



Tax transparency code
The Board of Taxation
c/- The Treasury
Langton Crescent
Canberra ACT 2600

January 28, 2016

Dear Chair

Submission – A Tax Transparency Code

Viva Energy Australia Pty Limited (“**Viva Energy**”) welcomes the opportunity to make a submission to the Board of Taxation (the “**Tax Board**”) in relation to the development of a voluntary tax transparency code (“**TTC**”).

About Viva Energy

In August 2014, Viva Energy Holding Pty Ltd (“**Viva Holding**”) completed the acquisition of the Shell Group’s Australian downstream business (excluding the Aviation business), including Viva Energy and its other Australian affiliates (the “**Viva Group**”).

Viva Energy’s business comprises the Geelong Refinery, a retail network with more than 925 sites, and a bulk fuels, bitumen, chemicals, marine and lubricants business supported by more than 20 terminals across the country. Viva Energy is the exclusive licensee of the Shell brand (for downstream sale and supply) in Australia and provides more than a quarter of Australia’s total fuel needs.

Viva Energy has firm plans for local growth and is committed to refining at Geelong. The company expects to invest \$1bn during its first five years to improve the refining business, improve and expand supply chain capability and grow the retail business through network expansion and further development of the customer offering.

The group directly employs about 1100 people across Australia as well as hundreds of contractors.

Viva Energy’s Tax Profile

Viva Energy is a significant contributor to Federal and State taxes. In 2015, it collected and paid to the Australian Taxation Office (“**ATO**”) approximately \$4.2bn of Excise taxes and \$1.2bn of GST. Viva Energy is also a significant contributor to other Federal and State taxes including Fringe Benefits Tax, Payroll Tax and Stamp Duty.

Having commenced independent operations in August 2014, the Viva Group lodged its first tax returns (relating to the 31 December 2014 period) last year. Accordingly, its first disclosures under the Corporate Tax Transparency Report will be made at the end of 2016.

Viva Energy has a philosophy of early and transparent engagement with its key stakeholders. In its short history, significant time has been invested by both Viva Energy and the ATO in establishing an open and transparent process for a continuing dialogue with respect to Viva Energy’s tax position.

The TTC Consultation Paper

Viva Energy recognises the importance of the wider community having trust in the tax system, and consistent with that, Viva Energy has been, and will continue to be, actively engaged in an open and transparent dialogue with relevant stakeholders.

Viva Energy's overarching philosophy in relation to transparency of tax affairs is that it is important that it is undertaken consistently and in a way that enables informed debate amongst all key stakeholders. The end result should be seen to be that community confidence in the tax system is improved whether by the relevant disclosures themselves, or as a result of remedial action taken by taxpayers to meet the disclosure requirements.

To achieve that goal, Viva Energy submits that:

- The TTC should set out certain minimum disclosure requirements which are relevant to informing the community debate.
- In setting the minimum disclosure requirements, it is important to strike the right balance between the community's desire to know and the ability to provide consistent and meaningful information that is not prone to misinterpretation. Where disclosures create a risk of misinterpretation, their disclosure could have the effect of undermining confidence in the tax system which is contrary to the objectives of the TTC.
- In some instances this may mean that a qualitative (rather than quantitative) approach should be mandated, to alleviate the risk of misinterpretation.
- By setting minimum disclosure requirements, taxpayers would then be free to either simply provide those minimum requirements or take the opportunity to draft a narrative to draw the various minimum standards together, and expand where they consider appropriate.
- The process adopted should, to the extent possible, minimise compliance costs by enabling taxpayers to meet the requirements in whatever form they see fit and not mandate any particular form the disclosure should take.
- The minimum disclosure requirements should ensure the protection of private and confidential disclosures.

In summary, we consider that the Tax Board has produced a comprehensive consultation paper that balances the views of a broad group of stakeholders.

On that basis, we make no recommendations for change but welcome the opportunity to consult further if the Tax Board wishes to discuss anything we have outlined in this letter, and on the detailed terms of the proposed TTC.

Yours sincerely



Scott Wyatt
Chief Executive Officer
Viva Energy Australia