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Secretary

Senate Economics References Committee

PO Box 6100

Parliament House

Canberra ACT 2600

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

Dear Secretary

Senate Economics References Committee inquiry into financial and tax practices of for-profit aged care providers

The ACTU is writing in support of the Australian Nursing & Midwifery Federation (ANMF) and Tax Justice Network – Australia (TJN) report, *Tax Avoidance by For-Profit Aged Care Companies: Profit Shifting on Public Funds (the Report)*, tabled to this inquiry.

The report outlines the tactics that many for-profit aged care providers use to minimise their tax bill. All businesses should pay their fair share of tax, and the ACTU supports stronger laws to ensure that they do. It is important to ensure that those companies which benefit from commercial arrangements with the Commonwealth including recipients of significant Commonwealth subsidies, be held to the highest standards of public accountability.

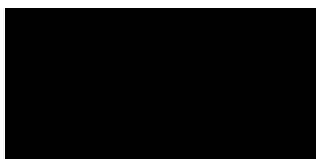
Unconscionable conduct including tax avoidance measures by companies which receive Commonwealth funding to deliver important services for our most vulnerable is unacceptable. For-profit aged care providers receive more than \$2.17 billion in Government subsidies, but through complicated ownership structures it appears that they report a far lower taxable profit than would be expected. The laws must change in order to ensure all such businesses pay the right amount of tax.

Companies which receive significant Commonwealth funds should be required to fully disclose their tax practices through the filing of annual financial statements. It is a matter of principle that large companies

which receive government subsidies should be held to the highest standard of transparency and accountability.

We commend the report to the Committee.

Yours sincerely



Sally McManus

Secretary