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# Corporate tax-dodgers advising treasurer Josh Frydenberg



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Look who's advising Treasurer Josh Frydenberg on tax.

The Australian government's "**high-level advisory panel**" is stacked with five tax types from EY, three from Deloitte, five from KPMG and seven from PwC, Michael West reports.

For the uninitiated, the reason this high-level advisory panel is funny is because a key activity of the Big Four accounting firms



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... leniently.

### **Who guards the Guards? Big Four prepare for war as beach-side senator brings corporate inquiry**

Mr Frydenberg's tax advisory phalanx – that is, the panel which advises the government's Board of Taxation – is not only replete with this coven of 20 Big Four tax wizards, it also boasts emissaries from the crème-de-la-crème of Australia's multinational tax-dodging elite.

Among those providing "real-time policy advice" to the Treasurer is Chevron Australia's tax chief.

Chevron is likely to have leapfrogged even Rupert Murdoch's News Corp as the country's No.1 "tax risk", following a historic Federal Court win by the tax office.

Chevron in the US had been borrowing money in the US at a bit over 1 per cent and lending it to Chevron in Australia at 9 per cent, ripping hundreds of millions of dollars offshore in interest payments.

Then it had the hide to fight the ATO in the courts, soaking up millions more in taxpayer money.

### **Chevron Australia Holdings Pty Ltd**

Also advising the Treasurer on the "quality and effectiveness of tax legislation" is the tax manager from Lendlease.

Lendlease is yet to sally forth to explain how it and its auditors from KPMG managed to pay no tax in 10 years in Australia while "double-dipping" on tax deductions in its retirement village division.



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throbbing unrealised gains. The ATO pursued the case for a while before its prosecution also, quietly, became unrealised.

**When a sale is not a sale – Origin Energy’s unrealised gain**

Not to be outdone by its civic-minded rivals in so selflessly assisting the government with little pointers on tax policy, Shell in Australia also has a representative on the Taxation Board.

Only last week came news that the ATO has pinged Shell with a \$755 million tax bill. Besides fighting the ATO on this one for six years, Shell’s coal seam gas business has racked up almost \$10 billion in total income over the past four years without paying one red cent in income tax.

**BG International (Aus) Pty Limited**

We are somewhat crestfallen that one of the world’s most egregious tax cheats, Exxon, is not represented in this advisory shark pool.

Its peer BP Australia is there among the chosen, however, and although BP is a far bigger taxpayer than Exxon – the best of the oil majors, to be fair – it is no cleanskin either.

In fact, BP misled Parliament over its tax havens during a Senate inquiry. One can only pray that it is not misleading Josh as well.

**Too slick: Oil major BP misleads parliament**

The Treasurer’s tax advisory board would not be complete without an envoy from the Big Four’s professional association

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### **A taxing time for Rupert Murdoch**

It is to be hoped that Senator Deborah O'Neill and her parliamentary colleagues pass their ruler over this pulsating conflict of interest when the inquiry into audit failures and advisory conflicts kicks off later this year.

While the Big Four attempt to shut it down, those wishing to make a submission to the inquiry can do so **here**.

The government's audit advisory outfit, the Financial Reporting Council, is also stacked with Big Four types, as is the Australian Accounting Standards Board and, of course, much of the public service ... which is how the Big Four manage to garner \$700 million a year in consulting fees.

It is yet another irony that all these delegates on the Board of Taxation's Advisory Panel will have personally benefitted from the government's mega tax-cut package.

Phase 3 of the package, the high-income tax relief component, that is, will have helped our helpful tax advisers to many millions in prospective tax relief.

The government doesn't have a lot in the way of policies – with tax cuts and bagging Labor notable exceptions – so its No.1 policy has delivered millions into the pockets of those men and women who advise it on tax policy.

**Big Four: inquiry into government consultancy  
binge gets buried**

*This article was originally published by Michael West. For more of Michael's investigative stories, visit his website [here](#).*

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