The Senate

Economics
Legislation Committee

Tax and Superannuation Laws Amendment (Employee Share Schemes) Bill 2015 [Provisions]

June 2015

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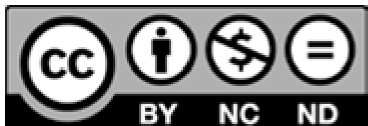

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Chapter 1

Introduction and overview of the bill

1.1 On 13 May 2015, the Senate referred the provisions of the Tax and Superannuation Laws Amendment (Employee Share Schemes) Bill 2015 (the bill) to the Senate Economics Legislation Committee (the committee) for inquiry and report by 16 June 2015.

1.2 The bill amends the *Income Tax Assessment Act 1997* (ITAA 1997) to change the taxation treatment of employee share schemes (ESSs). The changes will apply to ESS interests acquired on or after 1 July 2015.

1.3 The proposed changes reverse some of the changes made in 2009 to the taxing point for ESS rights for employees of all corporate tax entities. The changes also introduce a further taxation concession for the ESS interests of employees of certain small start-up companies. The changes are further intended to reduce the compliance burden faced by small businesses in establishing and maintaining an ESS.

1.4 According to the Explanatory Memorandum, the changes:

> …will improve the tax treatment of ESS interests so as to facilitate better alignment of interests between employers and their employees, and to stimulate the growth of innovative start-ups in Australia by helping small unlisted companies be more competitive in the labour market.[1]

Conduct of the inquiry

1.5 The committee advertised the inquiry on its website, and wrote directly to a range organisations inviting written submissions. The committee received seven submissions, which are listed at Appendix 1. No public hearings were held as part of the inquiry.

1.6 The committee thanks all who contributed to the inquiry.

Employee Share Schemes and current taxation arrangements

1.7 ESSs are schemes in which an employer issues shares or options (that is, the right to acquire shares in the company at a later date) to their employees at a discount to the market value. As the Explanatory Memorandum explains, ESSs are a 'means of aligning the interests of employees and employers and can result in more productive relationships, higher productivity and reduced staff turnover'.[2]

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1 Explanatory Memorandum, *Tax and Superannuation Laws Amendment (Employee Share Schemes) Bill 2015*, p. 3.

2 Explanatory Memorandum, p. 4.

1.8 ESSs are often utilised by start-ups that lack the cash flow to pay their employees competitive salaries. In this sense, ESSs provide a means of attracting and retaining staff while still ensuring the start-up has sufficient capital to grow its business. Employees, meanwhile, are attracted to ESSs because they offer an opportunity to share directly in the potential success of the start-up.[3]

1.9 Division 83A of the ITAA 1997 contains specific rules regarding the taxation of ESS interests. Under current arrangements, as introduced in 2009, the default position is that ESS interests will be taxed in the income year that the ESS interest was received.

1.10 Employees with adjusted taxable incomes of $180,000 or less are eligible for a tax exemption on the first $1000 of discounts received each year on eligible ESS interests.

1.11 However, the tax treatment differs when there is a real risk an employee may forfeit eligibility for the shares or options. This risk may be present when the retention of ESS interests is subject to performance outcomes or a minimum term of employment. If this is the case, tax is deferred until the earlier of:

- removal of risk of forfeiture such that the scheme no longer genuinely restricts disposal of interests;
- cessation of employment; or
- seven years from the acquisition of the interest.

1.12 If tax is paid and the shares or options are subsequently forfeited, a tax refund is available. However, refunds are *not* available where shares are forfeited because their value has fallen due to market forces. In the instance a refund is not available, the taxpayer would instead have a capital loss under the capital gains tax provisions.[4]

1.13 Certain basic eligibility criteria must be met before the abovementioned discount or tax-deferral arrangements can be accessed. These conditions are intended to ensure, *inter alia*, that participation is widely available to employees, and that the concessions cannot be accessed by shareholders who are able to exert control over the company's operations.[5]

The effect of 2009 changes and concerns raised by stakeholders

1.14 The current taxation arrangements for ESSs were introduced on 1 July 2009. One of the key effects of the 2009 changes, as explained by the Minister for Small Business, the Hon Bruce Billson MP, in his second reading speech, was to tax the discount component of shares or options at the point when the employee received

3 Explanatory Memorandum, p. 27.

4 Explanatory Memorandum, p. 28.

5 Explanatory Memorandum, p. 29.

those shares or options. According to Mr Billson, this arrangement 'often forces employees to pay tax on their options before they can take any action to realise a financial benefit from those options'.[6]

1.15 As the Regulation Impact Statement (RIS) in the Explanatory Memorandum explains, the changes introduced in 2009 included:

> removing the possibility for employees to elect when tax would be paid on the discount on options provided under an ESS, and as a result, taxing all discounts on shares and options in the income year in which the shares and options are acquired, unless there is a real risk of forfeiting the shares or options, or they are acquired through a salary sacrifice arrangement…[7]

1.16 For more information on the changes introduced by the 2009 changes, see Table 1 at the end of this chapter.

1.17 According to the RIS, the 2009 changes were intended to improve the targeting of tax concessions available for ESSs, bring the taxing point for ESS interests into line with the taxing point for other forms of remuneration, and minimise opportunities for tax avoidance and reduction.[8]

1.18 A Treasury review completed in November 2013 indicated the ESS measures were largely meeting their objectives. However, the review also suggested the measures were having some negative effects on the ability of start-up companies to access and utilise ESSs. Further consultations by the government confirmed this, revealing that companies were predominantly concerned with two aspects of the current arrangements. Firstly, as the RIS observes:

> …many companies have argued that it is not reasonable to tax options until the employee takes action to realise or convert them to tradeable shares. Secondly, unlisted start-ups have argued that they face additional problems around both valuation and liquidity—as their shares are not listed, there are difficulties determining valuations cost effectively and there is not a ready market to enable liquidity to pay the tax.[9]

1.19 As the RIS further observes, there are concerns that under the current arrangements ESS interests may be:

> …unaffordable to the beneficiaries due to cash flow issues arising from the timing of the payment of tax. The current tax arrangements require tax to be paid in the income year in which options are effectively acquired, as opposed to the point of exercise or sale of the interest. Given that only a small proportion of start-ups will succeed, tax may be required to be paid on something that may never have a convertible or realised value to the

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6 *House of Representatives Hansard*, 25 March 2015, p. 3358.

7 Explanatory Memorandum, pp. 29–30.

8 Explanatory Memorandum, p. 30.

9 Explanatory Memorandum, p. 31.

> employee. Stakeholders claim that these tax arrangements are inconsistent with global practice and this can result in talented employees choosing to work overseas instead of working in Australia.[10]

1.20 The government's consultations also indicated the high ongoing costs involved in the operation and administration of an ESS, particularly with a company valuation being required when additional shares or options are issued under an ESS. According to the RIS, in Australia these costs can run as high as $50,000 per valuation. With multiple valuations sometimes required each year depending on when shares and options become taxable, this can make ESSs unaffordable for typical start-ups.[11]

The development of the changes and the consultation process

1.21 In response to concerns expressed by stakeholders, the government announced its intention to review the tax treatment of ESS interests on 18 December 2013. Over two weeks in January 2014 the government conducted public consultations on ESSs and start-ups.

1.22 In developing the changes proposed in the bill, the government drew on these consultations, along with advice from the Prime Minister's Business Advisory Council and a study prepared by the Business Council of Australia in July 2014. In October 2014, the government released the *Industry Innovation and Competitiveness Agenda*, which included an announcement that the government would reform the tax treatment of ESS interests to encourage entrepreneurship and innovative start-up companies. Consultation on an exposure draft of the legislation was conducted from 14 January to 6 February 2015, and included roundtable discussions in Canberra, Melbourne and Sydney. The government received approximately 50 submissions on the exposure draft.

The proposed changes to current taxation arrangements

1.23 In his second reading speech, Mr Billson explained that the bill makes two main changes to the tax arrangements for ESSs. Firstly, for all companies, listed and unlisted and regardless of size and age, employees issued options under ESSs will generally be able to defer tax until the exercise of those options. This is rather than having to pay tax when they receive the options, thus benefiting employees 'by deferring their tax liability until they are actually able to realise a financial benefit from their options'. Moreover, the changes will extend the maximum time for tax deferral from seven years to 15 years, 'which will give companies more time to build their business and succeed'. The changes also increase the limit on individual employee ownership of a company through an ESS from 5 per cent to 10 per cent, in

10 Explanatory Memorandum, p. 32.

11 Explanatory Memorandum, p. 32.

order to 'help some founders and provide a boost for critical workplace team members'.[12]

1.24 Secondly, the changes provide new ESS concessions for eligible start-up companies. Mr Billson explained:

> Employees of eligible start-ups can receive options or shares at a small discount, and if they hold the shares or options for at least three years, they will not be subject to up-front taxation.
>
> For options, the discount component will be taxed when the employee is in a better position to fund the tax liability. For shares provided at a discount of up to 15 per cent, the discount component will be exempt from tax.[13]

1.25 To qualify for the start-up concession, companies must have been incorporated for less than 10 years, be unlisted and have turnover of no more than $50 million per year. Mr Billson explained that the eligibility criteria was designed to target small and start-up firms, particularly given they often face additional liquidity and valuation obstacles that larger, established firms do not. He added that the criteria would also 'limit and manage the cost [of the measure] to revenue at a time of fiscal repair'.[14]

1.26 In addition to the two main changes outlined above, the bill also includes measures to address the compliance burden of ESSs. Specifically, the bill allows the Tax Commissioner to approve optional safe harbour valuation methodologies that will be binding on the Commissioner. These valuation methodologies will be developed by the Australian Taxation Office in consultation with industry.[15] Mr Billson suggested this will 'help to streamline the process of establishing and maintaining an employee share scheme, reducing costs and compliance burdens that may discourage employee share scheme engagement'.[16]

1.27 The bill also makes some changes to the rules relating to the refund of income tax on forfeited shares or rights. The bill would allow an employee to obtain a tax refund in relation to previously paid income tax if the employee decides to let the rights lapse or be cancelled. As the Explanatory Memorandum explains, this change:

> …ensures that a choice not to exercise a right or to let a right be cancelled is also a choice that does not prevent the application of the refund provisions. For example, if an employee decides to let a right lapse, and has previously paid income tax as a result of acquiring the right, the employee

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12 *House of Representatives Hansard*, 25 March 2015, pp. 3359–60.

13 *House of Representatives Hansard*, 25 March 2015, p. 3360.

14 *House of Representatives Hansard*, 25 March 2015, p. 3360.

15 Explanatory Memorandum, p. 24.

16 *House of Representatives Hansard*, 25 March 2015, p. 3360.

> will be entitled to a refund provided the scheme has not been structured to directly protect the employee from downside market risk.[17]

1.28 Mr Billson explained that the bill also incorporates a number of other changes to the taxation treatment of ESSs that have been informed by stakeholder feedback provided during the consultation process on the exposure draft of the bill. These changes relate to a range of matters, including access to capital gains tax concessions and eligibility for the start-up concession where certain venture capital funds are involved.[18]

1.29 Further details on the changes are provided in the Explanatory Memorandum, paragraphs 1.48 to 1.110. It should be noted that key integrity measures introduced by the 2009 changes are retained in the bill.[19] A summary comparison of the taxation treatment of ESSs under the pre-2009 regime, the post-2009 regime and the proposed new arrangements, is provided in Table 1 at the end of this chapter.

Financial Implications

1.30 According to the Explanatory Memorandum, the measures in the bill will cost $196 million over three years, as follows[20]:

2014-15	***2015-16***	***2016-17***	***2017-18***
–	–$52m	–$56m	–$88m

17 Explanatory Memorandum, p. 19.

18 *House of Representatives Hansard*, 25 March 2015, p. 3361.

19 Explanatory Memorandum, p. 12.

20 Explanatory Memorandum, p. 3.

Table 1: Summary of ESSs taxation treatment under different ESS regimes

Pre-2009 regime	**Post-2009 regime**	**Proposed regime: all companies**	**Proposed regime: start-up companies**
Default position was up-front taxation for both shares and options. For qualifying shares and options, subject to certain conditions, the employee could choose between up-front and deferred taxation. For options, a deferred taxation point occurred when the employee exercised the options by converting the options into shares.	Default position is up-front taxation for both shares and options. Deferral of tax is limited to schemes where there is a risk of the employee forfeiting the shares or options, and schemes provided through salary sacrifice (up to $5,000, and subject to conditions). The qualifying conditions are also applied to access deferral arrangements. For options, a deferred taxation point occurs when there is no risk of forfeiture or when any restrictions on the sale or exercise of the options are lifted (vesting point).	Default position will remain up-front taxation for both shares and options. However, option schemes will be able to access deferred taxation treatment more easily, without the options necessarily being at risk of forfeiture. Further, for options, the deferred taxing point at vesting will be moved back to when the employee exercises the options.	Options and shares that are provided at a small discount by eligible start-ups will not be subject to up-front taxation

Source: Australian Government, Department of Prime Minister and Cabinet, *Industry Innovation and Competitiveness Agenda*, 14 October 2014, p. 80.

Chapter 2

Views on the proposed changes

2.1 As outlined in the previous chapter, the bill amends the ITAA 1997 to change the taxation treatment of ESSs by:

- reversing some of the changes made in 2009 to the taxing point for rights for employees of all corporate tax entities;
- introducing a further taxation concession for employees of certain small start-up companies; and
- supporting the Australian Taxation Office to work with industry to develop and approve safe harbour valuation methods and standardised documentation that will streamline the process of establishing and maintaining an ESS.[1]

2.2 Submitters expressed a range of views on the changes to the taxing point for ESS interests and the new start-up concessions, which are outlined below. No comment was received on the new arrangements for valuation methods, and as such the issue is not addressed in this chapter.

Support for the bill

2.3 For the most part, submitters were supportive of the intent of the bill (although, as discussed below, several believed its scope and application should be broadened). For instance, the AIMIA Digital Policy Group suggested the changes would 'foster and support a vibrant technology and start-up sector'. The changes, it argued, would also:

> …bring Australia closer to the tax arrangements which have already been put in place in countries like the United States and the United Kingdom specifically to promote entrepreneurship and the development of the business models and business success stories of the future.[2]

2.4 Similarly, Greenwoods & Herbert Smith Freehills wrote that the changes, particularly the new concessions for start-ups, would 'significantly improve the ability of Australian enterprises to compete for and retain global talent'.[3]

Eligibility for the new start-up concessions

2.5 Several submitters suggested that the bill's definition of a 'start up' was overly narrow, and might, as Ernst & Young (EY) put it, 'inadvertently disqualify companies which would, for practical purposes, be considered to be within the start-up phase'.[4]

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1 Explanatory Memorandum, p. 3.

2 AIMIA Digital Policy Group, *Submission 1*, p. 1.

3 Greenwoods & Herbert Smith Freehills Pty Ltd, *Submission 6*, p. 1.

2.6 In particular, concerns were expressed about the requirement for a company to be unlisted to be eligible for the start-up concessions. EY explained that many start-up companies may have in fact listed 'as a means of funding projects that are yet to generate revenue'.[5] EY argued:

> As the proposed rules provide concessional treatment for prospective growth in the value of shares only, companies who would otherwise be considered 'start-ups' by the nature and size of their business should not be disqualified from doing so merely because they are listed.[6]

2.7 EY further suggested that the restriction of the start-up concessions to companies that had been incorporated for less than 10 years might exclude some companies that could arguably be considered start-ups. For example, some companies might have been incorporated longer than 10 years, but have been inactive for many years before the start-up business commenced. Alternatively a start-up company may have acquired an older company that is not significant to the start-up company's main business. EY also noted that some companies, such as biotech and exploration companies, face long lead times due to the nature of their business.[7]

2.8 EY recommended that discretion should be provided for the Tax Commissioner, or a body such as AusIndustry, to 'determine that the start-up concessions are available in cases where the company could reasonably be expected to qualify from a policy perspective'.[8]

2.9 Similarly, the Tax Institute argued that listed companies should not be precluded from accessing the start-up concessions. It noted that:

> …many 'small cap' listed companies (in industries such as life science, IT and mining exploration and development) clearly meet the other eligibility criteria in section 83A-33 for being considered a 'start-up'.[9]

2.10 The Association of Mining and Exploration Companies (AMEC) also argued that eligibility for the start-up concessions should extend to listed companies. It challenged the notion that this would prove costly to the budget:

> AMEC contends that broadening the start-up measures to include listed start-ups will change behaviour by increasing participation and reducing the complexity of arrangements. This should in theory result in more exercises

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4 Ernst & Young, *Submission 2*, p. 2.

5 Ernst & Young, *Submission 2*, p. 2.

6 Ernst & Young, *Submission 2*, p. 2.

7 Ernst & Young, *Submission 2*, p. 2.

8 Ernst & Young, *Submission 2*, p. 2.

9 The Tax Institute, *Submission 3*, p. 2.

> of options and sales of shares, thereby increasing the incidence of [capital gains tax] and therefore increased revenue to Government.[10]

2.11 The committee notes that Mr Billson acknowledged in his second reading speech that some stakeholders believe the start-up concession should be available to older, listed technology and mining start-ups. However, Mr Billson argued that:

> …all policy needs to be weighed against other priorities and the cost to taxpayers. So keeping this at the forefront of our mind, and on balance, we have decided to keep the additional concession focussed on genuinely early-stage firms that are more likely to have cash flow issues.[11]

Cessation of employment as a deferred taxing point

2.12 EY notes that the bill does not remove cessation of employment as a trigger for the payment of tax on ESS interests. It argued this is:

> …inconsistent with encouraging the long-term ownership of shares and the premise that employees should only be taxed on equity awards when they are able to realise a benefit. It is also inconsistent with the taxation treatment of equivalent cash-based incentive awards, which are generally only taxed when the participant receives the cash payout, rather than at termination of employment.[12]

2.13 The Tax Institute also argued that cessation of employment should not be an ESS deferred taxing point. It contended that:

> …the fact that Australia continues to tax employees on ESS interests on cessation of employment *notwithstanding* those interests are unable to be converted into cash at that time puts Australia out of step with almost every other country that taxes share plans and is clearly *not* competitive by international standards.[13]

2.14 Greenwoods & Herbert Smith Freehills made a similar argument against retaining cessation of employment as a deferred taxing point.[14]

2.15 The committee notes that in his second reading speech, Mr Billson acknowledged concerns about the retention in the bill of cessation of employment as a taxing point. Mr Billson suggested:

> The refund rules contained in this legislation should help address some of this concern. The refund rules mean that income tax paid on options when

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10 Association of Mining and Exploration Companies, *Submission 5*, p. 1.

11 *House of Representatives Hansard*, 25 March 2015, p. 3361.

12 Ernst & Young, *Submission 2*, p. 3.

13 The Tax Institute, *Submission 3*, p. 2 (emphasis in source).

14 Greenwoods & Herbert Smith Freehills Pty Ltd, *Submission 6*, p. 3.

> employment ceases will be refundable if the option is subsequently not exercised or lapses, or is cancelled.[15]

2.16 The committee notes that there are further matters, in respect of employee share ownership, worthy of consideration. For example, the present system of taxation on cessation of employment seems to be an anomaly internationally, and might provide an opportunity for further reform.

Transitional arrangements and new refund rules

2.17 The new arrangements would apply to EES interests granted on or after 1 July 2015. EY recommended that the proposed arrangements should 'also apply to any ESS interests where the taxing point has not yet arisen, including those granted prior to 1 July 2015'.[16] It argued that this would help reverse:

> …the adverse impact of the 2009 changes, in particular for options which have not yet been taxed. It will also reduce the burden on employers to administer the reporting requirements and for employees to understand the taxation point under three different regimes, being Division 13A *Income Tax Assessment Act 1936*, the current Division 83A and Division 83A after the proposed changes.[17]

2.18 Several submitters also expressed concern that the new refund rules proposed in the bill (as outlined in the previous chapter) would only apply to grants made on or after 1 July 2015. EY recommended that the new refund rules should apply to all ESS interests that are forfeited on or after 1 July 2015, regardless of the grant dates.[18] Similarly, Greenwoods & Herbert Smith Freehills suggested that tax refunds under the new arrangements should also extend to options still on foot as at 1 July 2015, rather than being limited to rights and options issued after that date.[19]

2.19 The Tax Institute also argued for transitioning ESS interests granted before 1 July 2015 into the proposed new arrangements, including the arrangements regarding refunds.[20]

Three year rule

2.20 Greenwoods & Herbert Smith Freehill's argued that the three year holding requirement for the start-up concessions, as currently written, might inhibit the

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15 *House of Representatives Hansard*, 25 March 2015, p. 3361.

16 Ernst & Young, *Submission 2*, p. 3.

17 Ernst & Young, *Submission 2*, p. 3.

18 Ernst & Young, *Submission 2*, p. 3.

19 Greenwoods & Herbert Smith Freehills Pty Ltd, *Submission 6*, p. 3.

20 The Tax Institute, *Submission 3*, pp. 3–4.

operation of 'drag-along' and 'tag-along' rights in employee equity offerings. It explained:

> Drag-along rights ensure that founder shareholders can realise value when an opportunity arises. Venture capital providers, which are typically 'closed-end' funds, also require the ability to exit investments to comply with their investment mandates. Absent drag-along rights employee shareholdings could operate as blocking stakes.
>
> Tag-along rights ensure that employees can participate in these significant value realisation events ('exit' events), rather than being left holding potentially illiquid minority investments.[21]

2.21 Greenwoods & Herbert Smith Freehills further explained that for many successful start-ups exit events may occur within three years of establishment, and that for start-ups with ongoing employee equity programs exit events will inevitably occur within three years of at least the most recent grants.[22] It acknowledged that the current drafting was designed to promote genuine (rather than short-term) employee equity participation. However, it suggested the same end could be achieved by leaving the waiver of the three year rule to the Tax Commissioner's discretion, with guidance possibly included in the Explanatory Memorandum.[23]

Concern the changes disproportionately benefit some taxpayers

2.22 The Australian Council of Trade Unions (ACTU) expressed concern that the proposed changes would disproportionately benefit taxpayers in receipt of ESS interests. It explained:

> The ACTU supports ESSs that are available to all levels of a company's workforce and which are effectively regulated by government to minimise the risk of unfair avoidance, particularly by senior company managers and executives. However, we believe the current proposals risk incurring a cost to public revenues and public faith in the fairness of our tax system that is disproportionate to the purported benefits.[24]

2.23 In contrast to submissions suggesting the new start-up concessions were too narrowly targeted, the ACTU expressed concern that the bill's definition of a 'start-up' was in fact 'unduly expansive'. Noting that the bill's definition of a 'start-up' included companies which had been incorporated for up to 10 years and have an aggregated turnover of up to $50 million, the ACTU suggested:

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21 Greenwoods & Herbert Smith Freehills Pty Ltd, *Submission 6*, p. 3.

22 Greenwoods & Herbert Smith Freehills Pty Ltd, *Submission 6*, p. 3.

23 Greenwoods & Herbert Smith Freehills Pty Ltd, *Submission 6*, p. 3.

24 ACTU, *Submission 4*, p. 1.

> …it is not clear why a company that has established a successful business after 5 years, and which is generating a taxable profit of perhaps $8 million, should be entitled to taxpayer support to reward some of its employees.[25]

2.24 The ACTU recommended further consideration of the criteria for determining a company's status as a start-up in order to ensure the concession was well targeted. One option, it suggested:

> …could be to limit eligibility to companies incorporated for 7 years or less and whose level of taxable profit as a proportion of turnover is less than a specified percentage. This would link the availability of any concession to the likely ability of a company to do without it.[26]

2.25 The ACTU further argued that the proposed concessional arrangements would be 'excessively generous'. The ACTU explained that as most employees do not have access to an employment-related share scheme of any sort, they will need to pay tax at their full marginal rate on any bonus or pay increase they receive. In contrast, the only tax payable on ESS interest would be capital gains tax, generally payable with a 50 per cent discount on the taxpayer's marginal rate.[27]

2.26 Finally, the ACTU raised concerns about the extension of the maximum tax deferral period for ESS interests from 7 years to 15 years, suggesting that 'a tax deferred is more likely to become a tax reduced'. It further argued that this increase in the deferral period was 'likely to encourage tax avoidance, particular among senior employees with high-value stakes in an ESS who can afford to delay realising that value until they pay little or no tax on it'.[28]

Committee view

2.27 The committee does not agree that the proposed changes would disproportionately benefit taxpayers in receipt of ESS interests. On the contrary, successive governments have supported ESSs as an important means of aligning employee and employer interests, and supporting and encouraging enterprise and innovation. The committee is satisfied that the proposed changes will help better realise the potential of ESSs, and ensure Australian firms are able to remain internationally competitive in attracting and retaining talented employees.

2.28 The committee acknowledges that while most submitters supported the intent and general direction of the bill, several feel the changes could go further still. Nonetheless, the committee believes the proposed changes represent a significant improvement in the taxation treatment of ESSs, and is satisfied the new arrangements will be highly competitive by international standards.

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25 ACTU, *Submission 4*, p. 2.

26 ACTU, *Submission 4*, p. 2.

27 ACTU, *Submission 4*, p. 2.

28 ACTU, *Submission 4*, p. 3.

Recommendation 1

2.29 The committee recommends that the Senate pass the bill.

Senator Sean Edwards
Chair

APPENDIX 1

Submissions received

Submission Number	Submitter
1	AIMIA Digital Policy Group
2	Ernst & Young
3	The Tax Institute
4	ACTU
5	Association of Mining and Exploration Companies (AMEC)
6	Greenwoods & Herbert Smith Freehills Pty Ltd
7	Confidential