

Australia and New Zealand Banking Group Limited

Response to Questions in Writing following 5 October 2016 House of Representatives Economics Committee Hearing

Question asked by

Mr Thistlethwaite

Question

The Federal Government is proposing to extend its small business tax cuts of 5 per cent to all businesses.

Does your organisation support this reform?

As one of Australia's most profitable businesses, how much tax would this mean ANZ no longer has to pay?

Answer

In our May 2015 Submission to the *re: Think* Tax Discussion Paper, ANZ supported lower taxes on capital to increase investment and growth. Our position was subject to a transition path that would have provided benefits to all Australians. We noted economic analysis that shows that in the long run the majority of the burden or incidence of high company tax falls on workers.

Based on our most recent consolidated tax return for the 2014/15 fiscal year, a five percent reduction in the corporate tax rate would mean that ANZ's tax payments would have been \$300 million lower. ANZ notes that the cost to government revenue would likely be lower than \$300 million. This is because the quantity of franking credits that would be available to pass to shareholders would also be reduced by \$300m.