

Tech giants defend tax policies at Australian hearing

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Apple is among technology giants summoned to an Australian parliamentary hearing on tax

Global technology giants Apple, Google and Microsoft on Wednesday defended their corporate tax structures at an Australian parliamentary hearing, rebuffing claims they were shifting their profits offshore to avoid paying taxes in the nation.

The three firms also told the upper house Senate inquiry into [corporate tax](#) avoidance, which held its first day of hearings in Sydney, that they were among 12 technology companies being audited by the Australian Taxation Office.

There have been increased efforts by governments around the world, including Australia, to crack down on multinational firms that use complex corporate structures to lower their [tax](#) bills.

The European Union last month unveiled an ambitious plan to force its 28 member countries to share details of any tax deals agreed with some of the world's biggest companies.

"The Australian public don't accept that the structures that are being created by these companies are necessarily genuine and there is a strong sense out there that companies such as yours... also have a great moral and social responsibility to give more back to this community," the hearing's chair Sam Dastyari said.

There was a general perception, he added, "that the structures that have been created within your firms, be it through Ireland or Singapore or through the US... have been designed to minimise your tax obligation in this country."



Google and other technology giants face a worldwide crackdown on tax practices

The firms' representatives said they were paying all the taxes they owed under Australian law.

The inquiry heard Google Australia in 2013 made Aus\$358 million (US\$275 million) in income, generated profits of just over Aus\$46 million in profit and paid Aus\$7.1 million in tax.

Google's Australia and New Zealand managing director Maile Carnegie told the inquiry she could not reveal how much [revenue](#) in total was generated in the country.

But she said some of the revenue generated in Australia such as from advertising was booked in Singapore, its Asia-Pacific headquarters, which has lower tax rates.

Apple's Australia and New Zealand managing director Tony King said his firm last year reported revenue in Australia of Aus\$6 billion and

generated a net profit of Aus\$250 million for a tax bill of about Aus\$80 million.



Microsoft says a large chunk of the revenue generated in Australia is taxed in Singapore

"We haven't shifted any profits. We booked all of our revenues here, all of our costs," King added.

Microsoft's global tax chief Bill Sample said a large chunk of the revenue generated in Australia was taxed in Singapore.

"Aus\$2 billion in (Australian) software product and services revenue booked in Singapore and a little over a Aus\$100 million of consulting

services revenue booked in Australia," Sample told the inquiry.

Australia made closing corporate tax loopholes and endorsing a common reporting standard to increase transparency a key focus of the G20 meetings last year when it assumed the rotating presidency.

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