaded for each ASX 200 company and then checked against the 52 secrecy jurisdictions identified earlier in this report to assess the extent to which each company makes use of secrecy jurisdictions. In three instances, additional information has been sourced. The subsidiary lists of Rio Tinto and BHP Billiton were taken from data collected by Publish What You Pay Norway in 2011.⁶⁵ A list of secrecy jurisdiction subsidiaries owned by Westfield Group was taken from the report 'Olympic Tax Dodging,' which examined Westfield's tax avoidance practices within the United Kingdom.⁶⁶

Effective Tax Rates amongst the ASX 200

Effective Tax Rates were calculated by dividing the reported tax paid by reported pre-tax profits:

$$ETR = \frac{\text{Tax Paid}}{\text{Pre-tax Profit}}$$

ETRs were also averaged over ten years' worth of data, where this data existed. In some instances – for example where the company had not been in operation for the full ten years – the averages were found over a shorter period of time. This methodology was supplied by Dr. Roman Lanis, a tax expert at the University of Technology Sydney.

Assessing the Impact of Financing Costs on Taxable Profits amongst the ASX 200

The amount of debt that each company has is represented as a ratio, also known as 'gearing'. Gearing is calculated as total liabilities divided by total equity:

$$\text{Debt} = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

Total liabilities, rather than short- and long-term debt, were used to calculate gearing levels because of greater availability and consistency of data. For example, over 30 of the 192 companies included in the calculations did not report short- and long-term debt over the time period. As with ETRs, liabilities have been averaged over ten years' worth of data; however, where the data was not available for all ten years, the average was found over a shorter period of time. This is noted in Appendix 6 of the report. In this Appendix, a second column also records what proportion of total liabilities is attributed to short- and long-term debt combined.

To find how much debt impacts on the amount of taxable profit reported by each company, we need to first know each company's Earnings Before Interest and Tax (EBIT). EBIT represents total profit before interest has been either added or subtracted as a result of either debt financing or investment income. It is therefore possible to assess how much impact debt financing has on profit using the following formula:

$$\text{Impact of Debt on Taxable Profit} = \frac{\text{EBIT} - \text{Profit}}{\text{EBIT}}$$

EBIT was not available for all companies, and so this analysis is based on an assessment of 165 companies. Additionally, not all of these companies had data available for the full ten years. Details of how these averages were calculated are also listed in Appendix 5 of this report.

APPENDIX 2: USAGE OF SECRECY JURISDICTIONS BY THE ASX 200

Table 23: ASX 200 Company Subsidiaries Located in Secrecy Jurisdictions

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
FOX	Twenty-First Century Fox, Inc.	Bermuda	1
		British Virgin Islands	25
		Cayman Islands	15
		Gibraltar	1
		Guatemala	4
		Hong Kong	22
		Luxembourg	6
		Malaysia	5
		Mauritius	19
		Panama	2
		Philippines	2
		Singapore	6
		Switzerland	2
		United Arab Emirates	5
		Uruguay	2
		TOTAL	
TOL	Toll Holdings Limited	Bermuda	2
		British Virgin Islands	4
		Hong Kong	26
		Luxembourg	2
		Macau	1
		Malaysia	5
		Philippines	1
		Singapore	27
		Switzerland	1
		United Arab Emirates	3
TOTAL		72	
RIO	Rio Tinto PLC	Bahrain	1
		Barbados	1
		Bermuda	10
		Cayman Islands	5
		Ghana	1
		Hong Kong	8
		Jersey	4
		Luxembourg	1
		Malaysia	5
		Mauritius	1
		Panama	2
		Philippines	1
		Singapore	18
		Switzerland	8
		United Arab Emirates	3
TOTAL		69	

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
BHP	BHP Billiton Limited	Bermuda	3
		Botswana	1
		British Virgin Islands	13
		Cayman Islands	5
		Cook Islands	1
		Guernsey	2
		Hong Kong	3
		Jersey	8
		Liberia	4
		Malaysia	1
		Panama	1
		Philippines	2
		Saint Kitts and Nevis	1
		Saint Lucia	1
		Singapore	4
		Switzerland	4
		TOTAL	
TLS	Telstra Corporation Limited	Bermuda	4
		British Virgin Islands	12
		Cayman Islands	4
		Hong Kong	13
		Jersey	4
		Malaysia	1
		Mauritius	1
		Philippines	6
		Singapore	1
		TOTAL	
LEI	Leighton Holdings Limited	Botswana	1
		Cayman Islands	3
		Hong Kong	13
		Malaysia	5
		Mauritius	7
		Philippines	1
		Saudi Arabia	1
		Singapore	12
		United Arab Emirates	1
		TOTAL	
AMP	AMP Limited	Bermuda	1
		Hong Kong	3
		Jersey	2
		Luxembourg	28
		Malaysia	1
		Singapore	4
		TOTAL	
SGT	Singapore Telecommunications Limited	Bahrain	1
		British Virgin Islands	1
		Cayman Islands	1

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
		Hong Kong	3
		Malaysia	3
		Mauritius	1
		Philippines	2
		Singapore	20
		TOTAL	32
WDC	Westfield Group	Jersey	30
		Luxembourg	2
		TOTAL	32
ORI	Orica Limited	Costa Rica	1
		Dominican Republic	1
		Ghana	1
		Hong Kong	4
		Jersey	1
		Malaysia	2
		Panama	4
		Philippines	4
		Singapore	4
		Switzerland	1
		United Arab Emirates	1
		TOTAL	24
QBE	QBE Insurance Group Limited	Bermuda	4
		Hong Kong	4
		Jersey	5
		Malaysia	1
		Philippines	1
		Singapore	2
		Switzerland	1
		Vanuatu	2
		TOTAL	20
CPU	Computershare Limited	Bahrain	1
		Guernsey	1
		Hong Kong	6
		Isle of Man	1
		Jersey	8
		Singapore	1
		TOTAL	18
NUF	Nufarm Limited	Costa Rica	1
		Guatemala	3
		Hong Kong	1
		Malaysia	8
		Panama	1
		Singapore	3
		Switzerland	1
		TOTAL	18
BSL	BlueScope Steel Limited	Brunei	1
		Hong Kong	1

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
		Malaysia	6
		Mauritius	1
		Panama	1
		Philippines	1
		Singapore	5
		Vanuatu	1
		TOTAL	17
ORG	Origin Energy Limited	Bermuda	1
		Cook Islands	1
		Panama	1
		Samoa	2
		Singapore	9
		Vanuatu	2
		TOTAL	16
ANN	Ansell Limited	Malaysia	10
		Singapore	5
		United Arab Emirates	1
		TOTAL	16
QAN	Qantas Airways Limited	Hong Kong	3
		Malaysia	2
		Singapore	10
		TOTAL	15
NWS	News Corporation	Cayman Islands	2
		Dominican Republic	1
		Hong Kong	5
		Luxembourg	3
		Malaysia	1
		Philippines	1
		Singapore	1
		Switzerland	1
		TOTAL	15
GEM	G8 Education Limited	Singapore	14
		TOTAL	14
ARI	Arrium Limited	Hong Kong	4
		Luxembourg	1
		Malaysia	4
		Philippines	3
		Singapore	2
		TOTAL	14
SHL	Sonic Healthcare Limited	Hong Kong	1
		Switzerland	12
		TOTAL	13
DOW	Downer EDI Limited	Botswana	1
		Hong Kong	3
		Malaysia	1
		Singapore	6
		Vanuatu	1

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
		TOTAL	12
CGF	Challenger Limited	Cayman Islands	2
		Jersey	6
		Luxembourg	4
		TOTAL	12
JHX	James Hardie Industries Plc	Bermuda	8
		Guernsey	1
		Philippines	2
		TOTAL	11
SEK	SEEK Limited	British Virgin Islands	2
		Cayman Islands	3
		Hong Kong	2
		Malaysia	1
		Philippines	2
		Singapore	1
		TOTAL	11
BLD	Boral Limited	British Virgin Islands	1
		Malaysia	7
		Philippines	1
		United Arab Emirates	2
		TOTAL	11
SGN	STW Communications Group Limited	British Virgin Islands	1
		Hong Kong	2
		Malaysia	1
		Singapore	6
		TOTAL	10
AQA	Aquila Resources Limited	Mauritius	5
		Singapore	5
		TOTAL	10
DLX	DuluxGroup Limited	Hong Kong	6
		Malaysia	1
		Singapore	3
		TOTAL	10
IVC	InvoCare Limited	Hong Kong	1
		Singapore	7
		TOTAL	8
OSH	Oil Search Limited	British Virgin Islands	7
		Cayman Islands	1
		TOTAL	8
NVT	Navitas Limited	Hong Kong	1
		Mauritius	1
		Singapore	4
		Switzerland	1
		United Arab Emirates	1
		TOTAL	8

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
FLT	Flight Centre Travel Group Limited	Hong Kong	3
		Mauritius	1
		Singapore	1
		United Arab Emirates	2
		TOTAL	7
TSE	Transfield Services Limited	Malaysia	3
		Mauritius	1
		Singapore	1
		United Arab Emirates	2
		TOTAL	7
ANZ	Australia & New Zealand Banking Group Ltd	Hong Kong	2
		Samoa	1
		Singapore	3
		Vanuatu	1
		TOTAL	7
CBA	Commonwealth Bank of Australia	Bermuda	1
		Hong Kong	2
		Luxembourg	1
		Singapore	2
		TOTAL	6
SGM	Sims Metal Management Limited	Hong Kong	3
		Mauritius	1
		Singapore	1
		United Arab Emirates	1
		TOTAL	6
HZN	Horizon Oil Limited	Bermuda	1
		British Virgin Islands	5
		TOTAL	6
AWE	AWE Limited	British Virgin Islands	1
		Singapore	5
		TOTAL	6
WPL	Woodside Petroleum Limited	Singapore	6
		TOTAL	6
GFF	Goodman Fielder Limited	Hong Kong	3
		Malaysia	1
		Philippines	1
		Singapore	1
		TOTAL	6
GMG	Goodman Group	Cayman Islands	1
		Jersey	2
		Luxembourg	2
		Singapore	1
		TOTAL	6
PMV	Premier Investments Limited	Hong Kong	2

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
		Malaysia	1
		Singapore	3
		TOTAL	6
REA	REA Group Ltd	Hong Kong	3
		Luxembourg	3
		TOTAL	6
UGL	UGL Limited	British Virgin Islands	1
		Singapore	4
		TOTAL	5
MML	Medusa Mining Ltd	Philippines	5
		TOTAL	5
RMD	ResMed Inc.	Hong Kong	2
		Malaysia	2
		Switzerland	1
		TOTAL	5
AGO	Atlas Iron Limited	British Virgin Islands	1
		Ghana	1
		Mauritius	1
		Panama	2
		TOTAL	5
IAG	Insurance Australia Group Limited	Gibraltar	1
		Malaysia	1
		Singapore	3
		TOTAL	5
PNA	PanAust Limited	Singapore	5
		TOTAL	5
WBC	Westpac Banking Corporation	Hong Kong	1
		Luxembourg	1
		Samoa	1
		Singapore	2
		TOTAL	5
COH	Cochlear Limited	Hong Kong	1
		Malaysia	1
		Panama	1
		Singapore	1
		Switzerland	1
		TOTAL	5
MQG	Macquarie Group Limited	Bermuda	1
		Cayman Islands	1
		Hong Kong	1
		Singapore	2
		TOTAL	5
WTF	Wotif.com Holdings Limited	Hong Kong	1
		Malaysia	2
		Singapore	2
		TOTAL	5

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
HVN	Harvey Norman Limited	Singapore	5
		TOTAL	5
AQG	Alacer Gold Corp	Luxembourg	4
		TOTAL	4
VAH	Virgin Australia Holdings Limited	Singapore	4
		TOTAL	4
SKE	Skilled Group Limited	Malaysia	1
		Singapore	1
		United Arab Emirates	2
		TOTAL	4
RSG	Resolute Mining Limited	Ghana	1
		Jersey	3
		TOTAL	4
CSL	CSL Limited	Hong Kong	2
		Panama	1
		Switzerland	1
		TOTAL	4
HGG	Henderson Group PLC	Jersey	2
		Luxembourg	1
		Singapore	1
		TOTAL	4
EWC	Energy World Corporation Ltd	Cayman Islands	3
		Hong Kong	1
		TOTAL	4
SRX	Sirtex Medical Limited	Singapore	4
		TOTAL	4
PBG	Pacific Brands Limited	Hong Kong	2
		Singapore	1
		United Arab Emirates	1
		TOTAL	4
WES	Wesfarmers Limited	Bermuda	1
		Hong Kong	2
		Singapore	1
		TOTAL	4
IPL	Incitec Pivot Limited	Hong Kong	3
		Singapore	1
		TOTAL	4
TEL	Telecom Corporation of New Zealand Limited	Bermuda	2
		Cook Islands	1
		TOTAL	3
BRG	Breville Group Limited	Hong Kong	3
		TOTAL	3
WOW	Woolworths Limited	Hong Kong	2
		Singapore	1
		TOTAL	3
MQA	Macquarie Atlas Roads Group	Bermuda	2

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
		Luxembourg	1
		TOTAL	3
SVW	Seven Group Holdings Limited	Hong Kong	2
		United Arab Emirates	1
		TOTAL	3
GUD	GUD Holdings Limited	Hong Kong	2
		Malaysia	1
		TOTAL	3
AMC	Amcor Limited	Singapore	1
		Switzerland	2
		TOTAL	3
NCM	Newcrest Mining Limited	Singapore	3
		TOTAL	3
EGP	Echo Entertainment Group Limited	Hong Kong	1
		Macau	1
		Vanuatu	1
		TOTAL	3
PDN	Paladin Energy Ltd	British Virgin Islands	1
		Mauritius	1
		Switzerland	1
		TOTAL	3
FXJ	Fairfax Media Limited	Malaysia	1
		Singapore	2
		TOTAL	3
IRE	IRESS Limited	Hong Kong	1
		Malaysia	1
		Singapore	1
		TOTAL	3
STO	Santos Limited	Singapore	2
		TOTAL	2
TWE	Treasury Wine Estates Limited	Singapore	2
		TOTAL	2
TPM	TPG Telecom Limited	Bermuda	1
		Philippines	1
		TOTAL	2
FMG	Fortescue Metals Group Ltd	Hong Kong	1
		Singapore	1
		TOTAL	2
ASL	Ausdrill Limited	Ghana	2
		TOTAL	2
MRM	Mermaid Marine Australia Limited	Singapore	2
		TOTAL	2
MND	Monadelphous Group Limited	Hong Kong	1
		Singapore	1
		TOTAL	2

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
NAB	National Australia Bank Limited	Hong Kong	2
	TOTAL		2
BDR	Beadell Resources Limited	British Virgin Islands	2
	TOTAL		2
CWN	Crown Resorts Limited	Bahamas	1
		Cayman Islands	1
	TOTAL		2
OZL	OZ Minerals Limited	Channel Islands	1
		Singapore	1
	TOTAL		2
CCL	Coca-Cola Amatil Limited	Samoa	1
		Singapore	1
	TOTAL		2
CTX	Caltex Australia Limited	Singapore	2
	TOTAL		2
LLC	Lend Lease Group	Singapore	1
	TOTAL		1
SAI	SAI Global Limited	Hong Kong	1
	TOTAL		1
MYR	Myer Holdings Limited	Hong Kong	1
	TOTAL		1
MSB	Mesoblast Limited	Switzerland	1
	TOTAL		1
GNC	Graincorp Limited	Singapore	1
	TOTAL		1
CRZ	Carsales.com Limited	Malaysia	1
	TOTAL		1
ILU	Iluka Resources Limited	United Arab Emirates	1
	TOTAL		1
BXB	Brambles Limited	Switzerland	1
	TOTAL		1
TPI	Transpacific Industries Group Ltd	Singapore	1
	TOTAL		1
CAB	Cabcharge Australia Limited	Hong Kong	1
	TOTAL		1
PTM	Platinum Asset Management Limited	Singapore	1
	TOTAL		1
APA	APA Group	Cayman Islands	1
	TOTAL		1
IFL	IOOF Holdings Limited	Hong Kong	1
	TOTAL		1
SXL	Southern Cross Media Group Limited	Bermuda	1
	TOTAL		1
VRT	Virtus Health Limited	Singapore	1
	TOTAL		1

ASX Code	Company Name	Country of Incorporation	Number of Subsidiaries
CSR	CSR Limited	Singapore	1
	TOTAL		1
PRY	Primary Health Care Limited	Singapore	1
	TOTAL		1
ALQ	ALS Limited	Singapore	1
	TOTAL		1
DLS	Drillsearch Energy Limited	Hong Kong	1
	TOTAL		1
BPT	Beach Energy Limited	Liberia	1
	TOTAL		1
ALL	Aristocrat Leisure Limited	Hong Kong	1
	TOTAL		1
LYC	Lynas Corporation Limited	Malaysia	1
	TOTAL		1
ASX 200 TOTAL			1078

APPENDIX 3: CHANGES IN SECRECY JURISDICTION USAGE AMONGST ASX 100, 2010-2013

The previous investigation into the use of secrecy jurisdictions amongst Australian companies revealed that 61 of the ASX 100 had subsidiaries registered in known secrecy jurisdictions. We were able to compare data of 49 of these companies. We find that there was an overall decline of 9% in the use of secrecy jurisdictions amongst these companies, from a total of 649 secrecy jurisdiction subsidiaries in 2010 to 590 secrecy jurisdiction subsidiaries in 2013.

Table 24: ASX 100 Companies with Notable Increases or Decreases in Disclosed Secrecy Jurisdiction Subsidiaries, 2010-2013

Companies notable for their decrease in disclosed secrecy jurisdiction subsidiaries, 2010-2013			
Company	Secrecy Jurisdiction Subsidiaries 2010	Secrecy Jurisdiction Subsidiaries 2013	Increase/Decrease
Downer EDI Limited	32	12	-63%
Goodman Group	67	6	-91%
UGL Limited	13	5	-62%
Companies notable for their increase in disclosed secrecy jurisdiction subsidiaries, 2010-2013			
Company	Secrecy Jurisdiction Subsidiaries 2010	Secrecy Jurisdiction Subsidiaries 2013	Increase/Decrease
Leighton Holdings	1	44	4300%
SEEK Limited	1	11	1000%
Boral Limited	3	11	267%
AMP Limited	15	39	160%

Despite this, the same caveats around disclosure mentioned earlier in this report need to be borne in mind when reading these results.

Table 25: Changes in ASX 100 Companies' Disclosed Secrecy Jurisdiction Subsidiaries, 2010-2013

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
ALL	Aristocrat Leisure Limited	Hong Kong	1	Hong Kong	1	
TOTAL			1		1	0%
AMC	Ancor Limited	Switzerland	2	Switzerland	1	
		Singapore	1	Singapore	1	
				British Virgin Islands	1	
TOTAL			3		3	0%
AMP	AMP Limited	Luxembourg	28	Luxembourg	5	
		Singapore	4	Singapore	7	
		Hong Kong	3	Hong Kong	1	
		Jersey	2	Jersey	1	
		Bermuda	1	Mauritius	1	
		Malaysia	1			
TOTAL			39		15	160%
ANN	Ansell Limited	Malaysia	10	Netherland Antilles	2	
		Singapore	5	Singapore	4	
		United Arab Emirates	1	Hong Kong	2	
				Mauritius	1	
TOTAL			16		9	78%
ANZ	Australia & New Zealand Banking Group Ltd	Singapore	3	Singapore	2	
		Hong Kong	2	Hong Kong	2	
TOTAL			5		4	25%
BHP	BHP Billiton Limited	British Virgin Islands	13	British Virgin Islands	1	

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
		Jersey	8	Anguilla	1	
		Switzerland	6	Switzerland	2	
		Cayman Islands	5			
		Singapore	4			
		Liberia	4			
		Bermuda	3			
		Hong Kong	3			
		Saint Kitts and Nevis	2			
		Guernsey	2			
		Malaysia	2			
		Philippines	2			
		Botswana	1			
		Cook Islands	1			
		Saint Lucia	1			
		Panama	1			
TOTAL			58		4	1350%
BLD	Boral Limited	Malaysia	7	Singapore	2	
		United Arab Emirates	2	Jersey	1	
		British Virgin Islands	1			
		Philippines	1			
TOTAL			11		3	267%
BSL	BlueScope Steel Limited	Malaysia	6	Mauritius	1	
		Singapore	5	Singapore	5	

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
		Philippines	1	Philippines	1	
		Panama	1	Panama	1	
		Hong Kong	1	Hong Kong	1	
		Vanuatu	1	Vanuatu	1	
		Brunei	1	Brunei	1	
		Mauritius	1			
TOTAL			17		11	55%
CBA	Commonwealth Bank of Australia	Singapore	2	Singapore	2	
		Hong Kong	2	Hong Kong	3	
		Bermuda	1	Bermuda	1	
		Luxembourg	1	Luxembourg	1	
				Cayman Islands	1	
TOTAL			6		8	-25%
CCL	Coca-Cola Amatil Limited	Singapore	1	Singapore	1	
TOTAL			1		1	0%
CGF	Challenger Limited	Jersey	6	Jersey	4	
		Luxembourg	4	Luxembourg	3	
		Cayman Islands	2	Bermuda	1	
				Singapore	1	
TOTAL			12		9	33%
COH	Cochlear Limited	Singapore	1	Singapore	1	
		Hong Kong	1	Hong Kong	1	
		Switzerland	1	Switzerland	1	

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
		Malaysia	1			
		Panama	1			
TOTAL			5		3	67%
CPU	Computershare Limited	Jersey	8	Jersey	6	
		Hong Kong	6	Hong Kong	4	
		Singapore	1	Singapore	1	
		Guernsey	1	Guernsey	1	
		Bahrain	1	Austria	1	
		Isle of Man	1	Isle of Man	1	
				United Arab Emirates	1	
TOTAL			18		15	20%
CSL	CSL Limited	Hong Kong	2	Hong Kong	2	
		Switzerland	1	Switzerland	1	
		Panama	1			
TOTAL			4		3	33%
CSR	CSR Limited	Singapore	1	Singapore	2	
				Hong Kong	1	
TOTAL			1		3	-67%
CwN	Crown Resorts Limited	Cayman Islands	1	Cayman Islands	1	
		Bahamas	1	Luxembourg	1	
				Bahamas	1	
TOTAL			2		3	-33%
DOW	Downer EDI Limited	Singapore	6	Singapore	22	

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
		Hong Kong	3	Hong Kong	7	
		Vanuatu	1	Vanuatu	1	
		Botswana	1	Philippines	1	
		Malaysia	1	British Virgin Islands	1	
		TOTAL	12		32	-63%
FMG	Fortescue Metals Group Ltd	Singapore	1	Singapore	1	
		Hong Kong	1			
TOTAL			2		1	100%
FOX	Twenty-First Century Fox, Inc.	Bermuda	1	Hong Kong	21	
		British Virgin Islands	25	Luxembourg	4	
		Cayman Islands	15	Cayman Islands	33	
		Gibraltar	1	Singapore	5	
		Guatemala	4	Switzerland	2	
		Hong Kong	22	Belize	1	
		Luxembourg	6	Bermuda	1	
		Malaysia	5	British Virgin Islands	62	
		Mauritius	19	Marshall Islands	1	
		Panama	2	Mauritius	15	
		Philippines	2	Panama	1	
		Singapore	6			
		Switzerland	2			
		United Arab Emirates	5			
		Uruguay	2			

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
TOTAL			117		146	-90%
FXJ	Fairfax Media Limited	Singapore	2	Singapore	2	
		Malaysia	1			
TOTAL			3		2	50%
GMG	Goodman Group	Luxembourg	2	Luxembourg	29	
		Jersey	2	Jersey	23	
		Singapore	1	Singapore	5	
		Cayman Islands	1	Cayman Islands	7	
				United Arab Emirates	1	
				Hong Kong	2	
TOTAL			6		67	-91%
HVN	Harvey Norman Limited	Singapore	5	Singapore	4	
TOTAL			5		4	25%
IAG	Insurance Australia Group Limited	Singapore	3	Singapore	4	
		Gibraltar	1	Gibraltar	1	
		Malaysia	1			
TOTAL			5		5	0%
IPL	Incitec Pivot Limited	Hong Kong	3	Hong Kong	3	
		Singapore	1	Singapore	2	
TOTAL			4		5	-20%
LEI	Leighton Holdings Limited	Hong Kong	13	Hong Kong	1	
		Singapore	12			
		Mauritius	7			

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
		Malaysia	5			
		Cayman Islands	3			
		Saudi Arabia	1			
		Botswana	1			
		United Arab Emirates	1			
		Philippines	1			
TOTAL			44		1	4300%
MQG	Macquarie Group Limited	Singapore	2	Bermuda	2	
		Hong Kong	1			
		Bermuda	1			
		Cayman Islands	1			
TOTAL			5		2	150%
NAB	National Australia Bank Limited	Hong Kong	2	Hong Kong	1	
TOTAL			2		1	100%
NCM	Newcrest Mining Limited	Singapore	3	Singapore	2	
TOTAL			3		2	50%
ORG	Origin Energy Limited	Singapore	9	Singapore	9	
		Vanuatu	2	Vanuatu	2	
		Samoa	2	Samoa	1	
		Cook Islands	1	Cook Islands	1	
		Bermuda	1	Panama	1	
		Panama	1			
TOTAL			16		14	14%

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
ORI	Orica Limited	Philippines	4	Philippines	4	
		Panama	4	Panama	4	
		Singapore	4	Singapore	6	
		Hong Kong	4	Hong Kong	6	
		Malaysia	2	Austria	1	
		Jersey	1	Jersey	1	
		United Arab Emirates	1	United Arab Emirates	1	
		Switzerland	1	Switzerland	1	
		Ghana	1	Dominican Republic	1	
		Costa Rica	1			
		Dominican Republic	1			
TOTAL			24		25	-4%
OSH	Oil Search Limited	British Virgin Islands	7	British Virgin Islands	5	
		Cayman Islands	1	Cayman Islands	1	
TOTAL			8		6	33%
OZL	OZ Minerals Limited	Singapore	1	Singapore	1	
		Channel Islands	1			
TOTAL			2		1	100%
PDN	Paladin Energy Ltd	British Virgin Islands	1	Switzerland	1	
		Switzerland	1			
		Mauritius	1			
TOTAL			3		1	200%
PRY	Primary Health Care Limited	Singapore	1	Singapore	1	

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
TOTAL			1		1	0%
QAN	Qantas Airways Limited	Singapore	10	Singapore	15	
		Hong Kong	3	Hong Kong	3	
		Malaysia	2	Philippines	1	
				Cayman Islands	2	
TOTAL			15		21	-29%
QBE	QBE Insurance Group Limited	Jersey	5	Jersey	5	
		Hong Kong	4	Hong Kong	3	
		Bermuda	4	Bermuda	3	
		Singapore	2	Singapore	3	
		Vanuatu	2	Vanuatu	1	
		Switzerland	1	Switzerland	2	
		Philippines	1	Philippines	1	
		Malaysia	1	Cayman Islands	3	
				Panama	1	
TOTAL			20		22	-9%
SEK	SEEK Limited	Cayman Islands	3	Cayman Islands	1	
		British Virgin Islands	2			
		Philippines	2			
		Hong Kong	2			
		Singapore	1			
		Malaysia	1			
TOTAL			11		1	1000%

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
SGM	Sims Metal Management Limited	Hong Kong	3	Hong Kong	1	
		Singapore	1	Singapore	1	
		United Arab Emirates	1	Mauritius	1	
		Mauritius	1			
TOTAL			6		3	100%
STO	Santos Limited	Singapore	2	Singapore	1	
TOTAL			2		1	100%
TEL	Telecom Corporation of New Zealand Limited	Bermuda	2	Bermuda	5	
		Cook Islands	1	Cook Islands	1	
TOTAL			3		6	-50%
TLS	Telstra Corporation Limited	Hong Kong	13	Hong Kong	13	
		British Virgin Islands	12	British Virgin Islands	10	
		Philippines	6	Bermuda	5	
		Bermuda	4	Cayman Islands	4	
		Cayman Islands	4	Jersey	4	
		Jersey	4	Mauritius	1	
		Mauritius	1	Singapore	1	
		Singapore	1			
		Malaysia	1			
TOTAL			46		38	21%
TOL	Toll Holdings Limited	Singapore	27	Singapore	26	
		Hong Kong	26	Hong Kong	24	
		Malaysia	5	Isle of Man	1	

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
		British Virgin Islands	4	British Virgin Islands	5	
		United Arab Emirates	3	United Arab Emirates	1	
		Luxembourg	2	Luxembourg	2	
		Bermuda	2	Bermuda	2	
		Switzerland	1	Switzerland	1	
		Philippines	1	Philippines	1	
		Macau	1	Macau	1	
		TOTAL	72		64	13%
TSE	Transfield Services Limited	Malaysia	3	Mauritius	1	
		United Arab Emirates	2	United Arab Emirates	3	
		Singapore	1	Singapore	1	
		Mauritius	1			
		TOTAL	7		5	40%
UGL	UGL Limited	Singapore	4	Singapore	13	
		British Virgin Islands	1			
TOTAL			5		13	-62%
WBC	Westpac Banking Corporation	Singapore	2	Singapore	1	
		Samoa	1	Jersey	1	
		Hong Kong	1	Hong Kong	2	
		Luxembourg	1	Luxembourg	1	
TOTAL			5		5	0%
WDC	Westfield Group	Jersey	30	Jersey	54	
		Luxembourg	2	Luxembourg	1	

ASX Code	Company Name	2013		2010		Change
		Country of Incorporation	Number of Subsidiaries	Country of Incorporation	Number of Subsidiaries	
				Singapore	1	
TOTAL			32		56	-43%
WES	Wesfarmers Limited	Hong Kong	2	Hong Kong	1	
		Singapore	1	Singapore	1	
TOTAL			3		2	50%
WOW	Woolworths Limited	Hong Kong	2	Hong Kong	2	
		Singapore	1			
TOTAL			3		2	50%
WPL	Woodside Petroleum Limited	Singapore	6	Singapore	3	
TOTAL			6		3	100%
GRAND TOTAL			697		653	7%

APPENDIX 4: EFFECTIVE TAX RATES AMONGST THE ASX 200

Table 26: ASX 200 Company Average Annual Effective Tax Rates, 2004-2013

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
BDR	Beadell Resources Limited ⁶⁷	Materials	\$148,036,833	-\$1,503,833	\$3,305,333	-220%	-\$3,756,483
TCL	Transurban Group	Transportation	\$9,182,818,800	-\$39,626,100	\$23,610,900	-60%	-\$35,498,730
AQA	Aquila Resources Limited	Materials	\$316,844,678	-\$25,703,778	\$4,223,300	-16%	-\$11,934,433
MQA	Macquarie Atlas Roads Group ⁶⁸	Transportation	\$1,486,718,000	-\$159,127,000	\$13,187,750	-8%	-\$60,925,850
KAR	Karoon Gas Australia Ltd	Energy	\$318,000,639	-\$5,779,655	\$128,767	-2%	-\$1,862,664
MSB	Mesoblast Limited ⁶⁹	Pharmaceuticals, Biotechnology & Life Sciences	\$280,074,781	-\$19,315,930	\$377,222	-2%	-\$6,172,001
SLR	Silver Lake Resources Limited ⁶⁷	Materials	\$189,011,500	-\$44,637,667	\$341,667	-1%	-\$13,732,967
SIR	Sirius Resources NL ⁷⁰	Materials	\$52,151,901	-\$9,304,006	\$66,205	-1%	-\$2,857,406
AGO	Atlas Iron Limited ⁶⁹	Materials	\$796,481,832	\$15,512,826	-\$41,091	0%	\$4,694,939
SXY	Senex Energy Limited	Energy	\$120,142,175	\$4,268,998	-\$8,468	0%	\$1,289,167
DLS	Drillsearch Energy Limited	Energy	\$113,393,722	-\$1,567,435	\$2,152	0%	-\$472,382
LYC	Lynas Corporation Limited	Materials	\$446,894,403	-\$39,011,848	\$27,000	0%	-\$11,730,554
AUT	Aurora Oil & Gas Limited	Energy	\$359,180,956	\$27,997,208	\$0	0%	\$8,399,162
BRU	Buru Energy Limited ⁷¹	Energy	\$119,760,554	-\$16,021,644	\$0	0%	-\$4,806,493
BWP	BWP Trust	Real Estate	\$987,977,800	\$51,262,300	\$0	0%	\$15,378,690
CFX	CFS Retail Property Trust Group	Real Estate	\$6,829,468,300	\$267,546,500	\$0	0%	\$80,263,950
CPA	Commonwealth Property Office Fund	Real Estate	\$3,295,968,500	\$150,959,900	\$0	0%	\$45,287,970

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
ENV	Envestra Limited	Utilities	\$2,720,429,800	\$54,976,300	\$0	0%	\$16,492,890
JHX	James Hardie Industries Plc	Materials	\$2,101,625,886	\$203,663,394	\$0	0%	\$61,099,018
MML	Medusa Mining Ltd	Materials	\$154,599,139	\$32,312,883	\$0	0%	\$9,693,865
PDN	Paladin Energy Ltd	Energy	\$1,593,396,977	-\$96,895,465	\$0	0%	-\$29,068,639
RRL	Regis Resources Limited	Materials	\$162,654,359	\$18,888,624	\$0	0%	\$5,666,587
SFR	Sandfire Resources NL	Materials	\$135,656,055	-\$1,468,459	\$0	0%	-\$440,538
SKI	Spark Infrastructure Group ⁷⁰	Utilities	\$2,390,218,125	\$101,993,250	\$0	0%	\$30,597,975
CHC	Charter Hall Group ⁷⁰	Real Estate	\$765,414,625	\$44,251,750	\$1,250	0%	\$13,274,275
AWC	Alumina Limited	Materials	\$2,999,133,654	\$198,833,309	\$420,000	0%	\$59,229,993
WRT	Westfield Retail Trust ⁷²	Real Estate	\$13,317,133,333	\$534,933,333	\$1,800,000	0%	\$158,680,000
GPT	GPT Group	Real Estate	\$10,548,620,000	\$647,140,000	\$3,870,000	1%	\$190,272,000
CGF	Challenger Limited	Diversified Financials	\$18,792,409,100	\$243,396,600	\$1,766,200	1%	\$71,252,780
EVN	Evolution Mining Limited	Materials	\$286,023,282	\$9,914,870	\$78,700	1%	\$2,895,761
DXS	Dexus Property Group ⁶⁹	Real Estate	\$8,160,758,556	\$335,574,444	\$2,984,889	1%	\$97,687,444
RMD	ResMed Inc.	Health Care Equipment & Services	\$1,626,911,364	\$237,309,716	\$2,197,852	1%	\$68,995,063
CMW	Cromwell Property Group	Real Estate	\$1,126,470,683	\$58,332,495	\$546,036	1%	\$16,953,713
FOX	Twenty-First Century Fox, Inc.	Media	\$65,727,013,584	\$5,543,132,325	\$59,200,000	1%	\$1,603,739,698
CQR	Charter Hall Retail REIT	Real Estate	\$2,432,418,300	\$147,556,600	\$1,650,600	1%	\$42,616,380
APA	APA Group	Utilities	\$4,309,832,300	\$128,249,500	\$1,522,200	1%	\$36,952,650
AZJ	Aurizon Holdings Limited ⁷²	Transportation	\$9,900,433,333	\$526,333,333	\$1,233,333	2%	\$146,666,667
ABP	Abacus Property Group	Real Estate	\$1,387,763,900	\$69,756,300	\$1,601,300	2%	\$19,325,590
IDF	Investa Office Fund	Real Estate	\$2,647,616,600	\$148,857,900	\$4,010,000	3%	\$40,647,370
SYD	Sydney Airport	Transportation	\$13,910,205,800	\$543,934,900	\$15,556,000	3%	\$147,624,470
GMG	Goodman Group ⁶⁹	Real Estate	\$7,953,766,667	\$399,344,444	\$11,488,889	3%	\$108,314,444

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
SGP	Stockland	Real Estate	\$12,537,701,400	\$564,925,500	\$18,292,000	3%	\$151,185,650
SGH	Slater & Gordon Limited ⁷³	Consumer Services	\$323,798,143	\$33,736,571	\$1,193,286	4%	\$8,927,686
AAD	Ardent Leisure Group	Consumer Services	\$616,078,000	\$40,202,200	\$1,629,300	4%	\$10,431,360
WSA	Western Areas Limited	Materials	\$401,522,000	\$18,985,600	\$794,400	4%	\$4,901,280
MGR	Mirvac Group	Real Estate	\$7,278,747,200	\$305,419,700	\$12,851,100	4%	\$78,774,810
EGP	Echo Entertainment Group Limited ⁷²	Consumer Services	\$4,306,400,000	\$204,666,667	\$10,066,667	5%	\$51,333,333
BCI	BC Iron Limited ⁷³	Materials	\$117,761,752	\$21,063,736	\$1,359,269	6%	\$4,959,851
OZL	OZ Minerals Limited	Materials	\$2,600,314,600	\$303,681,400	\$20,805,200	7%	\$70,299,220
MGX	Mount Gibson Iron Limited	Materials	\$920,325,618	\$121,877,304	\$8,816,300	7%	\$27,746,891
WDC	Westfield Group ⁶⁹	Real Estate	\$43,066,466,667	\$1,701,133,333	\$140,300,000	8%	\$370,040,000
ALZ	Australand Property Group	Real Estate	\$3,566,959,400	\$164,054,300	\$13,995,100	9%	\$35,221,190
SGT	Singapore Telecommunications Limited	Telecommunication Services	\$29,315,503,912	\$3,324,277,750	\$284,032,722	9%	\$713,250,603
BPT	Beach Energy Limited	Energy	\$1,335,107,700	\$73,786,900	\$6,357,600	9%	\$15,778,470
DOW	Downer EDI Limited	Commercial & Professional Services	\$3,241,852,900	\$220,899,000	\$20,589,300	9%	\$45,680,400
NST	Northern Star Resources Ltd	Materials	\$38,059,480	\$7,950,535	\$821,400	10%	\$1,563,760
ARI	Arrium Limited	Materials	\$5,981,780,000	\$376,900,000	\$41,410,000	11%	\$71,660,000
NCM	Newcrest Mining Limited	Materials	\$8,568,938,700	\$683,489,100	\$78,475,200	11%	\$126,571,530
IPL	Incitec Pivot Limited	Materials	\$4,759,543,700	\$416,531,700	\$48,045,800	12%	\$76,913,710
SPN	SP AusNet ⁷⁰	Utilities	\$8,127,408,500	\$237,913,125	\$29,551,500	12%	\$41,822,438
HGG	Henderson Group PLC	Diversified Financials	\$9,133,376,359	\$185,163,499	\$23,707,164	13%	\$31,841,886
ANN	Ansell Limited	Health Care Equipment & Services	\$1,342,290,000	\$128,000,000	\$16,830,000	13%	\$21,570,000
TPI	Transpacific Industries Group Ltd ⁶⁹	Commercial & Professional Services	\$3,217,675,222	\$105,571,778	\$14,721,222	14%	\$16,950,311

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
SVW	Seven Group Holdings Limited	Capital Goods	\$3,519,282,900	\$224,596,900	\$31,569,100	14%	\$35,809,970
MIN	Mineral Resources Limited ⁷³	Commercial & Professional Services	\$817,917,857	\$130,296,857	\$18,723,000	14%	\$20,366,057
LLC	Lend Lease Group	Real Estate	\$9,826,810,000	\$471,960,000	\$69,180,000	15%	\$72,408,000
QAN	Qantas Airways Limited	Transportation	\$19,639,270,000	\$612,710,000	\$90,210,000	15%	\$93,603,000
QUB	Qube Holdings Limited ⁷³	Transportation	\$802,905,000	\$34,604,857	\$5,194,000	15%	\$5,187,457
MYR	Myer Holdings Limited ⁶⁸	Retailing	\$1,947,443,500	\$209,834,500	\$31,973,500	15%	\$30,976,850
TSE	Transfield Services Limited	Commercial & Professional Services	\$1,815,208,800	\$91,512,300	\$14,170,600	15%	\$13,283,090
AIO	Asciano Limited ⁶⁷	Transportation	\$7,265,985,167	\$238,389,667	\$38,188,167	16%	\$33,328,733
RSG	Resolute Mining Limited	Materials	\$513,333,300	\$42,089,100	\$6,813,900	16%	\$5,812,830
ORG	Origin Energy Limited	Energy	\$17,586,333,900	\$781,726,900	\$126,973,200	16%	\$107,544,870
DUE	DUET Group	Utilities	\$7,167,013,100	\$91,907,200	\$15,178,900	17%	\$12,393,260
AMC	Amcor Limited	Materials	\$10,198,930,000	\$598,660,000	\$100,940,000	17%	\$78,658,000
MRM	Mermaid Marine Australia Limited	Transportation	\$311,693,582	\$35,167,099	\$6,080,781	17%	\$4,469,349
SKT	Sky Network Television Limited	Media	\$1,300,629,998	\$106,002,401	\$18,333,428	17%	\$13,467,292
GFF	Goodman Fielder Limited ⁷⁰	Food, Beverage & Tobacco	\$2,994,800,000	\$234,175,000	\$40,675,000	17%	\$29,577,500
QBE	QBE Insurance Group Limited	Insurance	\$40,472,785,461	\$1,480,232,267	\$260,203,343	18%	\$183,866,337
FXL	FlexiGroup Limited ⁷³	Diversified Financials	\$901,350,143	\$63,063,286	\$11,174,857	18%	\$7,744,129
PRY	Primary Health Care Limited	Health Care Equipment & Services	\$2,585,554,300	\$116,439,400	\$21,266,900	18%	\$13,664,920
CPU	Computershare Limited	Software & Services	\$2,741,836,181	\$350,135,124	\$64,315,834	18%	\$40,724,703
TWE	Treasury Wine Estates	Food, Beverage &	\$3,884,233,333	\$157,866,667	\$29,266,667	19%	\$18,093,333

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
	Limited ⁷²	Tobacco					
SUN	Suncorp Group Limited	Insurance	\$80,867,800,000	\$985,200,000	\$184,700,000	19%	\$10,860,000
LEI	Leighton Holdings Limited	Capital Goods	\$7,042,817,400	\$546,798,300	\$102,968,400	19%	\$61,071,090
TEL	Telecom Corporation of New Zealand Limited	Telecommunication Services	\$5,410,931,212	\$640,719,994	\$125,004,548	20%	\$67,211,450
MFG	Magellan Financial Group Limited ⁶⁹	Diversified Financials	\$109,991,111	\$9,122,556	\$1,788,778	20%	\$947,989
ILU	Iluka Resources Limited	Materials	\$2,077,280,000	\$191,230,000	\$38,540,000	20%	\$18,829,000
PBG	Pacific Brands Limited	Retailing	\$1,971,073,800	\$119,202,100	\$24,059,700	20%	\$11,700,930
SHL	Sonic Healthcare Limited	Health Care	\$3,709,078,100	\$318,236,800	\$64,395,000	20%	\$31,076,040
		Equipment & Services					
BRG	Breville Group Limited	Retailing	\$271,669,200	\$37,518,300	\$7,600,000	20%	\$3,655,490
SGN	STW Communications Group Limited	Media	\$624,750,700	\$56,372,600	\$11,625,400	21%	\$5,286,380
PMV	Premier Investments Limited	Retailing	\$1,172,244,200	\$137,592,000	\$28,549,900	21%	\$12,727,700
CSL	CSL Limited	Pharmaceuticals, Biotechnology & Life Sciences	\$5,123,816,560	\$936,971,143	\$195,878,943	21%	\$85,212,399
CSR	CSR Limited	Materials	\$2,966,500,000	\$237,720,000	\$50,160,000	21%	\$21,156,000
ALL	Aristocrat Leisure Limited	Consumer Services	\$857,011,500	\$198,616,400	\$42,135,900	21%	\$17,449,020
FBU	Fletcher Building Limited	Materials	\$4,526,057,650	\$408,387,103	\$88,139,292	22%	\$34,376,839
DMP	Domino's Pizza Enterprises Limited ⁶⁹	Consumer Services	\$142,382,667	\$23,370,667	\$5,068,222	22%	\$1,942,978
ACR	AcruX Limited	Pharmaceuticals, Biotechnology & Life Sciences	\$41,466,514	\$10,606,933	\$2,307,112	22%	\$874,968
AMP	AMP Limited	Insurance	\$99,103,400,000	\$1,179,314,286	\$258,400,000	22%	\$95,394,286
IGO	Independence Group NL	Materials	\$397,579,800	\$47,581,900	\$10,528,300	22%	\$3,746,270

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
CWN	Crown Resorts Limited ⁷³	Consumer Services	\$5,982,577,714	\$454,142,714	\$100,799,571	22%	\$35,443,243
ASL	Ausdrill Limited	Capital Goods	\$680,370,600	\$63,577,700	\$14,312,500	23%	\$4,760,810
PNA	PanAust Limited	Materials	\$746,220,275	\$61,327,651	\$13,867,518	23%	\$4,530,778
GEM	G8 Education Limited ⁷³	Consumer Services	\$166,324,887	\$13,772,658	\$3,139,177	23%	\$992,620
TOL	Toll Holdings Limited	Transportation	\$6,035,162,200	\$349,574,800	\$80,684,500	23%	\$24,187,940
FMG	Fortescue Metals Group Ltd	Materials	\$6,622,010,978	\$370,295,976	\$87,002,088	23%	\$24,086,705
AGK	AGL Energy Limited ⁷³	Utilities	\$11,297,985,714	\$410,300,000	\$97,114,286	24%	\$25,975,714
GNC	Graincorp Limited	Food, Beverage & Tobacco	\$1,662,505,800	\$99,320,700	\$23,717,700	24%	\$6,078,510
BLD	Boral Limited	Materials	\$5,609,750,000	\$310,070,000	\$75,110,000	24%	\$17,911,000
ORI	Orica Limited	Materials	\$6,674,320,000	\$700,430,000	\$170,550,000	24%	\$39,579,000
CAB	Cabcharge Australia Limited	Commercial & Professional Services	\$368,218,200	\$68,056,500	\$16,646,700	24%	\$3,770,250
MTS	Metcash Limited	Food & Staples Retailing	\$3,301,632,300	\$282,994,500	\$69,913,900	25%	\$14,984,450
FXJ	Fairfax Media Limited	Media	\$5,623,143,800	\$315,352,100	\$78,066,000	25%	\$16,539,630
ABC	Adelaide Brighton Limited	Materials	\$1,333,072,900	\$164,328,700	\$41,161,200	25%	\$8,137,410
MTU	M2 Group Ltd ⁶⁹	Telecommunication Services	\$220,293,856	\$22,637,061	\$5,686,548	25%	\$1,104,570
SAI	SAI Global Limited	Commercial & Professional Services	\$468,069,700	\$37,669,500	\$9,506,100	25%	\$1,794,750
NUF	Nufarm Limited	Materials	\$2,591,612,800	\$141,825,000	\$36,069,900	25%	\$6,477,600
SMX	SMS Management and Technology Limited	Software & Services	\$108,224,100	\$28,109,100	\$7,155,600	25%	\$1,277,130
SWM	Seven West Media Limited	Media	\$1,859,845,600	\$184,237,100	\$47,234,900	26%	\$8,036,230
SRX	Sirtex Medical Limited	Pharmaceuticals, Biotechnology & Life	\$53,057,600	\$10,870,900	\$2,791,700	26%	\$469,570

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
		Sciences					
UGL	UGL Limited	Capital Goods	\$1,957,187,600	\$147,562,100	\$37,995,300	26%	\$6,273,330
VRL	Village Roadshow Limited	Media	\$2,041,067,500	\$85,577,400	\$22,066,900	26%	\$3,606,320
BXB	Brambles Limited	Commercial & Professional Services	\$7,389,285,635	\$842,114,852	\$217,560,166	26%	\$35,074,289
BEN	Bendigo and Adelaide Bank Limited	Banks	\$37,647,510,000	\$293,910,000	\$75,980,000	26%	\$12,193,000
NWH	NRW Holdings Limited ⁶⁷	Commercial & Professional Services	\$535,649,667	\$77,773,333	\$20,290,000	26%	\$3,042,000
COH	Cochlear Limited	Health Care Equipment & Services	\$614,904,500	\$154,572,300	\$40,634,300	26%	\$5,737,390
RFG	Retail Food Group Limited ⁷⁰	Consumer Services	\$218,572,250	\$29,533,625	\$7,834,750	27%	\$1,025,338
BHP	BHP Billiton Limited	Materials	\$88,593,907,764	\$20,389,717,835	\$5,443,908,875	27%	\$673,006,475
NAB	National Australia Bank Limited	Banks	\$620,246,100,000	\$6,507,100,000	\$1,741,500,000	27%	\$210,630,000
WES	Wesfarmers Limited	Food & Staples Retailing	\$27,629,514,400	\$1,897,001,800	\$508,491,400	27%	\$60,609,140
RIO	Rio Tinto Limited	Materials	\$93,576,019,869	\$14,409,357,172	\$3,886,634,636	27%	\$436,172,516
SEK	SEEK Limited ⁶⁹	Commercial & Professional Services	\$671,934,000	\$106,468,333	\$28,759,667	27%	\$3,180,833
CDD	Cardno Limited	Capital Goods	\$483,179,700	\$47,312,900	\$12,819,400	27%	\$1,374,470
WOR	WorleyParsons Limited	Energy	\$2,858,267,100	\$346,510,200	\$94,121,700	27%	\$9,831,360
MQG	Macquarie Group Limited	Diversified Financials	\$125,999,000,000	\$1,318,300,000	\$358,600,000	27%	\$36,890,000
CCL	Coca-Cola Amatil Limited	Food, Beverage & Tobacco	\$5,649,860,000	\$599,870,000	\$163,400,000	27%	\$16,561,000
ANZ	Australia & New Zealand Banking Group Ltd	Banks	\$470,027,000,000	\$6,065,800,000	\$1,652,900,000	27%	\$166,840,000
DCG	Decmil Group Limited ⁶⁹	Capital Goods	\$176,532,238	\$21,303,606	\$5,808,222	27%	\$582,859

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
GUD	GUD Holdings Limited	Consumer Durables & Apparel	\$339,554,500	\$57,749,400	\$15,779,000	27%	\$1,545,820
CBA	Commonwealth Bank of Australia	Banks	\$532,355,000,000	\$7,288,000,000	\$1,992,500,000	27%	\$193,900,000
SXL	Southern Cross Media Group Limited ⁷⁰	Media	\$2,149,347,875	\$65,547,375	\$18,097,625	28%	\$1,566,588
RHC	Ramsay Health Care Limited	Health Care Equipment & Services	\$2,895,361,100	\$213,553,800	\$59,262,600	28%	\$4,803,540
ALQ	ALS Limited	Commercial & Professional Services	\$854,441,900	\$135,008,800	\$37,600,800	28%	\$2,901,840
SUL	Super Retail Group Limited	Retailing	\$580,692,600	\$57,787,900	\$16,339,200	28%	\$997,170
REA	REA Group Ltd	Media	\$170,061,242	\$55,555,925	\$15,762,703	28%	\$904,075
WTF	Wotif.com Holdings Limited ⁷⁰	Retailing	\$198,113,750	\$59,026,125	\$16,752,125	28%	\$955,713
WBC	Westpac Banking Corporation	Banks	\$486,843,900,000	\$6,499,200,000	\$1,847,400,000	28%	\$102,360,000
GWA	GWA Group Limited	Capital Goods	\$794,916,200	\$78,965,900	\$22,455,200	28%	\$1,234,570
CRZ	Carsales.com Limited ⁶⁸	Software & Services	\$164,358,250	\$90,512,000	\$25,756,750	28%	\$1,396,850
MND	Monadelphous Group Limited	Capital Goods	\$391,198,700	\$99,835,400	\$28,533,600	29%	\$1,417,020
ASX	ASX Limited	Diversified Financials	\$5,125,768,100	\$381,679,200	\$109,109,400	29%	\$5,394,360
SIP	Sigma Pharmaceuticals Limited ⁶⁹	Health Care Equipment & Services	\$1,557,043,333	\$80,974,889	\$23,168,778	29%	\$1,123,689
JBH	JB Hi-Fi Limited	Retailing	\$551,726,900	\$105,657,400	\$30,474,500	29%	\$1,222,720
WOW	Woolworths Limited	Food & Staples Retailing	\$15,903,630,000	\$2,335,850,000	\$675,320,000	29%	\$25,435,000
VAH	Virgin Australia Holdings Limited	Transportation	\$3,060,202,000	\$82,761,100	\$24,034,200	29%	\$794,130
BKN	Bradken Limited ⁶⁹	Capital Goods	\$926,930,556	\$84,089,111	\$24,582,222	29%	\$644,511
STO	Santos Limited	Energy	\$11,476,030,000	\$790,620,000	\$231,360,000	29%	\$5,826,000

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
MMS	McMillan Shakespeare Limited	Commercial & Professional Services	\$175,369,096	\$36,520,874	\$10,707,390	29%	\$248,872
FLT	Flight Centre Travel Group Limited	Consumer Services	\$1,634,778,200	\$190,479,900	\$55,912,100	29%	\$1,231,870
KMD	Kathmandu Holdings Limited ⁶⁸	Retailing	\$286,151,707	\$41,964,863	\$12,337,849	29%	\$251,610
IFL	IOOF Holdings Limited	Diversified Financials	\$1,553,601,200	\$85,383,600	\$25,233,500	30%	\$381,580
WPL	Woodside Petroleum Limited	Energy	\$15,876,052,442	\$2,162,877,193	\$640,617,346	30%	\$8,245,812
IRE	IRESS Limited	Software & Services	\$167,325,900	\$50,067,800	\$14,932,800	30%	\$87,540
DJS	David Jones Limited	Retailing	\$1,186,542,900	\$166,778,600	\$49,858,500	30%	\$175,080
TTS	Tatts Group Limited ⁶⁹	Consumer Services	\$3,826,031,111	\$321,615,778	\$96,732,444	30%	-\$247,711
TLS	Telstra Corporation Limited	Telecommunication Services	\$37,848,300,000	\$5,321,000,000	\$1,607,900,000	30%	-\$11,600,000
IAG	Insurance Australia Group Limited	Insurance	\$20,411,900,000	\$848,600,000	\$257,400,000	30%	-\$2,820,000
PPT	Perpetual Limited	Diversified Financials	\$1,487,502,200	\$132,627,000	\$40,302,100	30%	-\$514,000
SKE	Skilled Group Limited	Commercial & Professional Services	\$537,537,600	\$43,956,300	\$13,357,400	30%	-\$170,510
IVC	InvoCare Limited	Consumer Services	\$510,328,600	\$42,774,400	\$13,158,100	31%	-\$325,780
SKC	SkyCity Entertainment Group Limited	Consumer Services	\$1,356,635,516	\$135,693,225	\$41,768,524	31%	-\$1,060,557
DLX	DuluxGroup Limited ⁶⁸	Materials	\$746,416,500	\$88,253,250	\$27,193,000	31%	-\$717,025
HVN	Harvey Norman Holdings Ltd	Retailing	\$3,404,866,000	\$329,629,200	\$102,348,000	31%	-\$3,459,240
TRS	The Reject Shop Limited	Retailing	\$103,646,637	\$21,299,078	\$6,626,514	31%	-\$236,790
NVT	Navitas Limited ⁶⁹	Consumer Services	\$398,791,889	\$73,030,333	\$22,762,667	31%	-\$853,567
TEN	Ten Network Holdings Limited	Media	\$1,610,474,500	\$106,920,100	\$33,699,000	32%	-\$1,622,970

ASX Code	Company Name	Industry Sector	Average Total Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Foregone Tax
B00	Bank of Queensland Limited	Banks	\$28,337,290,000	\$176,620,000	\$56,490,000	32%	-\$3,504,000
CTX	Caltex Australia Limited	Energy	\$4,853,527,700	\$489,874,600	\$157,883,800	32%	-\$10,921,420
AHE	Automotive Holdings Group Limited ⁷⁰	Retailing	\$1,060,495,125	\$69,754,750	\$22,578,500	32%	-\$1,652,075
IIN	iiNET Limited	Telecommunication Services	\$388,132,446	\$27,785,753	\$9,167,511	33%	-\$831,785
PTM	Platinum Asset Management Limited ⁷³	Diversified Financials	\$239,123,286	\$215,502,571	\$72,408,857	34%	-\$7,758,086
TAH	Tabcorp Holdings Limited	Consumer Services	\$5,246,306,600	\$538,029,000	\$184,425,800	34%	-\$23,017,100
EWC	Energy World Corporation Ltd	Utilities	\$625,900,559	\$18,190,620	\$6,390,897	35%	-\$933,711
BSL	BlueScope Steel Limited	Materials	\$7,519,830,000	\$448,210,000	\$157,960,000	35%	-\$23,497,000
SGM	Sims Metal Management Limited	Materials	\$2,930,698,300	\$242,164,600	\$85,688,100	35%	-\$13,038,720
AQG	Alacer Gold Corp ⁷²	Materials	\$1,325,825,502	-\$16,558,346	-\$6,227,922	38%	\$1,260,418
TPM	TPG Telecom Limited	Telecommunication Services	\$650,524,000	\$62,657,700	\$25,394,800	41%	-\$6,597,490
HZN	Horizon Oil Limited	Energy	\$175,326,266	\$6,461,723	\$2,975,801	46%	-\$1,037,284
OSH	Oil Search Limited	Energy	\$4,077,293,277	\$422,456,495	\$195,458,460	46%	-\$68,721,512
AWE	AwE Limited	Energy	\$908,406,800	\$83,015,000	\$45,750,000	55%	-\$20,845,500
WHC	Whitehaven Coal Limited ⁷³	Energy	\$1,899,953,714	\$31,236,571	\$19,586,286	63%	-\$10,215,314
TOTAL			\$3,471,119,262,808	\$120,688,356,458	\$27,824,975,218	23%	\$8,381,531,719

APPENDIX 5: ASX 200 BY SHARE OF ESTIMATED TOTAL TAX FORGONE

Table 27: ASX 200 Company Average Annual Tax Forgone, 2004–2013

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
FOX	Twenty-First Century Fox, Inc.	\$65,727,013,584	2%	\$5,543,132,325	\$59,200,000	1%	\$1,603,739,698	19%
SGT	Singapore Telecommunications Limited	\$29,315,503,912	1%	\$3,324,277,750	\$284,032,722	9%	\$713,250,603	9%
BHP	BHP Billiton Limited	\$88,593,907,764	3%	\$20,389,717,835	\$5,443,908,875	27%	\$673,006,475	8%
RIO	Rio Tinto Limited	\$93,576,019,869	3%	\$14,409,357,172	\$3,886,634,636	27%	\$436,172,516	5%
WDC	Westfield Group ⁶⁹	\$43,066,466,667	1%	\$1,701,133,333	\$140,300,000	8%	\$370,040,000	4%
NAB	National Australia Bank Limited	\$620,246,100,000	18%	\$6,507,100,000	\$1,741,500,000	27%	\$210,630,000	3%
CBA	Commonwealth Bank of Australia	\$532,355,000,000	15%	\$7,288,000,000	\$1,992,500,000	27%	\$193,900,000	2%
GPT	GPT Group	\$10,548,620,000	0%	\$647,140,000	\$3,870,000	1%	\$190,272,000	2%
QBE	QBE Insurance Group Limited	\$40,472,785,461	1%	\$1,480,232,267	\$260,203,343	18%	\$183,866,337	2%
ANZ	Australia & New Zealand Banking Group Ltd	\$470,027,000,000	14%	\$6,065,800,000	\$1,652,900,000	27%	\$166,840,000	2%
WRT	Westfield Retail Trust ⁷²	\$13,317,133,333	0%	\$534,933,333	\$1,800,000	0%	\$158,680,000	2%
SGP	Stockland	\$12,537,701,400	0%	\$564,925,500	\$18,292,000	3%	\$151,185,650	2%
SYD	Sydney Airport	\$13,910,205,800	0%	\$543,934,900	\$15,556,000	3%	\$147,624,470	2%
AZJ	Aurizon Holdings Limited ⁷²	\$9,900,433,333	0%	\$526,333,333	\$11,233,333	2%	\$146,666,667	2%
NCM	Newcrest Mining Limited	\$8,568,938,700	0%	\$683,489,100	\$78,475,200	11%	\$126,571,530	2%
SUN	Suncorp Group Limited	\$80,867,800,000	2%	\$985,200,000	\$184,700,000	19%	\$110,860,000	1%
GMG	Goodman Group ⁶⁹	\$7,953,766,667	0%	\$399,344,444	\$11,488,889	3%	\$108,314,444	1%
ORG	Origin Energy Limited	\$17,586,333,900	1%	\$781,726,900	\$126,973,200	16%	\$107,544,870	1%

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
WBC	Westpac Banking Corporation	\$486,843,900,000	14%	\$6,499,200,000	\$1,847,400,000	28%	\$102,360,000	1%
DXS	Dexus Property Group ⁶⁹	\$8,160,758,556	0%	\$335,574,444	\$2,984,889	1%	\$97,687,444	1%
AMP	AMP Limited	\$99,103,400,000	3%	\$1,179,314,286	\$258,400,000	22%	\$95,394,286	1%
QAN	Qantas Airways Limited	\$19,639,270,000	1%	\$612,710,000	\$90,210,000	15%	\$93,603,000	1%
CSL	CSL Limited	\$5,123,816,560	0%	\$936,971,143	\$195,878,943	21%	\$85,212,399	1%
CFX	CFS Retail Property Trust Group	\$6,829,468,300	0%	\$267,546,500	\$0	0%	\$80,263,950	1%
MGR	Mirvac Group	\$7,278,747,200	0%	\$305,419,700	\$12,851,100	4%	\$78,774,810	1%
AMC	Amcor Limited	\$10,198,930,000	0%	\$598,660,000	\$100,940,000	17%	\$78,658,000	1%
IPL	Incitec Pivot Limited	\$4,759,543,700	0%	\$416,531,700	\$48,045,800	12%	\$76,913,710	1%
LLC	Lend Lease Group	\$9,826,810,000	0%	\$471,960,000	\$69,180,000	15%	\$72,408,000	1%
ARI	Arrium Limited	\$5,981,780,000	0%	\$376,900,000	\$41,410,000	11%	\$71,660,000	1%
CGF	Challenger Limited	\$18,792,409,100	1%	\$243,396,600	\$1,766,200	1%	\$71,252,780	1%
OZL	OZ Minerals Limited	\$2,600,314,600	0%	\$303,681,400	\$20,805,200	7%	\$70,299,220	1%
RMD	ResMed Inc.	\$1,626,911,364	0%	\$237,309,716	\$2,197,852	1%	\$68,995,063	1%
TEL	Telecom Corporation of New Zealand Limited	\$5,410,931,212	0%	\$640,719,994	\$125,004,548	20%	\$67,211,450	1%
JHX	James Hardie Industries Plc	\$2,101,625,886	0%	\$203,663,394	\$0	0%	\$61,099,018	1%
LEI	Leighton Holdings Limited	\$7,042,817,400	0%	\$546,798,300	\$102,968,400	19%	\$61,071,090	1%
WES	Wesfarmers Limited	\$27,629,514,400	1%	\$1,897,001,800	\$508,491,400	27%	\$60,609,140	1%
AWC	Alumina Limited	\$2,999,133,654	0%	\$198,833,309	\$420,000	0%	\$59,229,993	1%
EGP	Echo Entertainment Group Limited ⁷²	\$4,306,400,000	0%	\$204,666,667	\$10,066,667	5%	\$51,333,333	1%
DOW	Downer EDI Limited	\$3,241,852,900	0%	\$220,899,000	\$20,589,300	9%	\$45,680,400	1%
CPA	Commonwealth Property Office Fund	\$3,295,968,500	0%	\$150,959,900	\$0	0%	\$45,287,970	1%

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
CQR	Charter Hall Retail REIT	\$2,432,418,300	0%	\$147,556,600	\$1,650,600	1%	\$42,616,380	1%
SPN	SP AusNet ⁷⁰	\$8,127,408,500	0%	\$237,913,125	\$29,551,500	12%	\$41,822,438	0%
CPU	Computershare Limited	\$2,741,836,181	0%	\$350,135,124	\$64,315,834	18%	\$40,724,703	0%
IDF	Investa Office Fund	\$2,647,616,600	0%	\$148,857,900	\$4,010,000	3%	\$40,647,370	0%
ORI	Orica Limited	\$6,674,320,000	0%	\$700,430,000	\$170,550,000	24%	\$39,579,000	0%
APA	APA Group	\$4,309,832,300	0%	\$128,249,500	\$1,522,200	1%	\$36,952,650	0%
MQG	Macquarie Group Limited	\$125,999,000,000	4%	\$1,318,300,000	\$358,600,000	27%	\$36,890,000	0%
SVW	Seven Group Holdings Limited	\$3,519,282,900	0%	\$224,596,900	\$31,569,100	14%	\$35,809,970	0%
CWN	Crown Resorts Limited ⁷³	\$5,982,577,714	0%	\$454,142,714	\$100,799,571	22%	\$35,443,243	0%
ALZ	Australand Property Group	\$3,566,959,400	0%	\$164,054,300	\$13,995,100	9%	\$35,221,190	0%
BXB	Brambles Limited	\$7,389,285,635	0%	\$842,114,852	\$217,560,166	26%	\$35,074,289	0%
FBU	Fletcher Building Limited	\$4,526,057,650	0%	\$408,387,103	\$88,139,292	22%	\$34,376,839	0%
AIO	Asciano Limited ⁶⁷	\$7,265,985,167	0%	\$238,389,667	\$38,188,167	16%	\$33,328,733	0%
HGG	Henderson Group PLC	\$9,133,376,359	0%	\$185,163,499	\$23,707,164	13%	\$31,841,886	0%
SHL	Sonic Healthcare Limited	\$3,709,078,100	0%	\$318,236,800	\$64,395,000	20%	\$31,076,040	0%
MYR	Myer Holdings Limited ⁶⁸	\$1,947,443,500	0%	\$209,834,500	\$31,973,500	15%	\$30,976,850	0%
SKI	Spark Infrastructure Group ⁷⁰	\$2,390,218,125	0%	\$101,993,250	\$0	0%	\$30,597,975	0%
GFF	Goodman Fielder Limited ⁷⁰	\$2,994,800,000	0%	\$234,175,000	\$40,675,000	17%	\$29,577,500	0%
MGX	Mount Gibson Iron Limited	\$920,325,618	0%	\$121,877,304	\$8,816,300	7%	\$27,746,891	0%
AGK	AGL Energy Limited ⁷³	\$11,297,985,714	0%	\$410,300,000	\$97,114,286	24%	\$25,975,714	0%
WOW	Woolworths Limited	\$15,903,630,000	0%	\$2,335,850,000	\$675,320,000	29%	\$25,435,000	0%
TOL	Toll Holdings Limited	\$6,035,162,200	0%	\$349,574,800	\$80,684,500	23%	\$24,187,940	0%
FMG	Fortescue Metals Group Ltd	\$6,622,010,978	0%	\$370,295,976	\$87,002,088	23%	\$24,086,705	0%
ANN	Ansell Limited	\$1,342,290,000	0%	\$128,000,000	\$16,830,000	13%	\$21,570,000	0%

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
CSR	CSR Limited	\$2,966,500,000	0%	\$237,720,000	\$50,160,000	21%	\$21,156,000	0%
MIN	Mineral Resources Limited ⁷³	\$817,917,857	0%	\$130,296,857	\$18,723,000	14%	\$20,366,057	0%
ABP	Abacus Property Group	\$1,387,763,900	0%	\$69,756,300	\$1,601,300	2%	\$19,325,590	0%
ILU	Iluka Resources Limited	\$2,077,280,000	0%	\$191,230,000	\$38,540,000	20%	\$18,829,000	0%
TWE	Treasury Wine Estates Limited ⁷²	\$3,884,233,333	0%	\$157,866,667	\$29,266,667	19%	\$18,093,333	0%
BLD	Boral Limited	\$5,609,750,000	0%	\$310,070,000	\$75,110,000	24%	\$17,911,000	0%
ALL	Aristocrat Leisure Limited	\$857,011,500	0%	\$198,616,400	\$42,135,900	21%	\$17,449,020	0%
CMW	Cromwell Property Group	\$1,126,470,683	0%	\$58,332,495	\$546,036	1%	\$16,953,713	0%
TPI	Transpacific Industries Group Ltd ⁶⁹	\$3,217,675,222	0%	\$105,571,778	\$14,721,222	14%	\$16,950,311	0%
CCL	Coca-Cola Amatil Limited	\$5,649,860,000	0%	\$599,870,000	\$163,400,000	27%	\$16,561,000	0%
FXJ	Fairfax Media Limited	\$5,623,143,800	0%	\$315,352,100	\$78,066,000	25%	\$16,539,630	0%
ENV	Envestra Limited	\$2,720,429,800	0%	\$54,976,300	\$0	0%	\$16,492,890	0%
BPT	Beach Energy Limited	\$1,335,107,700	0%	\$73,786,900	\$6,357,600	9%	\$15,778,470	0%
BWP	BWP Trust	\$987,977,800	0%	\$51,262,300	\$0	0%	\$15,378,690	0%
MTS	Metcash Limited	\$3,301,632,300	0%	\$282,994,500	\$69,913,900	25%	\$14,984,450	0%
PRY	Primary Health Care Limited	\$2,585,554,300	0%	\$116,439,400	\$21,266,900	18%	\$13,664,920	0%
SKT	Sky Network Television Limited	\$1,300,629,998	0%	\$106,002,401	\$18,333,428	17%	\$13,467,292	0%
TSE	Transfield Services Limited	\$1,815,208,800	0%	\$91,512,300	\$14,170,600	15%	\$13,283,090	0%
CHC	Charter Hall Group ⁷⁰	\$765,414,625	0%	\$44,251,750	\$1,250	0%	\$13,274,275	0%
PMV	Premier Investments Limited	\$1,172,244,200	0%	\$137,592,000	\$28,549,900	21%	\$12,727,700	0%
DUE	DUET Group	\$7,167,013,100	0%	\$91,907,200	\$15,178,900	17%	\$12,393,260	0%
BEN	Bendigo and Adelaide Bank Limited	\$37,647,510,000	1%	\$293,910,000	\$75,980,000	26%	\$12,193,000	0%
PBG	Pacific Brands Limited	\$1,971,073,800	0%	\$119,202,100	\$24,059,700	20%	\$11,700,930	0%

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
AAD	Ardent Leisure Group	\$616,078,000	0%	\$40,202,200	\$1,629,300	4%	\$10,431,360	0%
WOR	WorleyParsons Limited	\$2,858,267,100	0%	\$346,510,200	\$94,121,700	27%	\$9,831,360	0%
MML	Medusa Mining Ltd	\$154,599,139	0%	\$32,312,883	\$0	0%	\$9,693,865	0%
SGH	Slater & Gordon Limited ⁷³	\$323,798,143	0%	\$33,736,571	\$1,193,286	4%	\$8,927,686	0%
AUT	Aurora Oil & Gas Limited	\$359,180,956	0%	\$27,997,208	\$0	0%	\$8,399,162	0%
WPL	Woodside Petroleum Limited	\$15,876,052,442	0%	\$2,162,877,193	\$640,617,346	30%	\$8,245,812	0%
ABC	Adelaide Brighton Limited	\$1,333,072,900	0%	\$164,328,700	\$41,161,200	25%	\$8,137,410	0%
SWM	Seven West Media Limited	\$1,859,845,600	0%	\$184,237,100	\$47,234,900	26%	\$8,036,230	0%
FXL	FlexiGroup Limited ⁷³	\$901,350,143	0%	\$63,063,286	\$11,174,857	18%	\$7,744,129	0%
NUF	Nufarm Limited	\$2,591,612,800	0%	\$141,825,000	\$36,069,900	25%	\$6,477,600	0%
UGL	UGL Limited	\$1,957,187,600	0%	\$147,562,100	\$37,995,300	26%	\$6,273,330	0%
GNC	Graincorp Limited	\$1,662,505,800	0%	\$99,320,700	\$23,717,700	24%	\$6,078,510	0%
STO	Santos Limited	\$11,476,030,000	0%	\$790,620,000	\$231,360,000	29%	\$5,826,000	0%
RSG	Resolute Mining Limited	\$513,333,300	0%	\$42,089,100	\$6,813,900	16%	\$5,812,830	0%
COH	Cochlear Limited	\$614,904,500	0%	\$154,572,300	\$40,634,300	26%	\$5,737,390	0%
RRL	Regis Resources Limited	\$162,654,359	0%	\$18,888,624	\$0	0%	\$5,666,587	0%
ASX	ASX Limited	\$5,125,768,100	0%	\$381,679,200	\$109,109,400	29%	\$5,394,360	0%
SGN	STW Communications Group Limited	\$624,750,700	0%	\$56,372,600	\$11,625,400	21%	\$5,286,380	0%
QUB	Qube Holdings Limited ⁷³	\$802,905,000	0%	\$34,604,857	\$5,194,000	15%	\$5,187,457	0%
BCI	BC Iron Limited ⁷³	\$117,761,752	0%	\$21,063,736	\$1,359,269	6%	\$4,959,851	0%
WSA	Western Areas Limited	\$401,522,000	0%	\$18,985,600	\$794,400	4%	\$4,901,280	0%
RHC	Ramsay Health Care Limited	\$2,895,361,100	0%	\$213,553,800	\$59,262,600	28%	\$4,803,540	0%
ASL	Ausdrill Limited	\$680,370,600	0%	\$63,577,700	\$14,312,500	23%	\$4,760,810	0%

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
AGO	Atlas Iron Limited ⁶⁹	\$796,481,832	0%	\$15,512,826	-\$4,1091	0%	\$4,694,939	0%
PNA	PanAust Limited	\$746,220,275	0%	\$61,327,651	\$13,867,518	23%	\$4,530,778	0%
MRM	Mermaid Marine Australia Limited	\$311,693,582	0%	\$35,167,099	\$6,080,781	17%	\$4,469,349	0%
CAB	Cabcharge Australia Limited	\$368,218,200	0%	\$68,056,500	\$16,646,700	24%	\$3,770,250	0%
IGO	Independence Group NL	\$397,579,800	0%	\$47,581,900	\$10,528,300	22%	\$3,746,270	0%
BRG	Breville Group Limited	\$271,669,200	0%	\$37,518,300	\$7,600,000	20%	\$3,655,490	0%
VRL	Village Roadshow Limited	\$2,041,067,500	0%	\$85,577,400	\$22,066,900	26%	\$3,606,320	0%
SEK	SEEK Limited ⁶⁹	\$671,934,000	0%	\$106,468,333	\$28,759,667	27%	\$3,180,833	0%
NWH	NRW Holdings Limited ⁶⁷	\$535,649,667	0%	\$77,773,333	\$20,290,000	26%	\$3,042,000	0%
ALQ	ALS Limited	\$854,441,900	0%	\$135,008,800	\$37,600,800	28%	\$2,901,840	0%
EVN	Evolution Mining Limited	\$286,023,282	0%	\$9,914,870	\$78,700	1%	\$2,895,761	0%
DMP	Domino's Pizza Enterprises Limited ⁶⁹	\$142,382,667	0%	\$23,370,667	\$5,068,222	22%	\$1,942,978	0%
SAI	SAI Global Limited	\$468,069,700	0%	\$37,669,500	\$9,506,100	25%	\$1,794,750	0%
SXL	Southern Cross Media Group Limited ⁷⁰	\$2,149,347,875	0%	\$65,547,375	\$18,097,625	28%	\$1,566,588	0%
NST	Northern Star Resources Ltd	\$38,059,480	0%	\$7,950,535	\$821,400	10%	\$1,563,760	0%
GUD	GUD Holdings Limited	\$339,554,500	0%	\$57,749,400	\$15,779,000	27%	\$1,545,820	0%
MND	Monadelphous Group Limited	\$391,198,700	0%	\$99,835,400	\$28,533,600	29%	\$1,417,020	0%
CRZ	Carsales.com Limited ⁶⁸	\$164,358,250	0%	\$90,512,000	\$25,756,750	28%	\$1,396,850	0%
CDD	Cardno Limited	\$483,179,700	0%	\$47,312,900	\$12,819,400	27%	\$1,374,470	0%
SXY	Senex Energy Limited	\$120,142,175	0%	\$4,268,998	-\$8,468	0%	\$1,289,167	0%
SMX	SMS Management and Technology Limited	\$108,224,100	0%	\$28,109,100	\$7,155,600	25%	\$1,277,130	0%
AQG	Alacer Gold Corp ⁷²	\$1,325,825,502	0%	-\$16,558,346	-\$6,227,922	38%	\$1,260,418	0%

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
GWA	GWA Group Limited	\$794,916,200	0%	\$78,965,900	\$22,455,200	28%	\$1,234,570	0%
FLT	Flight Centre Travel Group Limited	\$1,634,778,200	0%	\$190,479,900	\$55,912,100	29%	\$1,231,870	0%
JBH	JB Hi-Fi Limited	\$551,726,900	0%	\$105,657,400	\$30,474,500	29%	\$1,222,720	0%
SIP	Sigma Pharmaceuticals Limited ⁶⁹	\$1,557,043,333	0%	\$80,974,889	\$23,168,778	29%	\$1,123,689	0%
MTU	M2 Group Ltd ⁶⁹	\$220,293,856	0%	\$22,637,061	\$5,686,548	25%	\$1,104,570	0%
RFG	Retail Food Group Limited ⁷⁰	\$218,572,250	0%	\$29,533,625	\$7,834,750	27%	\$1,025,338	0%
SUL	Super Retail Group Limited	\$580,692,600	0%	\$57,787,900	\$16,339,200	28%	\$997,170	0%
GEM	G8 Education Limited ⁷³	\$166,324,887	0%	\$13,772,658	\$3,139,177	23%	\$992,620	0%
WTF	Wotif.com Holdings Limited ⁷⁰	\$198,113,750	0%	\$59,026,125	\$16,752,125	28%	\$955,713	0%
MFG	Magellan Financial Group Limited ⁶⁹	\$109,991,111	0%	\$9,122,556	\$1,788,778	20%	\$947,989	0%
REA	REA Group Ltd	\$170,061,242	0%	\$55,555,925	\$15,762,703	28%	\$904,075	0%
ACR	Acrux Limited	\$41,466,514	0%	\$10,606,933	\$2,307,112	22%	\$874,968	0%
VAH	Virgin Australia Holdings Limited	\$3,060,202,000	0%	\$82,761,100	\$24,034,200	29%	\$794,130	0%
BKN	Bradken Limited ⁶⁹	\$926,930,556	0%	\$84,089,111	\$24,582,222	29%	\$644,511	0%
DCG	Decmil Group Limited ⁶⁹	\$176,532,238	0%	\$21,303,606	\$5,808,222	27%	\$582,859	0%
SRX	Sirtex Medical Limited	\$53,057,600	0%	\$10,870,900	\$2,791,700	26%	\$469,570	0%
IFL	IOOF Holdings Limited	\$1,553,601,200	0%	\$85,383,600	\$25,233,500	30%	\$381,580	0%
KMD	Kathmandu Holdings Limited ⁶⁸	\$286,151,707	0%	\$41,964,863	\$12,337,849	29%	\$251,610	0%
MMS	McMillan Shakespeare Limited	\$175,369,096	0%	\$36,520,874	\$10,707,390	29%	\$248,872	0%
DJS	David Jones Limited	\$1,186,542,900	0%	\$166,778,600	\$49,858,500	30%	\$175,080	0%
IRE	IRESS Limited	\$167,325,900	0%	\$50,067,800	\$14,932,800	30%	\$87,540	0%
SKE	Skilled Group Limited	\$537,537,600	0%	\$43,956,300	\$13,357,400	30%	-\$170,510	0%
TRS	The Reject Shop Limited	\$103,646,637	0%	\$21,299,078	\$6,626,514	31%	-\$236,790	0%

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
TTS	Tatts Group Limited ⁶⁹	\$3,826,031,111	0%	\$321,615,778	\$96,732,444	30%	-\$247,711	0%
IVC	InvoCare Limited	\$510,328,600	0%	\$42,774,400	\$13,158,100	31%	-\$325,780	0%
SFR	Sandfire Resources NL	\$135,656,055	0%	-\$1,468,459	\$0	0%	-\$440,538	0%
DLS	Drillsearch Energy Limited	\$113,393,722	0%	-\$1,567,435	\$2,152	0%	-\$472,382	0%
PPT	Perpetual Limited	\$1,487,502,200	0%	\$132,627,000	\$40,302,100	30%	-\$514,000	0%
DLX	DuluxGroup Limited ⁶⁸	\$746,416,500	0%	\$88,253,250	\$27,193,000	31%	-\$717,025	0%
IIN	iiNET Limited	\$388,132,446	0%	\$27,785,753	\$9,167,511	33%	-\$831,785	0%
NVT	Navitas Limited ⁶⁹	\$398,791,889	0%	\$73,030,333	\$22,762,667	31%	-\$853,567	0%
EWC	Energy World Corporation Ltd	\$625,900,559	0%	\$18,190,620	\$6,390,897	35%	-\$933,711	0%
HZN	Horizon Oil Limited	\$175,326,266	0%	\$6,461,723	\$2,975,801	46%	-\$1,037,284	0%
SKC	SkyCity Entertainment Group Limited	\$1,356,635,516	0%	\$135,693,225	\$41,768,524	31%	-\$1,060,557	0%
TEN	Ten Network Holdings Limited	\$1,610,474,500	0%	\$106,920,100	\$33,699,000	32%	-\$1,622,970	0%
AHE	Automotive Holdings Group Limited ⁷⁰	\$1,060,495,125	0%	\$69,754,750	\$22,578,500	32%	-\$1,652,075	0%
KAR	Karoo Gas Australia Ltd	\$318,000,639	0%	-\$5,779,655	\$128,767	-2%	-\$1,862,664	0%
IAG	Insurance Australia Group Limited	\$20,411,900,000	1%	\$848,600,000	\$257,400,000	30%	-\$2,820,000	0%
SIR	Sirius Resources NL ⁷⁰	\$52,151,901	0%	-\$9,304,006	\$66,205	-1%	-\$2,857,406	0%
HVN	Harvey Norman Holdings Ltd	\$3,404,866,000	0%	\$329,629,200	\$102,348,000	31%	-\$3,459,240	0%
B0Q	Bank of Queensland Limited	\$28,337,290,000	1%	\$176,620,000	\$56,490,000	32%	-\$3,504,000	0%
BDR	Beadell Resources Limited ⁶⁷	\$148,036,833	0%	-\$1,503,833	\$3,305,333	- 220%	-\$3,756,483	0%
BRU	Buru Energy Limited ⁷¹	\$119,760,554	0%	-\$16,021,644	\$0	0%	-\$4,806,493	0%
MSB	Mesoblast Limited ⁶⁹	\$280,074,781	0%	-\$19,315,930	\$377,222	-2%	-\$6,172,001	0%

ASX Code	Company Name	Average Total Assets	Share of ASX 200 Capital Assets	Average Pre-Tax Profit	Average Tax Paid	ETR	Average Annual Tax Forgone	Company Share of Total Tax Foregone
TPM	TPG Telecom Limited	\$650,524,000	0%	\$62,657,700	\$25,394,800	41%	-\$6,597,490	0%
PTM	Platinum Asset Management Limited ⁷³	\$239,123,286	0%	\$215,502,571	\$72,408,857	34%	-\$7,758,086	0%
WHC	Whitehaven Coal Limited ⁷³	\$1,899,953,714	0%	\$31,236,571	\$19,586,286	63%	-\$10,215,314	0%
CTX	Caltex Australia Limited	\$4,853,527,700	0%	\$489,874,600	\$157,883,800	32%	-\$10,921,420	0%
TLS	Telstra Corporation Limited	\$37,848,300,000	1%	\$5,321,000,000	\$1,607,900,000	30%	-\$11,600,000	0%
LYC	Lynas Corporation Limited	\$446,894,403	0%	-\$39,011,848	\$27,000	0%	-\$11,730,554	0%
AQA	Aquila Resources Limited	\$316,844,678	0%	-\$25,703,778	\$4,223,300	-16%	-\$11,934,433	0%
SGM	Sims Metal Management Limited	\$2,930,698,300	0%	\$242,164,600	\$85,688,100	35%	-\$13,038,720	0%
SLR	Silver Lake Resources Limited ⁶⁷	\$189,011,500	0%	-\$44,637,667	\$341,667	-1%	-\$13,732,967	0%
AWE	AWE Limited	\$908,406,800	0%	\$83,015,000	\$45,750,000	55%	-\$20,845,500	0%
TAH	Tabcorp Holdings Limited	\$5,246,306,600	0%	\$538,029,000	\$184,425,800	34%	-\$23,017,100	0%
BSL	BlueScope Steel Limited	\$7,519,830,000	0%	\$448,210,000	\$157,960,000	35%	-\$23,497,000	0%
PDN	Paladin Energy Ltd	\$1,593,396,977	0%	-\$96,895,465	\$0	0%	-\$29,068,639	0%
TCL	Transurban Group	\$9,182,818,800	0%	-\$39,626,100	\$23,610,900	-60%	-\$35,498,730	0%
MQA	Macquarie Atlas Roads Group ⁶⁸	\$1,486,718,000	0%	-\$159,127,000	\$13,187,750	-8%	-\$60,925,850	-1%
OSH	Oil Search Limited	\$4,077,293,277	0%	\$422,456,495	\$195,458,460	46%	-\$68,721,512	-1%
TOTAL		\$3,471,119,262,808	100%	\$120,688,356,458	\$27,824,975,218	23%	\$8,381,531,719	100%

APPENDIX 6: DEBT LEVELS AMONGST ASX 200 COMPANIES

Table 28: ASX 200 Company Average Annual Debt Levels, 2004-2013

ASX Code	Company Name	Average Gearing	Debt as % of Total Liabilities	% Profit Lost to Financing Costs
AMP	AMP Limited	2013%	12%	N/A
JHX	James Hardie Industries Plc	1768%	11%	2%
NAB	National Australia Bank Limited	1603%	N/A	N/A
CBA	Commonwealth Bank of Australia	1594%	N/A	N/A
BQF	Bank of Queensland Limited	1534%	N/A	N/A
WBC	Westpac Banking Corporation	1515%	N/A	N/A
ANZ	Australia & New Zealand Banking Group Ltd	1481%	N/A	N/A
MQG	Macquarie Group Limited	1346%	67%	-199%
BEN	Bendigo and Adelaide Bank Limited	1336%	N/A	N/A
CGF	Challenger Limited	1031%	33%	511%
SUN	Suncorp Group Limited	649%	71%	N/A
HGG	Henderson Group PLC	565%	6%	-3%
ENV	Envestra Limited	514%	87%	74%
IVC	InvoCare Limited	459%	41%	22%
DUE	DUET Group	443%	82%	78%
FMG	Fortescue Metals Group Ltd	389%	89%	64%
FXL	FlexiGroup Limited	378% ⁷⁴	89% ⁷⁵	43% ⁷⁵
DLX	DuluxGroup Limited	369% ⁷⁶	51% ⁷⁶	20% ⁷⁶
QBE	QBE Insurance Group Limited	354%	11%	N/A
IAG	Insurance Australia Group Limited	353%	8%	N/A
PPT	Perpetual Limited	350%	14%	-6%
VAH	Virgin Australia Holdings Limited	280%	59%	27%

ASX Code	Company Name	Average Gearing	Debt as % of Total Liabilities	% Profit Lost to Financing Costs
LEI	Leighton Holdings Limited	261%	25%	14%
JBH	JB Hi-Fi Limited	248%	29%	6%
APA	APA Group	242%	81%	57%
QAN	Qantas Airways Limited	227%	41%	12%
CCL	Coca-Cola Amatil Limited	212%	61%	18%
SKC	SkyCity Entertainment Group Limited	203%	82%	28%
LLC	Lend Lease Group	201%	35%	4%
VRL	Village Roadshow Limited	201%	68%	41%
ALL	Aristocrat Leisure Limited	201%	41%	4%
AHE	Automotive Holdings Group Limited	200% ⁷⁷	71% ⁷⁶	26% ⁷⁴
SPN	SP AusNet	196% ⁷⁷	N/A	55% ⁷⁴
WTF	Wotif.com Holdings Limited	192% ⁷⁴	0% ⁷⁶	-7% ⁷⁴
TLS	Telstra Corporation Limited	190%	59%	15%
MND	Monadelphous Group Limited	189%	12%	-2%
BXB	Brambles Limited	188%	59%	14%
RHC	Ramsay Health Care Limited	187%	58%	23%
SYD	Sydney Airport	186%	71%	39%
TEL	Telecom Corporation of New Zealand Limited	184%	N/A	21%
IFL	I00F Holdings Limited	184%	13%	-20%
AMC	Ancor Limited	174%	50%	24%
WSA	Western Areas Limited	171%	87%	43%
TSE	Transfield Services Limited	166%	48%	26%
TCL	Transurban Group	166%	68%	134%
MTS	Metcash Limited	164%	33%	14%
WOW	Woolworths Limited	162%	35%	9%
FLT	Flight Centre Travel Group Limited	161%	10%	-4%
MTU	M2 Group Ltd	161%	45% ⁷⁷	7% ⁷⁷

ASX Code	Company Name	Average Gearing	Debt as % of Total Liabilities	% Profit Lost to Financing Costs
DOW	Downer EDI Limited	159%	33%	19%
CPU	Computershare Limited	159%	61%	8%
NVT	Navitas Limited	155%	21% ⁷⁷	1% ⁷⁷
AIO	Asciano Limited	149% ⁷⁸	81% ⁷⁸	54% ⁷⁸
SFR	Sandfire Resources NL	146%	N/A	-158%
ASX	ASX Limited	139%	3%	-5%
NWH	NRW Holdings Limited	138% ⁷⁴	41% ⁷⁸	11% ⁷⁵
SKI	Spark Infrastructure Group	137% ⁷⁴	N/A	N/A
UGL	UGL Limited	132%	37%	14%
TPI	Transpacific Industries Group Ltd	129% ⁷⁷	79% ⁷⁷	55% ⁷⁷
MYR	Myer Holdings Limited	127% ⁷⁹	39% ⁷⁹	19% ⁷⁹
RIO	Rio Tinto Limited	125%	47%	4%
BKN	Bradken Limited	124% ⁹	62%	22%
MMS	McMillan Shakespeare Limited	122%	67%	7%
TRS	The Reject Shop Limited	121%	28%	6%
CSR	CSR Limited	120%	31%	19%
SAI	SAI Global Limited	119%	56%	16%
TOL	Toll Holdings Limited	118%	58%	16%
BDR	Beadell Resources Limited	117% ⁷⁸	71% ⁷⁹	190% ⁷⁸
CMW	Cromwell Property Group	116%	N/A	N/A
TEN	Ten Network Holdings Limited	115%	46%	39%
WOR	WorleyParsons Limited	114%	35%	7%
SUL	Super Retail Group Limited	114%	50%	15%
AUT	Aurora Oil & Gas Limited	112%	67%	25%
ORI	Orica Limited	111%	47%	14%
NUF	Nufarm Limited	111%	52%	29%
SKE	Skilled Group Limited	110%	42%	23%

ASX Code	Company Name	Average Gearing	Debt as % of Total Liabilities	% Profit Lost to Financing Costs
WDC	Westfield Group	109% ⁷⁷	N/A	N/A
SWM	Seven West Media Limited	109%	80%	19%
FBU	Fletcher Building Limited	109%	52%	19%
HZN	Horizon Oil Limited	106%	62%	25%
TAH	Tabcorp Holdings Limited	106%	70%	20%
ORG	Origin Energy Limited	102%	43%	20%
FOX	Twenty-First Century Fox, Inc.	100%	47%	13%
ANN	Ansell Limited	98%	55%	7%
IIN	iiNET Limited	97%	52%	17%
IPL	Incitec Pivot Limited	97%	47%	11%
CTX	Caltex Australia Limited	96%	28%	10%
COH	Cochlear Limited	95%	48%	4%
BLD	Boral Limited	95%	53%	22%
PDN	Paladin Energy Ltd	93%	76%	-37%
ARI	Arrium Limited	93%	48%	20%
BHP	BHP Billiton Limited	92%	43%	4%
CDD	Cardno Limited	91%	44%	5%
GNC	Graincorp Limited	91%	56%	22%
DJS	David Jones Limited	91%	39%	7%
SGH	Slater & Gordon Limited	90% ⁷⁵	28% ⁷⁵	7% ⁷⁵
SHL	Sonic Healthcare Limited	90%	78%	15%
STO	Santos Limited	89%	50%	4%
GUD	GUD Holdings Limited	89%	50%	11%
GWA	GWAA Group Limited	89%	66%	14%
GFF	Goodman Fielder Limited	89% ⁷⁷	69% ⁷⁶	26% ⁷⁴
ILU	Iluka Resources Limited	87%	41%	15%
SGN	STW Communications Group Limited	86%	40%	13%

ASX Code	Company Name	Average Gearing	Debt as % of Total Liabilities	% Profit Lost to Financing Costs
SXL	Southern Cross Media Group Limited	84% ⁷⁷	84% ⁷⁶	48% ⁷⁴
ASL	Ausdrill Limited	82%	64%	16%
HVN	Harvey Norman Holdings Ltd	81%	43%	8%
EWC	Energy World Corporation Ltd	81%	71%	23%
BSL	BlueScope Steel Limited	81%	34%	17%
AGK	AGL Energy Limited	80% ⁷⁴	44% ⁷⁶	15% ⁷⁴
ALZ	Australand Property Group	80%	N/A	N/A
RFG	Retail Food Group Limited	79% ⁷⁴	84% ⁷⁶	17% ⁷⁴
MRM	Mermaid Marine Australia Limited	79%	73%	14%
BRG	Breville Group Limited	77%	38%	10%
GMG	Goodman Group	75% ⁷⁷	N/A	N/A
WPL	Woodside Petroleum Limited	75%	47%	2%
WES	Wesfarmers Limited	74%	49%	15%
TTS	Tatts Group Limited	74% ⁷⁷	57% ⁷⁷	11% ⁷⁷
DCG	Decmil Group Limited	73% ⁷⁷	9% ⁷⁷	-3% ⁷⁷
SVW	Seven Group Holdings Limited	73%	45%	10%
OSH	Oil Search Limited	72%	60%	-1%
ALQ	ALS Limited	72%	67%	7%
SEK	SEEK Limited	72%	53% ⁷⁷	7% ⁷⁷
MIN	Mineral Resources Limited	71% ⁷⁴	37% ⁷⁶	1% ⁷⁴
SIP	Sigma Pharmaceuticals Limited	70% ⁷⁷	39% ⁷⁷	31% ⁷⁷
BRU	Buru Energy Limited	70% ⁷⁹	N/A	14% ⁷⁹
RSG	Resolute Mining Limited	69%	30%	10%
PBG	Pacific Brands Limited	69%	68%	24%
PRY	Primary Health Care Limited	68%	80%	35%
SGT	Singapore Telecommunications Limited	67%	54%	8%
TPM	TPG Telecom Limited	67%	43%	11%

ASX Code	Company Name	Average Gearing	Debt as % of Total Liabilities	% Profit Lost to Financing Costs
DMP	Domino's Pizza Enterprises Limited	67% ⁷⁷	42% ⁷⁷	1% ⁷⁷
BCI	BC Iron Limited	67% ⁷⁵	71% ⁷⁸	0% ⁷⁵
SGP	Stockland	64%	N/A	N/A
CSL	CSL Limited	64%	48%	1%
ABC	Adelaide Brighton Limited	63%	51%	10%
MGR	Mirvac Group	63%	N/A	N/A
DXS	Dexus Property Group	63%	N/A	N/A
ABP	Abacus Property Group	63%	N/A	N/A
EGP	Echo Entertainment Group Limited	62% ⁷⁶	69% ⁸⁰	22% ⁸⁰
SKT	Sky Network Television Limited	62%	72%	21%
FXJ	Fairfax Media Limited	61%	72%	26%
AAD	Ardent Leisure Group	60%	75%	N/A
GEM	G8 Education Limited	58% ⁷⁵	61% ⁷⁵	6% ⁷⁵
NCM	Newcrest Mining Limited	56%	46%	7%
CWN	Crown Resorts Limited	53% ⁷⁵	62% ⁷⁵	12% ⁷⁵
GPT	GPT Group	53%	N/A	N/A
CQR	Charter Hall Retail REIT	52%	N/A	N/A
CAB	Cabcharge Australia Limited	51%	77%	5%
PNA	PanAust Limited	49%	55%	20%
LYC	Lynas Corporation Limited	49%	80%	0%
SGM	Sims Metal Management Limited	48%	25%	7%
IOF	Investa Office Fund	47%	N/A	N/A
CFX	CFS Retail Property Trust Group	46%	N/A	N/A
CPA	Commonwealth Property Office Fund	44%	N/A	N/A
CRZ	Carsales.com Limited	43% ⁷⁹	30% ⁷⁶	-1% ⁷⁶
SIR	Sirius Resources NL	43% ⁷⁷	N/A	3% ⁷⁴
MSB	Mesoblast Limited	42%	N/A	15% ⁷⁷

ASX Code	Company Name	Average Gearing	Debt as % of Total Liabilities	% Profit Lost to Financing Costs
NST	Northern Star Resources Ltd	41%	34%	-4%
QUB	Qube Holdings Limited	41% ⁷⁵	82% ⁷⁵	13% ⁷⁵
IRE	IRESS Limited	41%	36%	1%
SLR	Silver Lake Resources Limited	40% ⁷⁵	23% ⁷⁸	0% ⁷⁸
MGX	Mount Gibson Iron Limited	39%	29%	0%
AZJ	Aurizon Holdings Limited	39% ⁷⁶	46% ⁷⁶	14% ⁷⁶
BWP	BWP Trust	38%	N/A	N/A
DLS	Drillsearch Energy Limited	37%	53%	-78%
BPT	Beach Energy Limited	37%	21%	11%
SMX	SMS Management and Technology Limited	35%	0%	-3%
IGO	Independence Group NL	35%	9%	-11%
KMD	Kathmandu Holdings Limited	34% ⁷⁹	58% ⁷⁶	11% ⁷⁶
RMD	ResMed Inc.	34%	45%	-6%
TWE	Treasury Wine Estates Limited	32% ⁷⁶	15% ⁸⁰	-11% ⁸⁰
REA	REA Group Ltd	31%	3%	-4%
WHC	Whitehaven Coal Limited	30% ⁷⁵	51% ⁷⁵	43% ⁷⁵
EVN	Evolution Mining Limited	30%	74%	11%
WRT	Westfield Retail Trust	30% ⁸⁰	N/A	N/A
SRX	Sirtex Medical Limited	29%	3%	-13%
RRL	Regis Resources Limited	28%	35%	4%
PMV	Premier Investments Limited	28%	61%	-5%
AWE	AWE Limited	27%	25%	3%
OZL	OZ Minerals Limited	27%	49%	3%
CHC	Charter Hall Group	27% ⁷⁴	N/A	N/A
AWC	Alumina Limited	25%	98%	12%
AQG	Alacer Gold Corp	24% ⁸⁰	34% ⁸⁰	4% ⁸⁰
AQA	Aquila Resources Limited	20%	21%	13%

ASX Code	Company Name	Average Gearing	Debt as % of Total Liabilities	% Profit Lost to Financing Costs
AGO	Atlas Iron Limited	20% ⁷⁷	38% ⁷⁷	-17% ⁷⁷
KAR	Karoo Gas Australia Ltd	14%	4%	48%
MFG	Magellan Financial Group Limited	13% ⁷⁷	N/A	N/A
SXY	Senex Energy Limited	13%	0%	-40%
ACR	AcruX Limited	11%	N/A	-17%
PTM	Platinum Asset Management Limited	11% ⁷⁵	N/A	-6% ⁷⁵
MML	Medusa Mining Ltd	7%	3%	-1%
MQA	Macquarie Atlas Roads Group	-944% ⁷⁹	101% ⁷⁶	-87% ⁷⁶

ENDNOTES

- ¹ A detailed outline of country-by-country reporting is given in Richard Murphy, 'Country-by-Country Reporting. Accounting for globalisation locally', Tax Justice Network, 2012.
- ² Australian Department of Treasury, Table D10: Australian Government general government sector (accrual) revenue, Mid-Year Economic Forecast, 2013-14. http://www.budget.gov.au/2013-14/content/myefo/html/16_appendix_d.htm. Accessed 15 July 2014.
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- ¹⁵ This data is calculated using the MorningStar database. Nearly a quarter of companies registered on the ASX reported not having any subsidiaries or controlled entities. The data was supplemented by additional data on the subsidiaries of three specific companies – Rio Tinto PLC, BHP Billiton Limited and Westfield Group – where subsidiary data was not disclosed in their annual reports, but could be traced elsewhere. In the case of Rio Tinto and BHP Billiton, this data was taken from 'Piping Profits' database published by Publish What You Pay Norway: <http://www.publishwhatyoupay.no/nb/pipingprofits> (Accessed 1 July 2014). Data on Westfield Group's subsidiaries came from 'Olympic Tax Dodging: Westfield's Corporate Structure for Tax Avoidance in the UK,' published by United Voice in April 2014. This report analysed data contained within the financial accounts of subsidiaries registered in the United Kingdom. Many other companies are also likely to have additional subsidiaries in secrecy jurisdictions that are not disclosed.
- ¹⁶ It should be noted that this is based only on what the companies choose to disclose within their annual reports. It is highly unlikely that any of the ASX 200 companies would genuinely have no subsidiaries or controlled entities registered in Australia or elsewhere.
- ¹⁷ The data presented in this report on Twenty-First Century Fox is for the merged entity News Corp and Twenty-First Century Fox. The two entities have since demerged (in 2013). However, the data presented for Twenty-First Century Fox is complete for the decade covered in this report. Note Twenty-First Century Fox delisted from the Australian Stock Exchange in May 2014. <http://www.asx.com.au/asxpdf/20140508/pdf/42pj5lrcg3g42k.pdf>. Accessed 22 July 2014.
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- ²⁰ United Voice, 'Olympic Tax Dodging: Westfield's Corporate Structure for Tax Avoidance in the UK,' April 2014. This is not a total of subsidiaries in secrecy jurisdictions, but only the number identified in this report. In the 2010 annual report Westfield disclosed 56 subsidiaries in secrecy jurisdictions, these subsidiaries are no longer publicly disclosed.
- ²¹ For most of this period News Corp was part of Twenty-First Century Fox. The current News Corp entity listed on the ASX under the code 'NWS' is a new entity resulting from a demerger between News Corp and Twenty-First Century Fox (ASX: 'FOX') in 2013. Prior to this, the two companies were a single entity. News Corp is not included in the ETR calculations in this report as data only exists for one year for the demerged entity. However, it is included in the evaluation of secrecy jurisdiction subsidiaries.
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- ³⁶ Based on the subsidiaries reported by Publish What You Pay Norway, compared to the taxes declared within the 2013 reports for each company.
- ³⁷ Effective Tax Rate is here calculated as reported tax paid divided by the pre-tax accounting profit of each firm.
- ³⁸ The data presented in this report on Twenty-First Century Fox is for the merged entity News Corp and Twenty-First Century Fox. The two entities have since demerged (in 2013). However, the data presented for Twenty-First Century Fox is complete for the decade covered in this report. Note Twenty-First Century Fox delisted from the Australian Stock Exchange in May 2014. <http://www.asx.com.au/asxpdf/20140508/pdf/42pj5lrcg3g42k.pdf>. Accessed 22 July 2014.
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- ⁶⁸ Based on 4 years of data
- ⁶⁹ Based on 9 years of data

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- ⁷⁰ Based on 8 years of data
⁷¹ Based on 5 years of data
⁷² Based on 3 years of data
⁷³ Based on 7 years of data
⁷⁴ Based on 8 years of data
⁷⁵ Based on 7 years of data
⁷⁶ Based on 4 years of data
⁷⁷ Based on 9 years of data
⁷⁸ Based on 6 years of data
⁷⁹ Based on 5 years of data
⁸⁰ Based on 3 years of data



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