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Chairman of the Board
Chairman and Chief Executive Officer

21 February 2024

**Director -- International Tax Unit
Corporate and International Tax Division
Treasury
Langton Cres
Parkes ACT 2600**

Sent by email to: MNETaxTransparency@treasury.gov.au

Dear Director,

SC Johnson is writing in response to ‘Exposure Draft: Public Country-by-Country Reporting’ released for consultation and comment on February 12, 2024 (the “Proposal”). While we support the Government’s commitment to transparency, we believe the Proposal will still deter investment in Australia because it diverges from the global reporting standard embodied in the EU Public CBC Directive (“EU Directive”).

The Government recognized this concern and made various changes to bring the Proposal more closely in line with the EU Directive. While we support these changes, **we want to re-emphasize the importance of providing an option, consistent with the EU Directive, to defer public reporting for five years to protect confidential and commercially sensitive data.** Adding this option ensures Australia will continue to attract investment, especially by private and other fast-growing companies that are leaders in innovation and job creation.

Detailed Recommendation

As a fifth generation, privately held, family company invested in Australia since 1917, we have benefited from Australia’s stable investment environment and proactive economic policies. Recognizing the importance of our partnership with Australia and its people, we have operated our company with the highest commitment to corporate values and, most importantly, to our local employees.

For private companies, the confidentiality of financial information is a key competitive advantage and vital to making generational investments in a country. We are deeply concerned the Proposal will require the disclosure of sensitive information such as global sales, profitability, level of investment and other information that is private today (but still available to tax authorities to ensure proper compliance). Delaying the publication of this information by 5 years balances the need for transparency with the goals of promoting a consistent global standard and a robust Australian economy that promotes jobs, investment, and innovation.

The EU publicly stated it did not want to disadvantage European companies vis-à-vis their non-EU rivals by adopting public reporting. The 5-year deferral option was a cornerstone of how the EU met that objective. There is little reason for Australia not to include a similar safeguard here, especially when one of the Proposal’s main goals of discouraging profit shifting has largely been solved by the OECD’s new 15% minimum tax adopted in over one hundred other countries, including Australia.

Sincerely,