

**Department/ Agency:** Australian Taxation Office

**Question:** BET 803-810

**Topic:** Virgin Australia

**Reference:** Written – 12 June 2014

**Senator:** Xenophon

**Question:**

The Virgin Australia restructure in 2012 allowed the airline to create a separate, non-listed private company as a ‘placeholder’ for its international business. By doing so, it can use the benefits of being an Australian airline while circumventing the Australian ownership requirements that would usually apply. The Australian arm of the company has its own Board of Directors, but shares its management and all resources with the foreign-owned arm of the company.

- 803. What implications does this arrangement have for Australian taxation laws?
- 804. Has the ATO consulted with Virgin Australia in relation to these arrangements to ensure appropriate tax requirements are met?
- 805. Did the Department of Infrastructure and Regional Development consult with the ATO before approving the restructure?
- 806. If so, when? What was the ATO’s advice?
- 807. If not, was there any requirement or need for them to do so?
- 808. Did Virgin Australia inform the ATO of its intentions prior to the public announcement?
- 809. If so, when? What information did Virgin Australia provide?
- 810. If not, is there any requirement for Virgin Australia to do so?

**Answer:**

- 803. Due to the confidentiality provisions in Division 355 of Schedule 1 of the *Taxation Administration Act 1953*, the Commissioner is unable to disclose information concerning the taxation affairs of individual taxpayers.
- 804. Due to the confidentiality provisions in Division 355 of Schedule 1 of the *Taxation Administration Act 1953*, the Commissioner is unable to disclose information concerning the taxation affairs of individual taxpayers.
- 805. Due to the confidentiality provisions in Division 355 of Schedule 1 of the *Taxation Administration Act 1953*, the Commissioner is unable to disclose information concerning the taxation affairs of individual taxpayers.
- 806. Due to the confidentiality provisions in Division 355 of Schedule 1 of the *Taxation Administration Act 1953*, the Commissioner is unable to disclose information concerning the taxation affairs of individual taxpayers.
- 807. The Department of Infrastructure and Regional Development has advised that consultation was not required to fulfil the Department’s regulatory requirements.

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**  
Budget Estimates 2014  
3 June to 5 June 2014

- 808. Due to the confidentiality provisions in Division 355 of Schedule 1 of the *Taxation Administration Act 1953*, the Commissioner is unable to disclose information concerning the taxation affairs of individual taxpayers.
- 809. Due to the confidentiality provisions in Division 355 of Schedule 1 of the *Taxation Administration Act 1953*, the Commissioner is unable to disclose information concerning the taxation affairs of individual taxpayers.
- 810. There is no general obligation on taxpayers to inform the ATO of such intentions prior to a public announcement of those intentions.