



Teys Australia Pty Ltd

PO Box 129

Archerfield Qld 4108

15 September 2015

Committee Secretary
Senate Economics Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Via email: economics.sen@aph.gov.au

Inquiry into Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill 2015

Dear Sir,

We are writing to make a submission to the abovementioned inquiry being conducted by the Senate Economics Legislation Committee.

Teys Australia Pty Ltd, is the second largest beef processor and exporter in Australia, with 100% of cattle supply sourced from Australian Beef Producers, exporting to over 40 countries across the globe. Our operations employ over 4500 Full Time Employees across 10 locations in eastern Australia. The economic contribution of Teys Australia adds approximately \$2.6 Billion to the national GDP, and \$1.1 Billion to household income each year, generating over 17 000 jobs, when flow on effects are taken into consideration.

We understand the legislation proposes to amend the income tax transparency laws to remove the obligation on the Commissioner of Taxation to publish certain tax information of Australian owned private companies with total income of at least \$100 million. This proposal would affect Teys Australia, as an Australian owned, private company, eligible for exemption under the proposed exposure draft legislation.

Currently, *section 3C* of the *Taxation Administration Act 1953* requires the Commissioner to publish for every corporate tax entity that reports \$100 million or more in total income the entity's reported:

- Name and Australian Business Number;
- Total income;
- Taxable income or net income (if any); and
- Income tax payable.

Teys has noted in previous submissions to Members of the Senate, if made public, taxation information is likely to adversely affect the privacy and personal security of the Teys family shareholders, and the market environments in which our business operates. We also reiterate that publishing information about private companies or otherwise, in no way diminishes their legal accountability to the ATO and its ability to enforce Australia's tax laws.



We offer our full and vigorous support to the legislation, as drafted.

As the second largest Beef processor and exporter in Australia, operated by the Teys Family, Teys Australia anticipates to be captured by the current income tax transparency legislation at a number of our facilities, requiring public reporting of Taxation information. We share the concerns as raised by a number of other stakeholders, that the legislation is likely to have significant implications for our company shareholders. We also note and reiterate:

1. Confidentiality is a central feature of Australia's taxation system, and that this is consistent with the nature of the taxation in most developed nations globally. Mandated disclosure of privately held company taxation information is totally inconsistent with this principle;
2. Only where the public benefit clearly outweighs the need for taxpayer privacy, is there justification for the ATO to disclose confidential Private Australian company taxpayer information. Any public benefit in publicly releasing confidential taxation information of privately held Australian companies is trivial at best;
3. For Teys Australia, public disclosure of taxation information creates the potential for serious impact on family shareholders', including but not limited to:
 1. Being the subject of criminal activity, as a result of disclosed personal information being used to target individuals on the basis of perceived wealth;
 2. Providing commercially sensitive information not otherwise available, to other participants in the supply chain, having the effect of disadvantaging Teys in negotiations, and customer/supplier relationships;
 3. Allowing competitors access to commercially sensitive information from which they stand to gain commercially at the expense of Teys Australia;
 4. Placing further onus on family shareholders to preserve their reputation, via the provision of further information to place reported information in context.
4. Publication of taxation information, in no way changes legal accountability to the ATO; it cannot be said that public disclosure supports compliance to taxation obligations in Australia;
5. The draft exposure legislation seeks to continue to capture multinational, and publicly held companies under income tax transparency requirements. Profit shifting by multinationals is a stated focus of the G20 and OECD; the exposure draft does not diminish measures toward this objective.

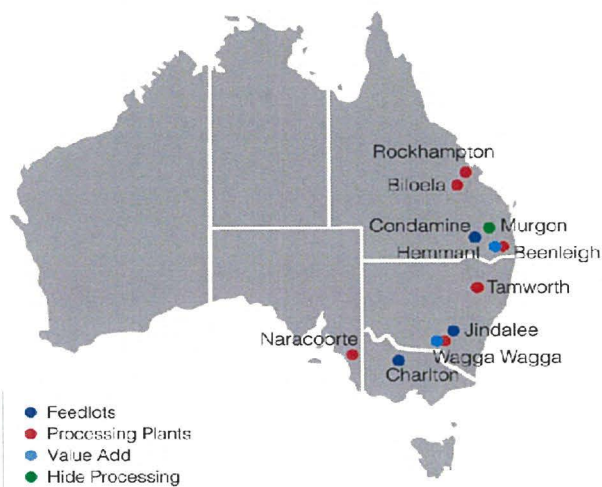
We strongly represent that the legislation and proposed exemption is enacted without amendment prior to the date by which fiscal 2014 data is to be published.

Tom Maguire
General Manager – Corporate Services
Teys Australia Pty Ltd



TEYS AUSTRALIA

Teys Australia Pty Ltd, is the second largest beef processor and exporter in Australia, with 100% of cattle supply sourced from Australian Beef Producers, exporting to over 40 countries across the globe. Teys Australia is proudly operated by the Teys Family, and jointly owned by the Teys Family and Cargill (50% shares).



Teys Australia's operations employ over 4500 Full Time Employees across 10 locations, heavily dominated in regional areas. The economic contribution of Teys Australia adds approximately \$2.6 Billion to the national GDP, and \$1.1 Billion to household income each year, generating over 17 000 jobs, when flow on effects are taken into consideration.

Teys' Australian Footprint

Teys Australia's Economic Contribution

| FACILITY | Contribution to the Australian economy | | |
|-------------------------|--|--------------|---------------------|
| | \$ Million | \$ Million | Full Time Employees |
| Biloela | 71 | 172 | 1127 |
| % of Region | 1.01% | 1.15% | 1.27% |
| Rockhampton | 155 | 357 | 2403 |
| % of region | 2.21% | 2.39% | 2.70% |
| Beenleigh | 125 | 365 | 1834 |
| % of region | 0.19% | 0.28% | 0.21% |
| Tamworth | 46.8 | 104.2 | 851 |
| % of region | 1.33% | 1.22% | 1.35% |
| Naracoorte | 95 | 275 | 1793 |
| % of region | 2.73% | 3.34% | 3.08% |
| Wagga | 187 | 512 | 3801 |
| % of region | 5.70% | 6.83% | 6.83% |
| TOTAL | 1 125 | 2 620 | 17 191 |
| % of Australian Economy | 0.15% | 0.17% | 0.17% |



Teys Australia's Asset Footprint

The joint venture operates six modern and efficient beef processing plants strategically located across the Eastern seaboard:

- ***Teys Australia Naracoorte***: in the Coonawarra wine district in South Australia; employs 400 people, making it Naracoorte's largest employer;
- ***Teys Australia Wagga Complex*** employs over 800 people from over 40 nationalities;
- ***Teys Australia Tamworth Complex*** employs over 450 personnel, and is focused on the retail markets in Australia;
- ***Teys Australia Beenleigh Complex***: has approximately 800 employees, and processes grain-fed cattle from Teys' Condamine Feedlot;
- ***Teys Australia Rockhampton***: remains Australia's largest single shift operation. It currently employs over 1100 people and is the city's largest employer.
- ***Teys Australia Biloela Complex***: located in central QLD; employs 400 employees.
- Teys operates 3 feedlots: ***Jindalee*** (NSW), ***Charlton*** (VIC) and ***Condamine*** (Qld).
- ***Teys Australia Food Solutions***, (Brisbane) provides value added meat solutions;
- ***Teys Australia Murgon*** processes cattle hides supplied by the Company.