

THE BOARD OF TAXATION

2016 — 2017 ANNUAL REPORT

DECEMBER, 2017

© Commonwealth of Australia 2017

ISBN 978-1-925504-26-2

Ownership of intellectual property rights in this publication

Unless otherwise noted, copyright (and any other intellectual property rights, if any) in this publication is owned by the Commonwealth of Australia (referred to below as the Commonwealth).

Creative Commons licence



With the exception of the Coat of Arms (see below) and all third party material as attributed in this document, this publication is licensed under a Creative Commons Attribution 3.0 Australia Licence.

Creative Commons Attribution 3.0 Australia Licence is a standard form licence agreement that allows you to copy, distribute, transmit and adapt this publication provided that you attribute the work. A summary of the licence terms is available from

<http://creativecommons.org/licenses/by/3.0/au/deed.en>. The full licence terms are available from

<http://creativecommons.org/licenses/by/3.0/au/legalcode>.

The Commonwealth's preference is that you attribute this publication (and any material sourced from it) using the following wording:

Source: Board of Taxation, 2016-17 Annual Report. The Commonwealth of Australia does not necessarily endorse the content of this publication.

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the It's an Honour website (see www.itsanhonour.gov.au).

A copy of this document appears on the Board of Taxation website:

<http://www.taxboard.gov.au>.

CONTENTS

CONTACT DETAILS	V
GLOSSARY OF TERMS	VI
INTRODUCTION FROM THE CHAIR	VII
INTRODUCTION FROM THE CEO	IX
1 THE BOARD	1
1.1 The Board’s mission and function.....	1
1.2 Stakeholder Communications and Engagement	2
2 ACTIVITIES OF THE BOARD IN 2016-17	3
2.1 Overview.....	3
2.2 Completed projects.....	4
2.3 Ongoing reviews / projects.....	7
2.4 Other ongoing work	9
2.5 Regulatory Reform	10
2.6 ‘Real-time’ policy advice.....	12
2.7 Stakeholder Consultation	13
3 THE YEAR AHEAD	16
4 APPENDIX A: MEMBERSHIP OF THE BOARD	17
4.1 Board members	17
4.2 Terms of Board members.....	24
4.3 Secretary to the Board of Taxation	24
5 APPENDIX B: THE BOARD’S CHARTER	25
5.1 The Charter	25
5.2 Administrative arrangements	26
6 APPENDIX C: BOARD WORKING GROUPS AND PRIVATE SECTOR SECONDMENTS	27
7 APPENDIX D: PUBLISHED BOARD REPORTS	29
8 APPENDIX E: ATTENDANCE AT EVENTS, CONFERENCES, WORK SHOPS AND DISCUSSION GROUPS	31

9	APPENDIX F: ATTENDANCE AT BOARD MEETINGS	33
10	APPENDIX G: MEMBERS OF THE BOARD'S ADVISORY PANEL	34
11	APPENDIX H: CONSULTANCIES	36
12	APPENDIX I: FINANCIAL STATEMENTS	37

LIST OF TABLES

Table 1: Board of Taxation meetings, 2016-17	14
Table 2: Term of Board members	24
Table 3: Membership of Board Working Groups, 2016-17	27
Table 4: Private Sector Secondments, 2016-17	28
Table 5: Published Board reports	29
Table 6: External events attended by Board members	31
Table 7: Attendance at Board meetings, 2016-17	33
Table 8: Members of Advisory Panel as at 30 June 2017	34
Table 9: Revenue, expenses and operating result	37
Table 10: Remuneration paid to non-government Board members, 2016-17	38

CONTACT DETAILS

Inquiries regarding this report may be directed to:

Board of Taxation Secretariat
c/o – The Treasury
Langton Crescent
PARKES ACT 2600

Telephone: 02 6263 4366

Email: taxboard@treasury.gov.au

GLOSSARY OF TERMS



AO	Order of Australia – Officer of the Order
AM	Order of Australia – Member of the Order
AASB	Australian Accounting Standards Board
APRA	Australian Prudential Regulatory Authority
ATO	Australian Taxation Office
BDO	Binder Dijker Otte
BEPS	Base Erosion and Profit Shifting
The Board	The Board of Taxation
CEO	Chief Executive Officer
EY	Ernst & Young
MAC	Ministerial Advisory Council
OECD	Organisation for Economic Co-operation and Development
OPC	Office of Parliamentary Counsel
PwC	PricewaterhouseCoopers
PSM	Public Service Medal
UNSW	University of New South Wales

INTRODUCTION FROM THE CHAIR



As Chair of the Board of Taxation, I have the privilege of overseeing the Board's work. This year, the quality and breadth of Board activities has been remarkable – we have responded to briefs from Government, completed numerous self-initiated reviews and provided real-time, practical advice to the Government and the Treasury on emerging issues.

The key to the quality of the Board's advice is in the background, experience and independence of our Board members, supported by the frank input of the business and tax community, the Treasury and the ATO. This year, all Board members have made consistent, high calibre contributions to the tax policy debate and I wish to congratulate them for their efforts.

While the Board's contribution to the tax policy landscape is significant and wide-ranging, we have also maintained an ongoing focus on reducing red tape through the Sounding Board. I commend the tax community for contributing their ideas to Sounding Board, and encourage our stakeholders to continue using this forum to discuss regulatory reform. The Board continues to review and address all ideas raised.

One of the Board's self-initiated projects, on taxation of the 'shadow economy', led to the establishment of the multi-agency Black Economy Taskforce, of which I am also Chair. The Board's work on the 'shadow economy' was instrumental to the work of the Taskforce.

I have been encouraged by the active participation of our stakeholders in business, the tax profession and the broader community in the Board's work. On behalf of the Board, I wish to express my appreciation for the input, assistance and engagement of our various stakeholders throughout the past year. I, and the other Board members, look forward to maintaining and developing these critical relationships.

The Board continues to impress upon the Government the need to implement announced tax changes in a timely manner. The Board welcomes the Government's announcement in the recent Budget to provide additional dedicated drafting resources to progress financial services and taxation reform legislation.

I also acknowledge the significant contributions to the Board's work made by John Emerson AM, who retired from the Board effective 30 June 2017. John joined the Board in January 2007 and during his tenure oversaw a number of key projects, including:

- the review of the income tax treatment of bare trusts;
- the review of tax arrangements applying to managed investment trusts;
- the review of tax arrangements applying to collective investment vehicles; and
- the review of tax impediments facing small business.

I look forward to what will be another productive year in 2017-18 and encourage you to stay connected to the Board of Taxation by subscribing via the Board's website (<http://taxboard.gov.au/email-subscription/>) or its LinkedIn page (<https://www.linkedin.com/company-beta/18103811/>).

Michael Andrew, AO

Chair, Board of Taxation

INTRODUCTION FROM THE CEO



This year the Board has continued to play a key role in bringing together views from the tax and business community, Treasury and the ATO to deliver credible advice to the Government on a range of issues. Engagement with the community and stakeholders is an essential element of the success of the Board and the quality of the advice and input it can ultimately deliver to improve the tax system. This includes:

- Inviting feedback and comment from stakeholders and our advisory panel through our regular discussion meetings and events held at various locations across the country (refer Appendix E);
- Participating and presenting at conferences, workshops, roundtables and other discussion groups (including ATO committees and forums);
- Communicating our activities through the *CEO Update* at the conclusion of our regular Board meetings;
- Seeking community views through our Sounding Board;
- Seeking input through our working groups on specific projects; and
- Direct contact with business, industry and professional organisations for the views and input of their membership.

The Board is grateful for the contribution of the community to the Board's various projects, events, consultations and via the Sounding Board. Acknowledgements are noted throughout this report and included at Appendix C. The Board has taken stakeholders' significant contributions into account when allocating its limited resources and setting its work program.

In line with the Board's revised focus, we have progressed (and, in many cases, concluded) a number of self-initiated projects and briefs from Government in the 2016-17 year. Further, the Board's management of Sounding Board has led to a greater discussion of measures to reduce red tape. Some further details on our activities are provided in Chapter 2.

The work of the Board relies upon the support of the Secretariat, staffed primarily by secondees from the ATO, the Treasury and the private sector (refer Appendix C). The Board thanks these organisations for their ongoing assistance with resourcing.

We have received further support, in the form of hospitality for hosting our Board meetings across Australia, from KPMG, PwC, EY, Deloitte, Herbert Smith Freehills, Flinders University and BDO. We are grateful for this support.

We look forward to working with all of our key stakeholders in the coming year. Stakeholders are requested to register their interest through the Board's website and LinkedIn.

Karen Payne

Board Member and CEO – Board of Taxation

1 THE BOARD

The Board of Taxation (the Board) is a non-statutory advisory body charged with contributing a business and broader community perspective to improving the design of taxation laws and their operation.

The Board currently comprises eleven members including eight private sector members including the Chair, Michael Andrew AO, who are appointed by the Treasurer, and three ex officio members — the Secretary to the Australian Treasury, the Commissioner of Taxation and the First Parliamentary Counsel.

Further details on the membership of the Board are set out at Appendix A.

The Board is supported by a small secretariat (comprised of secondees from the private sector, the ATO and Treasury) located in the Treasury.

Its Charter, including the Board's mission, governs the operations of the Board and functions set out below. The Charter is reproduced in full at Appendix B.

1.1 The Board's mission and function

Recognising the Government's responsibility for determining taxation policy and the statutory roles of the Commissioner of Taxation and the Inspector-General of Taxation, the Board's mission is to contribute a business and broader community perspective to improving the design of taxation laws and their operation.

The function of the Board is to provide advice to the Treasurer and the Minister for Revenue and Financial Services on:

- the quality and effectiveness of tax legislation and the processes for its development, including the processes of community consultation and other aspects of tax design;
- improvements to the general integrity and functioning of the taxation system;
- research and other studies commissioned by the Board on topics approved or referred by the Treasurer; and
- other taxation matters referred to the Board by the Treasurer.

In fulfilling this function, the Board provides real time advice on tax policy and conducts post-implementation reviews.

Our activities during the financial year ended 30 June 2017 are described more fully in Chapter 2.

1.2 Stakeholder Communications and Engagement

The Board's website www.taxboard.gov.au provides general information on the Board, including its membership, the Board's Charter, contact details, Board press releases and Board reports to the Government.

The Board communicates with its stakeholders through various channels. The Board meets regularly with stakeholders at the time of each Board meeting to inform the Board on current and emerging taxation issues.

Stakeholders are informed of the Board's activities through various electronic communications including the website, the *CEO Update*, the Board's presence on LinkedIn and other electronic means as agreed in the Board's communication strategy.

The Board also invites contributions from stakeholders through the Sounding Board, which is a web-based collaborative platform where users can raise, debate and prioritise business and community sector ideas on how to improve the current tax system.

2 ACTIVITIES OF THE BOARD IN 2016-17

2.1 Overview

During 2016-17, the Board continued the role of providing advice to the Government in relation to tax improvements, tax system design and other priorities for the tax system.

The Board also progressed several self-initiated projects (as notified to the Treasurer and Minister for Revenue and Financial Services), which reflect the Board's expanded focus to provide 'real-time' policy advice to the Government.

Key activities of the Board in 2016-17 included:

Finalised Reports, Advice and Submissions

- **Report** on the implementation of anti-hybrid rules to regulatory capital
- **Report** on introducing an asset merger roll-over relief
- **Report** on targeted trust simplification
- **Advice** on the Mandatory Disclosure Rules

'Real-time' policy advice

- **Review** of international experience and best practice in managing shadow economy tax collection risks - this self-initiated review led to the establishment of the Black Economy Taskforce by Government
- **Input** on the Government's Superannuation reforms
- **Input** on consultation on stapled structures
- **Input** on the review of Tax and Corporate Whistleblower Protections in Australia
- **Collaborating** with the AASB to develop draft guidance on calculation of a business's effective tax rate
- **Submission** of tax ideas for consideration as part of the 2016-17 Budget process

Ongoing self-initiated reviews

- **Review** considering alignment of tax and accounting concepts

- **Review** on taxation and the sharing economy
- **Study** on differences in core definitions and concepts between state, territory and federal tax laws
- **Review** on improving residency tests
- **Post implementation review** of contingent consideration rules

Other ongoing work

- **Monitoring** uptake of and promoting the 'Voluntary Tax Transparency Code'
- **Analysing** the ideas generated by the sounding board platform and making recommendations for tax system improvement including ideas for inclusion in regular Regulatory Reform Bills¹
- **Performing** the Ministerial Advisory Council (MAC) advisory role
- **Reporting** role in relation to the ATO as part of the Government's Regulator Performance Framework
- **Overseeing** role in relation to the exercise of the Commissioner's remedial power

2.2 Completed projects

During the 2016-17 year, the Board finalised several reports, advice and submissions, as set out below. The Board generally conducts its projects by appointing working groups (refer to Appendix C for details).

2.2.1 Report on the implementation of anti-hybrid rules to regulatory capital

Following the Board's report on the implementation of anti-hybrid rules and consistent with the Board's recommendations, the Treasurer wrote to the Board of Taxation on 8 April 2016 to ask it to examine how best to implement the recommendations to eliminate deductible/frankable hybrid mismatch arrangements that arise in relation to regulatory capital.

¹ See 2016-17 Budget Tax Fact Sheet 08 'Improving tax system governance'.

The terms of reference required the Board to have regard to:

- Delivering on the objectives of eliminating double non-taxation;
- Capital regulatory requirements as enforced and set by APRA;
- Fostering a level playing field internationally and within the Australian banking and insurance sector;
- Economic implications and potential market disruption;
- Compliance and administrative costs for taxpayers; and
- Interactions between Australia's existing domestic legislation, including with related tax laws.

The Board appointed Karen Payne, to oversee the review, with assistance from the Chair of the Board Michael Andrew AO. The Board appointed a working group, comprised of representatives from the Treasury and the ATO, to provide specialist assistance for the review especially during the caretaker period that commenced in May 2016.

The working group consulted extensively with regulated entities, APRA, AASB, the New Zealand Inland Revenue, the United Kingdom's Her Majesty's Revenue & Customs, the Australian Bankers Association, EY, PwC, KPMG, Greenwoods & Herbert Smith Freehills, King & Wood Mallesons, Allens, Academics and the OECD.

The Board's report was finalised on 21 December 2016 and focussed on how best to implement the OECD recommendations in relation to Australian regulatory capital rules and having regard to the terms of reference.

The Board's report was publicly released on Budget night (9 May 2017).

2.2.2 Report on introducing an asset merger roll-over relief

During 2015-16, the Board commenced a project to consider a targeted capital gains tax roll-over relief to remove barriers to efficiency-driven non-cash business asset merger or swap restructures.

The Board appointed a working group, led by Board member Ann-Maree Wolff, with assistance from Board member Craig Yaxley. In addition, the working group comprised of representatives from the Treasury and the ATO and tax professionals with expertise in large business taxation, state and federal taxation interactions and small business taxation to provide specialist assistance for the review.

The Working Group consulted extensively with the following organisations / individuals in progressing this work: Australian Petroleum Production & Exploration Association, Australian Private Equity and Venture Capital Association Limited, Business Council of Australia, Chartered Accountants in Australia and New Zealand, Corporate Tax Association, Minerals Council of Australia, National Farmers Federation, Boyce & Co (an accounting firm with expertise in taxation of rural businesses retained by the Rural Industries Research and Development Corporation to report on tax in the agriculture industry), The Tax Institute and stakeholders in the manufacturing industry.

The Board provided its report to the Government on 23 February 2017.

2.2.3 Report on targeted trust simplification

The Board completed a self-initiated review in relation to the income tax treatment of 'bare trusts'. In particular, the Board's report focussed on recommendations on how to 'disregard' custodial style bare trusts and simplify the 'absolute entitlement' interaction issues for capital gains tax and income tax purposes.

The development of this report was led by John Emerson AM, with assistance from Board members Karen Payne and Mark Pizzacalla.

The Working Group consulted with the following organisations in progressing this work: AMP, Australian Custodial Services Association Limited, Arnold Bloch Leibler, Colonial First State, EY, Financial Services Council, Greenwoods and Herbert Smith Freehills, King Wood and Mallesons, KPMG, Law Council of Australia, Northern Trust, Pitcher Partners, PwC, Property Council of Australia and Sceptre Group.

The Board provided its report to the Government on 30 June 2017.

2.2.4 Advice on the Mandatory Disclosure Rules

In response to a request from the Minister for Revenue and Financial Services, the Board provided advice on the implementation of Mandatory Disclosure Rules in line with the OECD's Base Erosion and Profit Shifting Action Plan.

In developing this advice, the Board undertook consultation with business, professional and community stakeholders. This included the Australian Taxation Office, Chartered Accountants Australian & New Zealand, CPA Australia, EY, Financial Planners Association, Greenwoods and Herbert Smith Freehills, the Law Council of Australia, the Law Institute of Victoria, PwC, Taxation Institute of Australia, the Tax Practitioners Board and the Tax Justice Network. The Board also liaised with officers from Her Majesty's Revenue & Customs to understand the United Kingdom experience in implementing similar rules.

The development of this advice was led by Karen Payne, with assistance from John Emerson AM, Neville Mitchell, Ann-Maree Wolff and Craig Yaxley.

2.3 Ongoing reviews / projects

The Board, in its role of providing 'real time' advice to Government continued to progress work on a number of ongoing self-initiated projects. Some of this work will be completed in early 2017-18.

2.3.1 Residency tests for High Wealth Individuals

The Board and the ATO reviewed the current residency rules for individuals particularly for high wealth individuals, with a view to making recommendations. The Board appointed a working group, led by Board member Dr Mark Pizzacalla, with assistance from the Chair of the Board Michael Andrew AO and an external advisor Ms Rosheen Garnon. In progressing this matter, the Board undertook consultation with business, professional and community stakeholders including: Arnold Bloch Leibler, BDO, Chapman Eastway, EY, Deloitte, Hayes Knight, KPMG, Lend Lease, PwC, Rio Tinto and Telstra.

The review will assess whether the residency rules, enacted over 80 years ago, are appropriate in an increasingly global mobile labour force. It will also assess instances of double non-taxation for individuals.

2.3.2 Alignment of tax and accounting concepts

The Board considered if there are targeted areas where the tax law could be aligned to accounting concepts to reduce red tape. The Board appointed a working group, led by Board member Craig Yaxley, with assistance from Board member Ann-Maree Wolff. In progressing this matter, the Board undertook consultation with business, professional and community stakeholders including: the AASB, the ATO Tax and Accounting safe harbour working group, Incitec Pivot, the New Zealand Inland Revenue Department and Wesfarmers.

The Board also considered the potential tax implications of upcoming changes in accounting standards.

2.3.3 Tax and the sharing economy

The Board examined whether the current tax system parameters continue to be appropriate for the emerging sharing economy given the inherent use of private assets for income producing purposes and the involvement of offshore providers. The Board appointed a working group, led by Board member Neville Mitchell, with assistance from Board member Peggy Lau-Flux. In progressing this matter, the Board undertook consultation with business, professional and community stakeholders including: Airbnb, Airtasker, Collaborate Corporation, CPA Australia, H&R Block, PwC, Uber, Vix Verify and various Australian Government Departments and Agencies. Several of the Board's preliminary findings were further considered in the context of the Black Economy Taskforce.

2.3.4 The consistency of core concepts applied under State and Federal tax laws

The Board progressed a project to document inconsistencies between core concepts within Federal and State tax laws, which are impediments or create barriers for businesses, including opportunities for red tape reduction. The Board appointed a working group, led by Board member Peter Quiggin PSM, with assistance from Board members John Emerson AM and Neville Mitchell. The working group was also assisted by an external advisor Mr Geoff Mann and Deloitte. In progressing this matter, the Board consulted with the State and Territory Offices of Revenue, undertook a number of targeted consultations, and surveyed around 60 organisations.

2.3.5 Post implementation review of the contingent consideration rules

The Board commenced a post implementation review of the contingent consideration rules (Division 118-I) with a view to assessing their effectiveness. The review will also consider transactions that do not fall within these provisions. The Board appointed a working group, led by Board member Ann-Maree Wolff, with assistance from Board members Craig Yaxley and Mark Pizzacalla.

2.4 Other ongoing work

2.4.1 Monitoring uptake of and promoting the 'Voluntary Tax Transparency Code'

Throughout the 2016-17 financial year, the Board continued to promote and monitor the uptake of the Tax Transparency Code.

A number of Board members have spoken at a variety of speaking engagements to promote take-up of the Code.

In May 2016, the Board set-up the Tax Transparency Code Register, which records the organisations that have committed to applying the principles and the details of the Code.

As at 30 June 2017, there were 98 signatories to the Code, with 53 signatories having published their first tax transparency reports.

The Board has also been consulting with the AASB to develop draft guidance on calculation of a business's effective tax rate.

The Board will be selecting a number of published transparency reports for review to confirm what tax information and transparency approaches the Code has encouraged and to identify any areas of disclosure that may warrant further guidance.

The Board's work in this area is ongoing.

2.4.2 Stocktake of Board reports and recommendations

The Board commenced a stocktake of Board reports and recommendations to gather information on the status of Board recommendations. In particular, to understand which (if any) of its outstanding reports and recommendations continue to be a priority for reform for the tax and business community. Board member and CEO Karen Payne is leading this work. A list of published Board reports is at Appendix D.

2.5 Regulatory Reform

The Board continues to assist the Government in reducing the regulatory burden associated with taxation. This focus arose both because of the Board's role as the Ministerial Advisory Council (MAC) for tax matters and from its general mandate to contribute to the improvement to the general integrity and functioning of the taxation system.

2.5.1 Sounding Board

In April 2016, the Board launched 'Sounding Board' – a web-based collaborative platform where users can raise, debate and prioritise business and community sector ideas on how to improve the current tax system.

The purpose of Sounding Board is to identify proposals that reduce red tape and result in compliance savings. As such, this platform replaced the previous Tax Issues Entry System and became the sole point of entry for submissions on how to improve the tax system.

The key feature of Sounding Board is the ability for its users to take control of the prioritisation process, thereby assisting in the allocation of limited resources to only those ideas that enjoy the backing of the business and tax community.

The Board has a Tax System Improvement working group (Appendix C) that regularly reviews the most popular ideas in detail and, where suitable, advocates a pathway for their implementation via legislative or administrative means. There is a standing agenda item at the Board meetings to review progress on these ideas.

Since its inception in 2016 and as at 30 June 2017, Sounding Board had:

- 252 registered members;
- 56 ideas have been posted;
- 95 comments have been made; and
- 280 votes have been registered against ideas.

The Board understands that some of these reforms may be included in the Government's Regulatory Reform Bills to be introduced into the Parliament. This specific annual allocated bill was announced as part of the 2016-17 Budget.

2.5.2 Ministerial Advisory Council (MAC)

The Government's regulation reform agenda includes the establishment of stakeholder consultation mechanisms, or MACs. MACs are comprised of business, not-for-profit and other industry stakeholders and they provide advice to Ministers and their respective departments on opportunities to reduce red and green tape as well as provide a broader consultation mechanism on policy matters.

The Board fulfils the role of the MAC in relation to tax matters. In fulfilling the MAC role, the Board is asked to:

- identify potential targets for regulatory reform (for example, areas of inefficient regulation, excessive red tape or unnecessarily high regulatory burden);
- provide a sounding board for regulatory reform or repeal proposals;
- provide feedback on the progress of regulatory reform within the portfolio; and
- advise on broader policy issues relevant to the portfolio.

In particular, the Board is asked to provide appropriate input on:

- immediate deregulatory tasks, including the stocktake and audit of tax regulation; and
- future regulatory reforms, that is, ideas on deregulatory opportunities and priorities that can be included in the regulatory budgeting process. This includes identifying items for inclusion in the Government's regular Regulatory Reform Bills – as announced as part of the 2016-17 Budget.

At the commencement of its role as a MAC, the Board assisted Treasury with a stocktake of current regulation and an analysis of the cause of regulatory burden.

During 2016-17, the Board acted as a sounding board in relation to the ATO's self-assessed ratings against the Regulator Performance Framework.

Members of the Board met with both Treasury's Regulatory Reform Unit and the ATO over the course of the year regarding the ATO's self-assessment metrics with a view to considering the self-assessment later in 2017.

This work was supported by a working group consisting of Board members Neville Mitchell and John Emerson AM.

2.5.2.1 Oversight of exercise of the Commissioner's remedial power

The Board plays an oversight function in relation to the exercise of the Commissioner's remedial power and has an opportunity to independently review the cases and to provide input before and after the private and public consultation processes.

This work is led by Board member Peggy Lau-Flux.

In the 2016-17 year, the Board provided input and oversight for the exercise of the Commissioner's remedial power in relation to the following matters:

- Rectification of issues with the Foreign Resident Capital Gains Withholding regime; and
- Issues related to the operation of the small business restructure roll-over.

2.6 'Real-time' policy advice

The Board continued to provide 'real time' policy advice to Government and the Treasury across a range of tax policy matters during 2016-17. For example:

- The Board provided its views, comments, observations in relation to the Treasury consultation papers on *'Review of Tax and Corporate Whistleblower Protections in Australia'* and *'Stapled Structures'*.

- The Board provided comments and input on a number of implementation and transitional issues in relation to the Government's superannuation reforms, based on members' observations and discussions with the business community.
- The Board provided its views and recommendations to the Treasurer and Minister for Revenue and Financial Services in preparation for the Budget 2017-18. In providing this advice, the Board considered various tax system improvement ideas including those that it had received through stakeholder engagement and from the business community including the Group of 100 and Business Council of Australia.

The Board's input on these issues is illustrative of the Board's increasing involvement in the policy development process.

2.7 Stakeholder Consultation

2.7.1 General

The Board undertakes a program of regular consultation with external stakeholders, including members of its Advisory Panel, on issues falling within its Charter. Board members provide speeches and presentations and participate as panel members at various tax events.

Over the 2016-17 year, Board members in their formal capacity presented or participated in more than 40 events. This reflects the Board's views of the importance of speaking and listening to the business and academic community. A list of the events is included at Appendix E.

Together and separately, the Chair and the CEO met with the business community and other key stakeholders to receive feedback on concerns and opportunities in the tax system. Themes from these meetings help inform the Board of opportunities and issues in the tax system and further the Board's work.

The Board is also represented on a number of ATO Committees including the ATO Consultation Steering Group, Large Business and Stewardship Group and Safe Harbours working group.

- The Consultation Steering Group is co-chaired by the ATO and Treasury and meets every three months. It ensures that consultations on tax and related matters are identified and kept on track, with the right people involved.
- The Large Business and Stewardship Group is co-chaired by the ATO and the Corporate Tax Association. It consults on high-level, significant matters where the outcomes are considered to be in the national interest and provides opportunities to discuss the strategic direction of the tax system.
- The Safe Harbour working groups which are formed to consider safe harbours in a range of areas, including Goods and Services Tax, Excise, Fringe Benefits Tax, Transfer Pricing, Small to Medium Enterprises, and aligning tax and accounting treatment.

The Board notes its appreciation for the contributions made by Stakeholders including the Advisory Panel members to the Board’s work during 2016-17.

2.7.2 Board Meetings

The Board met as a whole on 9 occasions during 2016-17, as shown in Table 1, at varying locations. Details of Board members’ attendance at meetings are provided at Appendix F.

Table 1: Board of Taxation meetings, 2016-17

Date	Location
4 August 2016	Adelaide
9 September 2016	Sydney
11 October 2016	Perth
11 November 2016	Canberra
8 December 2016	Melbourne
16 February 2016	Sydney
24 March 2017	Brisbane
28 April 2017	Melbourne
26 May 2017	Canberra

2.7.3 Project Consultation

The Board generally conducts its projects by appointing working groups comprising members of the Board, Advisory Panel members or other relevant experts, consultants and officers from the Treasury and the ATO.

A list of working groups for 2016-17, and the Board members appointed to each working group, is provided at Appendix C. Each of these working groups met on numerous occasions during 2016-17 and engaged in consultation in relation to the projects.

2.7.4 Advisory Panel

In July 2002, the Board established an Advisory Panel to assist it in the general performance of its role. The Panel currently comprises 64 taxation specialists who have agreed to assist the Board, on a voluntary basis, with its work. Panel members are appointed based on their individual capabilities and expertise, and not as representatives of particular interests.

The Panel provides an additional source of advice to that provided by the business, professional and other community representative organisations with which the Board has developed close working relationships. The Board met Advisory Panel members on a number of occasions during 2016-17 to discuss Board projects and general issues associated with the integrity and functioning of the tax system.

Panel membership as at 30 June 2017 is set out at Appendix G.

2.7.5 Assistance provided for the Board's reviews

The Board draws substantially on work undertaken by officers of the Treasury and ATO when conducting its reviews. As such, the Board wishes to record its appreciation for the extensive assistance provided by the Treasury and ATO officers involved in the Board's work during the 2016-17 year.

The Board was also assisted with its projects by experts from the private sector, and academia during the 2016-17 year, and wishes to record its appreciation for their assistance. The Board looks forward to continuing these productive working relationships in 2017-18.

3 THE YEAR AHEAD

During the 2017-18 year, the Board will increase its focus on providing policy advice to the Government in 'real-time', in line with the change of strategic direction that occurred at the beginning of the 2015 year. Specifically, the Board intends to focus on the areas outlined in Chapter 2 in addition to any other matters referred to it by the Minister during the course of the year.

The Board is also considering a broader pipeline of self-initiated projects to undertake, as informed by feedback and input obtained during its consultations. This may include the following self-initiated projects:

- A review of small business tax concessions;
- A comparison of the taxing rights for real property under Australia's double tax agreements and domestic laws;
- Certain compliance issues relating to taxation in agriculture;
- New tax measures to promote innovation; and
- Tax settings and digital disruption.

The Board will continue to improve the transparency and communication of its activities, including through regular updates by the CEO to stakeholder organisations, Advisory Panel members and past Board members.

The Board will also continue to pursue its objectives as set out in its Charter, including issues relating to the general integrity and functioning of the tax system.

4 APPENDIX A: MEMBERSHIP OF THE BOARD

The Board of Taxation comprises members appointed by the Treasurer. Private sector members (currently eight members) are appointed in their personal capacity from within the business and wider community. The Secretary to the Australian Treasury, the Commissioner of Taxation and the First Parliamentary Counsel are ex officio members.

The members of the Board during 2016-17 were:

4.1 Board members

4.1.1 Chair –Michael Andrew AO

Michael Andrew AO was Chairman and CEO, KPMG International from May 2011 to July 2014. He is the first Australian CEO of one of the 'big four' accounting firms and the first to be based in the Asia-Pacific region. A partner in KPMG since 1988, Michael practiced in Tax Law and was Partner in Charge of KPMG Tax Practice 1995-2000 and was Partner in Charge of KPMG International Tax Centre in Amsterdam from 1992-1994. Michael was Chairman of KPMG Asia-Pacific and Chairman, KPMG Australia from 2007 until 2011.

Michael Andrew AO is a former member of the Business Council of Australia and the International Business Council of the World Economic Forum.

Michael Andrew AO has a degree in Law and Commerce from Melbourne University. He is a qualified Barrister and Solicitor of the Supreme Court of Victoria and Fellow of the Institute of Chartered Accountants. He was awarded an Honorary Doctor of Laws by Monash University and an Honorary Doctor of Commerce by Melbourne University.

Michael Andrew AO was appointed to the Board in January 2015.

Michael Andrew AO was appointed Chairman to the Black Economy Taskforce in December 2016 with the Taskforce and provided a final report to Government in October 2017.

4.1.2 Deputy Chair — John Emerson AM

John Emerson AM is a consultant at Herbert Smith Freehills, and is widely recognised as a specialist in the tax and other laws applicable to charities. He heads the firm's charity law practice.

He is the firm's Melbourne Office Pro Bono Partner and a member of a number of legal, academic, and public sector committees active in the charity tax and pro bono areas.

John Emerson AM has been a member of the Board since January 2007 and was appointed Deputy Chair in May 2015.

John Emerson AM retired from the Board, effective 1 July 2017.

4.1.3 Chief Executive Officer — Karen Payne

Karen Payne was appointed as a Member of the Board of Taxation in May 2015 and as the inaugural Chief Executive Officer of the Board of Taxation, effective 31 March 2016. She also served as an Advisory Panel member between 2010 and 2015 and assisted with the reviews of tax arrangements for managed investment trusts, venture capital limited partnerships, collective investment vehicles, the investment manager regime and the arm's-length debt test.

Since joining the Board, she has chaired and participated in several working groups. She chaired the Board's working group that advised on the implementation of the OECD hybrid mismatch rules - both generally and specifically in relation to regulatory capital and has chaired the working group advising on the OECD BEPS Action 12 Mandatory Disclosure Rules.

Karen Payne has over 20 years' experience as a taxation advisor at top tier legal and accounting firms. Prior to her appointment as CEO to the Board, she was a Partner at Minter Ellison focusing on international and corporate taxes for the financial services industry, and mining, energy and utilities sectors. Karen has assisted domestic and international corporates and funds (equity, infrastructure, property, private equity and venture capital) with advice on structure, M&A and taxation due diligence. She is a Chartered Accountant, solicitor practising in New South Wales, Chartered Tax Adviser and member of the Australian Institute of Company Directors.

4.1.4 Peggy Lau-Flux

Peggy Lau-Flux enjoyed a successful career as a corporate banker upon completion of her degree of Master of Business Administration. Her key areas of expertise are finance and marketing in the international corporate banking sector with Asia Pacific Regional responsibilities, dealing with multinationals, manufacturers and traders. Her corporate governance experience covers the health and education sectors.

Educated in both Hong Kong and Canada, over the course of her career she worked as a Corporate Banker for Citibank and Standard Chartered Bank in Hong Kong, and led noteworthy initiatives such as the installation of the first electronic banking system in China and the determination of risk asset weighting. Since her arrival in Australia in 1992, she has served on many boards at both State and Federal levels, including the Royal Adelaide Hospital, the Council of International Trade and Commerce of SA, the Australia China Council, National Multicultural Advisory Council and was the President of the Asia Pacific Business Council for Women and the Chairperson of the Joanna Briggs Institute.

Currently Peggy Lau-Flux is Chairperson of Flinders Partners. She was a Council Member of Flinders University for 12 years was the Chairperson of the Finance and Investment Committee and a Director of Flinders Partners. She was awarded a Companion of the University by Flinders University.

Peggy Lau-Flux was appointed to the Board in January 2015.

4.1.5 Neville Mitchell

Neville Mitchell is a qualified Chartered Accountant with 27 years of experience (until March 2017) as Chief Financial Officer and Company Secretary of ASX-listed Cochlear Limited, a world leading medical device developer, manufacturer and seller, with a market capitalisation of over \$10 billion.

Neville Mitchell currently holds non-executive director roles with ASX-listed healthcare companies, Sonic Healthcare (from September 2017), Sirtex Medical Limited (from April 2017) and Osprey Medical Inc. (from July 2012). He is also a member of the NSW Government Medical Devices Fund. He has previously performed roles with a number of industry and government committees, including Group of 100 (Australia's peak body for senior finance executives), and Chairman, Standing Committee (Accounting and Auditing), for the Australian Securities and Investments Commission (ASIC).

Neville Mitchell was appointed to the Board in May 2015.

4.1.6 Mark Pizzacalla

Mark Pizzacalla is Partner-in-Charge of the Private Clients practice of BDO in Melbourne.

Mark Pizzacalla's business experience, including acting as Managing Partner of his predecessor firm, gives him a strong appreciation of both the strategic and operational issues facing his clients, and provides relevance to the technical tax advice he delivers.

Mark Pizzacalla completed his PhD in relation to the taxation of SMEs in Australia and is one of the few tax practitioners whose work has been cited in Australia's Parliament. He is also a member of The Tax Institute's Victorian Technical Committee, and was previously the former Chair of The Tax Institute's National SME Sub-Committee, as well as being a former Victorian State Councillor.

Mark Pizzacalla was appointed to the Board in January 2015.

4.1.7 Ann-Maree Wolff

Ann-Maree Wolff has over 23 years of experience as a qualified tax professional with over 13 years of experience in senior tax roles within the mining industry. She is currently the Asia Pacific Head of Tax for Rio Tinto responsible for all tax matters relevant to Rio Tinto in Australia and the broader Asia Pacific region.

Ann-Maree Wolff is a Chartered Tax Advisor and Fellow of Chartered Accountants Australia and New Zealand.

Ann-Maree Wolff has been extensively involved in tax policy development in her roles on the Tax Committees for the Business Council of Australia and Minerals Council of Australia, the Executive Committee of the Corporate Taxpayers Association, as well as through consultation directly with the Australian Treasury.

Ann-Maree Wolff was appointed to the Board in May 2015.

4.1.8 Craig Yaxley

Craig Yaxley has over 30 year's corporate tax experience including 20 years as a tax partner with KPMG Perth office. He was appointed WA State Lead Tax Partner on 1 July 2013. He provides tax advice to a wide range of international and Australian mining, oil and gas, mining services, property and agriculture clients on structuring inbound and outbound investments, financing, joint ventures and mergers and divestments.

Craig Yaxley is a Chartered Tax Advisor and Fellow of the Institute of Chartered Accountants in Australia. Through his previous role as Chairman of the Association of Mining and Exploration Companies Inc. (AMEC), Craig Yaxley has been actively involved in mining industry tax issues and policy developments.

Craig Yaxley is Treasurer and Director of Black Swan State Theatre Company.

Craig Yaxley was appointed to the Board in January 2015.

4.1.9 John Fraser — Secretary to the Treasury

John Fraser commenced as Secretary to The Treasury in January 2015. He was Chairman and CEO of UBS Global Asset Management from late 2001 to 2013, based in London. During this time, he was also a member of the UBS Group Executive Board and Chairman of UBS Saudi Arabia. In 2014, John Fraser remained as Chairman of UBS Global Asset Management, Chairman of UBS Saudi Arabia and Chairman of UBS Grocon Real Estate.

Prior to joining UBS and its predecessor organisations in 1993, John Fraser served for over 20 years with the Australian Treasury, including as Deputy Secretary (Economic) from 1990 and postings at the International Monetary Fund and as Minister (Economic) at the Australian Embassy in Washington, DC. He was Chairman of Victorian Funds Management Corporation from 2009 to early 2015. In 2013, John Fraser was awarded an honorary degree of Doctor of Laws by Monash University, Melbourne.

John Fraser has been an ex officio member of the Board since December 2014.

As Secretary, he is a member of the Board of the Reserve Bank of Australia, Chair of the Advisory Board of the Australian Office of Financial Management and a member of the Australia in the Asian Century Strategic Advisory Board, Infrastructure Australia, the Council of Financial Regulators, the Board of Taxation, the Sir Roland Wilson Foundation and the Centre for International Finance and Regulation.

4.1.10 Chris Jordan AO — Commissioner of Taxation

Chris Jordan AO was appointed Commissioner of Taxation from 1 January 2013. He has extensive tax experience in public and private sector roles and has been an advisor to both sides of government on tax policy and implementation issues.

Chris Jordan AO was New South Wales Chairman of KPMG until his retirement in 2012. He has previously held positions as Chairman of the Business Tax Working Group, Chair of the New Tax System Advisory Board and State Chair of the New South Wales Division of the Taxation Institute of Australia.

Chris Jordan AO has also been Chairman of the Committee for Sydney, Board Member of the Bell Shakespeare Company and the Sydney Children's Hospital Foundation, and was appointed by the NSW Government to the Games Advisory Committee of the Sydney 2009 World Masters Games.

A Chartered Tax Advisor with the Tax Institute and a Fellow of the Institute of Chartered Accountants, Chris Jordan AO has a Master of Laws (Sydney) and Bachelors of Commerce and Law (UNSW).

Chris Jordan AO has been a member of the Board since its inception in September 2000. He was Deputy Chair from January 2005 and was appointed to the position of Chair in June 2011. He retired from this position in December 2012 following his appointment as Commissioner of Taxation, and then took up the position as an ex-officio member of the Board in January 2013.

4.1.11 Peter Quiggin PSM — First Parliamentary Counsel

Peter Quiggin PSM is the First Parliamentary Counsel of the Office of Parliamentary Counsel (OPC), which is responsible for drafting all principal legislation, all regulations and a range of legislative instruments for the Australian Government, including taxation legislation. OPC is also responsible for the publication of Commonwealth legislation through ComLaw and the Federal Register of Legislative Instruments (FRLI).

The initial seven year appointment of Peter Quiggin PSM as First Parliamentary Counsel started on 13 May 2004. He has since been reappointed for a further seven years, commencing on 14 May 2011. He has been a drafter with the Office of Parliamentary Counsel for over 25 years and has drafted legislation covering a wide range of topics including taxation, native title and immigration.

Until April 2017, Peter Quiggin PSM was the President of the Commonwealth Association of Legislative Counsel.

Prior to working at OPC, Peter Quiggin PSM worked for a number of years with the Tax Office and the Administrative Appeals Tribunal.

Peter Quiggin PSM has been an ex officio member of the Board since January 2004.

4.2 Terms of Board members

Table 2: Term of Board members

The term of the Board members is as follows:

Member	Term commenced	Term expires
Michael Andrew AO (Chair)	1 January 2015	31 December 2017
John Emerson ^(a) AM	1 July 2015	30 June 2017
Karen Payne	14 May 2015	13 May 2018
Peggy Lau-Flux	1 January 2015	31 December 2017
Neville Mitchell	14 May 2015	13 May 2018
Mark Pizzacalla	1 January 2015	31 December 2017
Ann-Maree Wolff	14 May 2015	13 May 2018
Craig Yaxley	1 January 2015	31 December 2017
John Fraser	8 December 2014	<i>Ex-officio</i>
Chris Jordan ^(b) AO	1 January 2013	<i>Ex-officio</i>
Peter Quiggin PSM	19 January 2004	<i>Ex-officio</i>

(a) John Emerson AM was first appointed on 15 January 2007.

(b) Chris Jordan AO has been a member of the Board in various capacities since 14 September 2000.

4.3 Secretary to the Board of Taxation

Michael Atfield became Secretary to the Board of Taxation in October 2015. Michael Atfield has more than 15 years of experience working on tax policy issues, with a focus on tax treaties and international taxation. He was the Australian delegate to the OECD Working Party No 11 on Aggressive Tax Planning, which has focussed on several Action Items as part of the base erosion and profit shifting project.

5 APPENDIX B: THE BOARD'S CHARTER

5.1 The Charter

5.1.1 Mission

Recognising the Government's responsibility for determining taxation policy and the statutory roles of the Commissioner of Taxation and the Inspector-General of Taxation, the Board's mission is to contribute a business and broader community perspective to improving the design of taxation laws and their operation.

5.1.2 Membership

Members of the Board will be appointed by the Treasurer, for a term of up to three years, on the basis of their personal capacity. It is expected that members will be appointed from within the business and wider community having regard to their ability to contribute at the highest level to the development of the tax system. The Chair will be appointed by the Treasurer from among these members of the Board. If the Treasurer decides to appoint a Deputy Chair, he or she will also be appointed from among these members of the Board. Members may be re-appointed.

In addition, the Secretary to the Department of the Treasury, the Commissioner of Taxation and the First Parliamentary Counsel will also be members of the Board. Each may be represented by a delegate.

5.1.3 Function

The Board will provide advice to the Treasurer on:

- the quality and effectiveness of tax legislation and the processes for its development, including the processes of community consultation and other aspects of tax design;
- improvements to the general integrity and functioning of the taxation system;
- research and other studies commissioned by the Board on topics approved or referred by the Treasurer; and

- other taxation matters referred to the Board by the Treasurer.

5.1.4 Relationship to other boards and bodies

From time to time the Government or the Treasurer may establish other boards or bodies with set terms of reference to advise on particular aspects of the tax law. The Treasurer will advise the Board on a case-by-case basis of its responsibilities, if any, in respect of issues covered by other boards and bodies.

5.1.5 Report

The Chair of the Board will report to the Treasurer, at least annually, on the operation of the Board during the year.

5.1.6 Secretariat

The Board will be supported by a secretariat provided by the Treasury, but may engage private sector consultants to assist it with its tasks.

5.1.7 Other

Members will meet regularly during the year as determined by the Board's work program and priorities.

Non-government members will receive remuneration and allowances to cover travelling and other expenses, at rates in accordance with Remuneration Tribunal determinations for part-time public offices.

The Government will determine an annual budget allocation for the Board.

5.2 Administrative arrangements

The Minister for Revenue and Financial Services has oversight of the Board's activities and appointments to the Board as delegated by the Treasurer.

6 APPENDIX C: BOARD WORKING GROUPS AND PRIVATE SECTOR SECONDMENTS

Table 3: Membership of Board Working Groups, 2016-17

Note: All working groups are supported by Government officials from other agencies in particular Treasury and the ATO.

Completed references

Application of Hybrid Mismatch Rules to Regulatory Capital
Karen Payne
Alia Lum
Jarrold Thomas
Jayde Thompson (consultant)

Broader work of the Board

Tax System Improvement
Karen Payne
Craig Yaxley
Neville Mitchell
Peter Quiggin PSM

Asset merger roll-over relief	Shadow economy
Ann-Maree Wolff	Michael Andrew AO
Craig Yaxley	Peggy Lau-Flux
Ken Spence	Karen Payne
Cameron Rider	
Michael Perez	
Mark Molesworth	

Residency tests for High Wealth Individuals	Alignment of tax and accounting concepts
Mark Pizzacalla	Craig Yaxley
Michael Andrew AO	Ann-Maree Wolff
Rosheen Garnon	

Tax and the sharing economy	The consistency of core concepts applied under State and Federal tax laws
Neville Mitchell Peggy Lau-Flux Anthony Klein Stephen Southon Chris Wilson Alia Lum Mark Chapman	Peter Quiggin PSM John Emerson AM Neville Mitchell Geoff Mann

Targeted trust simplification	Post implementation review of the contingent consideration rules
John Emerson AM Karen Payne Mark Pizzacalla	Ann-Maree Wolff Craig Yaxley Mark Pizzacalla Andrew Nolan Anthony Portas Cameron Rider Hayden Scott

Advice on Mandatory Disclosure Rules	Regulatory Performance Framework (MAC)
Karen Payne John Emerson Neville Mitchell Ann-Maree Wolff Craig Yaxley	Neville Mitchell John Emerson AM

Table 4: Secondments from the private sector, 2016-17

KPMG Sydney — Alia Lum, Partner Ernst and Young — Jarrod Thomas, Senior Manager KPMG Melbourne — Boris Gonthmaker, Senior Manager

7 APPENDIX D: PUBLISHED BOARD REPORTS

Table 5: Published Board reports

Year	Title of Report
2016	Application of hybrid mismatch rules to regulatory capital
2016	Implementation of the OECD hybrid mismatch rules
2016	A tax transparency code
2015	Review of the debt and equity tax rules – The related scheme and equity override integrity provisions (accelerated report)
2015	Review of the debt and equity tax rules – The related scheme and equity override integrity provisions (final report)
2014	Review of Tax Impediments Facing Small Business
2014	Review of the Thin Capitalisation Arm's Length Debt Test
2014	Post-Implementation Review of Division 7A of Part III of <i>the Income Tax Assessment Act 1936</i>
2013	Post-Implementation Review into Certain Aspects of the Consolidation Regime
2013	Review of Tax Arrangements Applying to Permanent Establishments
2012	Post implementation review of certain aspects of the Consolidation tax cost setting process
2012	Consultation on Tax Studies Institute
2011	Review of Tax Arrangements Applying to Collective Investment Vehicles
2011	Review of the Taxation Treatment of Islamic Finance
2011	Review of the Consolidation Rights to Future Income and Residual Tax Cost Setting Rules
2011	The Review of the Investment Manager Regime as it relates to foreign managed funds
2011	Review of taxation arrangements under the Venture Capital Limited Partnership regime
2011	Post Implementation review of the Tax Design Review Panel Recommendations
2010	Review of the Application of GST to Cross-Border Transactions
2010	Review into Elements of the Taxation of Employee Share Scheme Arrangements
2010	Review of the Tax Issues Entry System
2009	Post-Implementation Review into the Alienation of Personal Services Income Rules
2009	Review of the Tax Arrangements Applying to Managed Investment Trusts

Year	Title of Report
2008	Review of the Legal Framework for the Administration of the Goods and Services Tax
2008	Review of the Foreign Source Income Anti-Tax Deferral Regimes
2008	Application of Consistent Self-Assessment Principles
2008	Review of the Taxation Treatment of Off-Market Share Buybacks
2007	Scoping study of Small Business Tax Compliance Costs
2007	Improving Australia's Tax Consultation System
2005	Identification and possible repeal of inoperative provisions of the 1936 and 1997 Income Tax Assessment Acts
2005	A Post-implementation Review of the Quality and Effectiveness of the Small Business Capital Gains Tax Concessions in Division 152 of the <i>Income Tax Assessment Act 1997</i>
2004	Post Implementation review of the Quality and Effectiveness of the Non-Commercial Loss Provisions in Division 35 of <i>Income Tax Assessment Act 1997</i>
2003	Consultation on the Definition of a Charity
2003	International Taxation
2002	Taxation of Discretionary Trusts
2002	Inspector-General of Taxation
2002	Evaluation of the Tax Value Method
2002	Government Consultation with the Community on the Development of Taxation Legislation

The Board reports are available on the Board of taxation website.

8 APPENDIX E: ATTENDANCE AT EVENTS, CONFERENCES, WORK SHOPS AND DISCUSSION GROUPS

In addition to the events hosted by the Board when it regularly meets, Board members also attended events, conference and discussions hosted by the organisations below.

Table 6: External events attended by Board members

Name of Organisation:	Name of the Event:
Australian National University	Crawford School of Public Policy – Tax and Transfer Policy Institute: Panel Discussion
Asialink Business	Asialink Leaders Program
Australian Taxation Office	Sydney ATO Conference - 'Working Local, Thinking Global'
Australian Taxation Office	ATO Large Business Stewardship Group Meeting
Australian Taxation Office	ATO's Melbourne Tax Technical Forum
Australian Taxation Office	State Revenue Office Commissioners meeting
BCA	Board of Taxation presentation
BDO Australia	Professional Practices Network
CPA Australia	2016 CPA Congress - "Tax Transparency and Enhanced Audit Reporting – Observations from an Early Adopter".
Deloitte	2017 Tax Symposium
Financial Services Accountants Association	FSAA Tax Day – Tax Transparency
Financial Services Council	FSC Leaders' Summit: Panel Discussion – Lowering Australia's tax rate – where are we and what does it mean for investment in Australia
IPA	2016 National Congress - Panel discussion – The Rise of Bold Reform
IPA	2017 Victorian Congress
IPA	2017 Tasmanian Congress
KPMG	Luncheon roundtable - Impacts of a reduction in the corporate tax rate
Law Council of Australia	2016 Taxation Workshop
Law Council of Australia	Tax Committee Meeting - Sydney
Melbourne Law School	Seminar - Australia's role in the fight against corruption

Name of Organisation:	Name of the Event:
Minerals Council of Australia	Queensland Tax Forum
Minerals Council of Australia	Western Australian Tax Forum
Minerals Council of Australia	Biennial Tax Conference 2017
Property Council of Australia	CFO Roundtable
Tax and Super Australia	Podcasts (Board of Taxation activities, small business tax issues and small business restructure rollover relief)
Tax Institute of Australia	49th WA State Convention
Tax Institute of Australia	2016 Qld Tax Forum
Tax Institute of Australia	2016 National Resources Tax Conference
Tax Institute of Australia	Victorian 4th Annual Tax Forum
Tax Institute of Australia	2016 National Resources Tax Conference
Tax Institute of Australia	Financial Services Conference
Tax Institute of Australia	32nd National Convention (x2)
Tax Institute of Australia	Women in Tax lunch 2017
Tax Institute of Australia	NSW Tax Forum
Treasury	Treasury Policy Advising Course
UNSW	Roundtable - Regulatory, tax and business law reform
UNSW	Symposium on Tax and Corruption in the Asia-Pacific Region
Wolters Kluwer/CCH	Webinars (x2) – Tax Transparency Code
Wolters Kluwer/CCH	Webinar with AASB – Tax Transparency Code

9 APPENDIX F: ATTENDANCE AT BOARD MEETINGS

Table 7: Attendance at Board meetings, 2016-17

Member	Number of meetings eligible to attend	Number of meetings attended
Michael Andrew AO (Chair)	9	9
John Emerson AM	9	9
Karen Payne	9	9
Peggy Lau-Flux	9	9
Neville Mitchell	9	9
Mark Pizzacalla	9	9
Ann-Maree Wolff	9	8
Craig Yaxley	9	9
John Fraser ^(a)	9	9
Chris Jordan AO ^(a)	9	9
Peter Quiggin PSM ^(a)	9	9

(a) The Board's Charter allows for ex officio members of the Board to be represented by a delegate at Board meetings.

10 APPENDIX G: MEMBERS OF THE BOARD'S ADVISORY PANEL

Table 8: Members of Advisory Panel as at 30 June 2017

Panel Member:	Position, Organisation:
Michael Barbour	General Manager, Group Tax, Westpac
Paul Balkus	Partner, Ernst and Young
Steve Baxter	Director, Indirectax.net
Patrick Broughan	Partner, Deloitte
Michael Carruthers	Tax Director, Knowledge Shop
Peter Collins	Partner, PwC
John Condon	Assistant Tax Director, BP Australia
Michael Croker	Tax Australia Leader, CAANZ
Jason de Boer	Tax Partner, BDO
Philip Diviny	Consulting Principal, Keypoint Law
Teresa Dyson	Consultant, McCullough Robertson
Michael Fenner	Taxation Manager, Chevron
Mark Ferrier	Executive Director, Macquarie Group
Michael Flynn SC	Barrister
Geoffrey Fooks	Group Taxation Manager, Wesfarmers
Steve Ford	Tax Partner, PwC
Brett Freudenberg	Associate Professor — Taxation, Griffith University
Tony Frost	Managing Director, Greenwoods & Herbert Smith Freehills
Mark Goldsmith	Partner, Deloitte
Heather Gray	Partner, Hall & Wilcox Lawyers
Kevin Griffiths	Partner, EY
Tony Greco	Senior Tax Adviser, Institute of Public Accountants
Matt Hayes	Director — Tax, KPMG
Stephen Healey	Partner, Grant Thornton
Paul Hooper	Group Head of Tax, Lend Lease
Nick Houseman	Partner, PwC
Trevor Hughes	Partner, EY
Peter Janetzki	Partner, EY
Anthony Klein	Partner, PwC

Panel Member:	Position, Organisation:
Michael Lawry	Taxation Manager, Santos (retired as at 30 June 2017)
Jasmine Leonard	Principal Advisor — Tax Advisory, Rio Tinto
Adam Levin	Partner, Jackson McDonald Lawyers
Michael Longes	Head of Tax, Sunsuper Pty Ltd
Alia Lum	Partner, KPMG
James Macky	National Leader, Tax Advisory Services, KPMG
Larry Magid	Consultant, Allens
Anthea McKinnell	Vice President Treasury & Taxation, Woodside Energy Ltd
Jane Michie	Head of Group Tax, BHP Billiton
Mark Molesworth	Partner, BDO
Katrina Parkyn	Partner, King & Wood Mallesons
Michael Perez	Partner, King & Wood Mallesons
Dale Pinto	Professor of Taxation Law, Curtin Law School, Curtin University
Anthony Portas	Partner, Minter Ellison
Tony Principe	General Manager, Taxation, Origin Energy
Brian Purdy	Head of Tax, South32
John Rawson	Partner, Deloitte
Premila Roe	Vice President Tax Asia Pacific, BHP Billiton
Hayden Scott	Partner, PwC
Shannon Smit	Director, Transfer Pricing Solutions
Steve Southon	Chief Tax Officer, NAB
Miranda Stewart	Director, Tax and Transfer Policy Institute
Ruth Stringer	Partner, King & Wood Mallesons
Judy Sullivan	Partner, PwC
Paul Suppree	Assistant Director, Corporate Tax Association
Reynah Tang	Partner, Johnson Winter & Slattery Lawyers
Vic Timos	Group Tax Manager, Incitec Pivot Limited
Con Tragakis	Chairman of Partners, KPMG
William Thompson	Partner, Minter Ellison
Coralie Trotter	Business Tax Manager, Integrated Gas, Shell Australia
Chris Vanderkley	Special Counsel, PwC
Richard Vann	Challis Professor of Law, University of Sydney
Grant Wardell-Johnson	Partner, Head of the Australian Tax Centre, KPMG
Steve Westaway	Partner — Private Advisory, Grant Thornton
Sue Williamson	Partner, Ernst and Young
Ken Woo	Partner, PwC

11 APPENDIX H: CONSULTANCIES

Consultants are engaged in accordance with Treasury's policies for the engagement of consultants and contractors. These policies, which are consistent with the Chief Executive Instructions and the Commonwealth Procurement Guidelines, are outlined in the Treasury Annual Report.

During 2016-17, the Board engaged one consultant for an amount over \$10,000, for a total value of \$15,554 (GST inclusive). The actual expenditure for this consultant, consultancies completed in 2016-17 and for payments made to service providers in 2016-17, was \$20,860 (GST exclusive).

12 APPENDIX I: FINANCIAL STATEMENTS

Table 9: Revenue, expenses and operating result

	2015-16	2016-17
	\$	\$
Revenue		
Revenue – Department of the Treasury budget allocation	1,865,334	1,855,000
Revenue — Other	270,693	304,046
Total revenue	2,136,027	2,159,046
Expenses		
<i>Employee expenses</i>		
Wages	577,107	688,099
Superannuation	152,542	165,392
Other employee expenses	560,545	587,547
Total employee expenses	1,290,194	1,441,038
<i>Other expenses</i>		
Travel	199,442	220,844
Conferences and training	13,440	12,431
Consultants and Contractors	110,217	20,860
Seconded Employees	387,561	449,055
Office supplies	24,229	1,096
Publications and subscriptions	3,109	7,778
Other supplier expenses	6,376	3,448
Total operating expenses	744,374	715,512
Total expenses	2,034,567	2,156,550
Operating surplus	101,460	2,496

Table 10: Remuneration paid to non-government Board members, 2016-17

Board Members 2016-17		\$
Total		\$505,268

Board members are remunerated in accordance with subsections 7(3) and 7(4) of the *Remuneration Tribunal Act 1973*. During 2016-17, remuneration determination 2015/20 and remuneration determination 2016/18 applied.