PR 2006/154 - Income tax: 2007 Timbercorp Olive Project - Early Growers (to 15 June 2007)

Product Ruling

Income tax: 2007 Timbercorp Olive Project – Early Growers (to 15 June 2007)

Contents Para

This publication provides you with the following level of protection:

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, we must apply the law to you in the way set out in the ruling (or in a way that is more favourable for you if we are satisfied that the ruling is incorrect and disadvantages you, and we are not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

No guarantee of commercial success

The Tax Office **does not** sanction or guarantee this product. Further, we give no assurance that the product is commercially viable, that charges are reasonable, appropriate or represent industry norms, or that projected returns will be achieved or are reasonably based.

Potential participants must form their own view about the commercial and financial viability of the product. We recommend a financial (or other) adviser be consulted for such information.

This Product Ruling provides certainty for potential participants by confirming that the tax benefits set out in the **Ruling** part of this document are available, **provided that** the scheme is carried out in accordance with the information we have been given, and have described below in the **Scheme** part of this document. If the scheme is not carried out as described, participants lose the protection of this Product Ruling.

Terms of use of this Product Ruling

This Product Ruling has been given on the basis that the entity(s) who applied for the Product Ruling, and their associates, will abide by strict terms of use. Any failure to comply with the terms of use may lead to the withdrawal of this Product Ruling.

What this Product Ruling is about

1. This Product Ruling sets out the Commissioner's opinion on the way in which the relevant provision(s) identified in the Ruling section (below) apply to the defined class of entities, who take part in the scheme to which this Ruling relates. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997* (ITAA 1997) unless otherwise indicated. In this Product Ruling this scheme is referred to as the '2007 Timbercorp Olive Project' or simply as 'the Project'.

Class of entities

2. This part of the Product Ruling specifies which entities can rely on the tax benefits set out in the Ruling section of this Product Ruling and which entities cannot rely on those tax benefits.

3. The class of entities who can rely on those tax benefits are referred to as Growers. Growers will be those entities that are accepted to participate in the scheme specified below on or after the date this Product Ruling is made and who have executed the relevant Project Agreements set out in paragraph 28 of this Ruling on or before 15 June 2007. They must have a purpose of staying in the scheme until it is completed (that is being a party to the relevant agreements until their term expires), and deriving assessable income from this involvement.

4. The class of entities who can rely on the tax benefits set out in the Ruling section of this Product Ruling does **not** include entities who:

- intend to terminate their involvement in the scheme prior to its completion, or who otherwise do not intend to derive assessable income from it;
- are accepted in this Project before the date of this Ruling or after 15 June 2007;
- participate in the scheme through offers made other than through the Product Disclosure Statement;
- entities who enter into finance arrangements with Timbercorp Finance Pty Ltd other than those specified in paragraphs 80 to 87 of this Ruling; or
- Timbercorp Securities Limited and its associates.

Qualifications

5. The class of entities defined in this Product Ruling may rely on its contents provided the scheme actually carried out is carried out in accordance with the scheme described in paragraphs 28 to 88 of this Ruling.

6. If the scheme actually carried out is materially different from the scheme that is described in this Product Ruling, then:

- this Product Ruling has no binding effect on the Commissioner because the scheme entered into is not the scheme on which the Commissioner has ruled; and
- this Product Ruling may be withdrawn or modified.

Date of effect

8. This Product Ruling applies prospectively from 6 December 2006, the date this Product Ruling is made. It therefore applies only to the specified class of entities that enter into the scheme from 6 December 2006 until 15 June 2007, being the closing date for entry into the scheme. This Product Ruling provides advice on the availability of tax benefits to the specified class of entities up to 30 June 2009. This Product Ruling will continue to apply to those entities even after its period of application for schemes entered into during the period of application.

9. However the Product Ruling only applies to the extent that:

- there is no change in the scheme or in the entity's involvement in the scheme;
- it is not later withdrawn by notice in the *Gazette*; or
- the relevant provisions are not amended.

10. If this Product Ruling is inconsistent with a later public or private ruling, the relevant class of entities may rely on either ruling which applies to them (item 1 of subsection 357-75(1) of Schedule 1 to the *Taxation Administration Act 1953* (TAA)).

11. If this Product Ruling is inconsistent with an earlier private ruling, the private ruling is taken not to have been made if, when the Product Ruling is made, the following two conditions are met:

- the income year or other period to which the rulings relate has not begun; and

- the scheme to which the rulings relate has not begun to be carried out.

12. If the above two conditions do not apply, the relevant class of entities may rely on either ruling which applies to them (item 3 of subsection 357-75(1) of Schedule 1 to the TAA).

Changes in the Law

13. Although this Product Ruling deals with the laws enacted at the time it was issued, later amendments may impact on this Product Ruling. Any such changes will take precedence over the application of this Product Ruling and, to that extent, this Product Ruling will have no effect.

14. Entities who are considering participating in the scheme are advised to confirm with their taxation adviser that changes in the law have not affected this Product Ruling since it was issued.

Note to promoters and advisers

15. Product Rulings were introduced for the purpose of providing certainty about tax consequences for entities in schemes such as this. In keeping with that intention the Tax Office suggests that promoters and advisers ensure that participants are fully informed of any legislative changes after the Product Ruling is issued.

Goods and Services Tax

16. All fees and expenditure referred to in this Product Ruling include the Goods and Services Tax (GST) where applicable. In order for an entity (referred to in this Ruling as a Grower) to be entitled to claim input tax credits for the GST included in its expenditure, it must be registered or required to be registered for GST and hold a valid tax invoice.

Ruling

Application of this Ruling

17. Subject to the stated qualifications, this part of the Product Ruling sets out in detail the taxation obligations and benefits for a Grower in the defined class of entities who enters into the scheme described at paragraphs 28 to 87 of this Ruling.

18. The Grower's participation in the Project must constitute the carrying on of a business of primary production. Provided the Project is carried out as described below, the Grower's business of primary production will commence at the time or execution of their Sub-lease Deed and Grovelot Management Agreement.

19. A Grower is not eligible to claim any tax deductions until the Grower's application to enter the Project is accepted and the Project has commenced.

The Simplified Tax System (STS)

Division 328

20. To be an 'STS taxpayer' a Grower must be eligible to be an 'STS taxpayer' and must have elected to be an 'STS taxpayer' (Division 328 of the ITAA 1997). For a Grower participating in the Project, the recognition of income and the timing of tax deductions is different under the STS where a Grower who was an 'STS taxpayer' prior to 1 July 2005 continues to use the cash accounting method (called the 'STS accounting method') – see sections 328-120 and 328-125 of the *Income Tax (Transitional Provisions) Act 1997*.

21. For such a Grower, a reference in this Ruling to an amount being deductible when incurred will mean that amount is deductible when paid and a reference to an amount being included in assessable income when 'derived' will mean that amount is included in assessable income when received.

25% entrepreneurs' tax offset

Subdivision 61-J

22. For the first income year starting on or after 1 July 2005, Subdivision 61-J provides for a tax offset of up to 25% of income tax liability related to the business income of a business in the STS with annual group turnover of less than $75,000. Entitlement to the offset varies depending on the type of entity and is therefore outside the scope of this Ruling.

Assessable income

Section 6-5

23. That part of the gross sales proceeds from the Project attributable to the Grower's produce, less any GST payable on those proceeds (section 17-5), will be assessable income of the Grower under section 6-5.

Deductions for management fees, rent, interest, borrowing costs and capital expenditure

Section 8-1, section 25-25, Division 27 and section 40-515 of the ITAA 1997 and sections 82KZME and 82KZMF of the Income Tax Assessment Act 1936

24. A Grower may claim tax deductions for the following fees and expenses on a per Grovelot basis, as set out in the Table below.

Fee Type	**Year ended 30 June 2007**	**Year ended 30 June 2008**	**Year ended 30 June 2009**
Management fee	$5,700 See Notes (i), (ii) & (iii)	$1,200 See Notes (i), (ii) & (iii)	$1,200 and other amounts incurred See Notes (i), (ii), (iii) & (iv)
Rent	Nil	$500 See Notes (i), (ii) & (iii)	$500 See Notes (i), (ii) & (iii)
Marketing and Sales costs	Nil	Nil	As incurred See Note (v)
Interest on loans with the Financier	As incurred See Notes (iii) & (vi)	As incurred See Notes (iii) & (vi)	As incurred See Notes (iii) & (vi)
Loan Application Fee for loans with the Financier	Must be calculated – See Note (vii)	Must be calculated – See Note (vii)	Must be calculated – See Note (vii)
Establishment of Olive Trees			See Note (viii)

Notes:

(i) If the Grower is registered or required to be registered for GST, amount of outgoings would need to be adjusted as relevant for GST (for example, input tax credits): Division 27.

(ii) The management fees and the rent payable under the Grovelot Management Agreement and the Sub-lease Deed respectively are deductible in full in the year that they are incurred.

(iii) This Ruling does not apply to a Grower who chooses to prepay the management fees or rent, or who is required to prepay interest under a loan agreement (see paragraphs 99 to 102 of this Ruling). Amounts that are prepaid for a period that extends beyond the income year in which the expenditure is incurred may be subject to the prepayment provisions in sections 82KZME and 82KZMF of the *Income Tax Assessment Act 1936* (ITAA 1936). Any Grower who prepays such amounts may request a private ruling on the taxation consequences of their participation in the Project.

(iv) TSL will inform Growers of the amount and composition of the cost payable for the 2009 Financial Year. It will consist of a management fee of $1,200 and contingent amounts which are based on a percentage of Net Sales Proceeds.

(v) Marketing and Sales costs are deductible in the year in which they are incurred. TSL will inform Growers of the amounts of Marketing and Sales costs in each financial year in which Proceeds of Sale from Produce or Crop is derived.

(vi) Interest on loans with Timbercorp Finance Pty Ltd is deductible in the year in which it is incurred. However, the deductibility or otherwise of interest arising from loan agreements entered into with financiers other than Timbercorp Finance Pty Ltd, is outside the scope of this Ruling. Prepayments of interest to any lender, including Timbercorp Finance Pty Ltd, are not covered by this Product Ruling. Growers who enter into agreements with other financiers and/or prepay interest may request a private ruling on the deductibility of the interest incurred.

(vii) The Loan Application Fee payable to Timbercorp Finance Pty Ltd is a borrowing expense and is deductible under section 25-25. It is incurred for borrowing moneys that are used or are to be used during that income year solely for income producing purposes. The deduction is spread over the period of the loan or 5 years, whichever is the shorter. The deductibility or otherwise of borrowing costs arising from loan agreements entered into with financiers other than Timbercorp Finance Pty Ltd is outside the scope of this Ruling.

(viii) Olive trees are a 'horticultural plant' as defined in subsection 40-520(2). As a Grower holds the Grovelot under a lease, the condition in item 2 of subsection 40-525(2) is met and a deduction for 'horticultural plants' is available under paragraph 40-515(1)(b) for their decline in value. The deduction for Olive Trees is determined using the formula in section 40-545 and is based on the capital expenditure incurred that is attributable to their establishment. As the Olive Trees have an 'effective life' of greater than 30 years, for the purposes of section 40-545, a straight-line write-off at a rate of 7% will be applied. The deduction is allowable in the income year that the Olive Trees enter their first commercial season (section 40-530, item 2). TSL will notify the Grower when their Olive Trees enter their first commercial season and the amount that may be claimed.

25. A Joint Venture Grower who is in Joint Venture with another entity may claim deductions, on a **per Grovelot** basis, for the following expenditure set out in the Table and Notes in paragraph 24 of this Ruling:

First Joint Venturer

- in the year ending 30 June 2007, $5,700 for management fees as set out in subparagraph 78(i) of this Ruling;
- 50% of all of the deferred management fees and marketing and sales costs and any incentive (performance) fee as set out in subparagraphs 78(iv) and (v) of this Ruling;
- interest and the Loan Application Fee incurred on and payable in respect of funds borrowed from the Financier; and
- 50% of the horticultural plant write-off.

Second Joint Venturer

- 100% of the management fees and rent as set out in subparagraphs 79(i) and (ii) of this Ruling during the 2008-2009 Financial Years;
- 50% of all of the deferred management fees and marketing and sales costs and any incentive (performance) fee as set out in subparagraphs 79(v) and (vi) of this Ruling;
- interest and the Loan Application Fee incurred on and payable in respect of funds borrowed from the Financier; and
- 50% of the horticultural plant write-off.

Division 35 – deferral of losses from non-commercial business activities

Section 35-55 – exercise of Commissioner's discretion

26. A Grower who is an individual accepted into the Project by 15 June 2007 may have losses arising from their participation in the Project that would be deferred to a later income year under section 35-10. Subject to the Project being carried out in the manner described above, the Commissioner will exercise the discretion in paragraph 35-55(1)(b) for a Grower for the income years ending **30 June 2007 to 30 June 2012**. This conditional exercise of the discretion will allow those losses to be offset against the Grower's other assessable income in the income year in which the losses arise.

Prepayment provisions and anti-avoidance provisions

Sections 82KZME, 82KZMF, 82KL and Part IVA

27. For a Grower who commences participation in the Project and incurs expenditure as required by the Grovelot Management Agreement and the Sub-lease Deed, the following provisions of the ITAA 1936 have application as indicated:

- expenditure by a Grower does not fall within the scope of sections 82KZME and 82KZMF (but see paragraph 105 of this Ruling);
- section 82KL does not apply to deny the deductions otherwise allowable; and
- the relevant provisions in Part IVA will not be applied to cancel a tax benefit obtained under a tax law dealt with in this Ruling.

Scheme

28. The scheme that is the subject of this Ruling is specified below. This scheme incorporates the following documents:

- Application for a Product Ruling received on 21 September 2006 and additional correspondence and emails dated 24 October 2006 and 15 and 16 November 2006;
- Draft Product Disclosure Statement for the 2007 Timbercorp Olive Project (PDS), received on 21 September 2006, prepared for Timbercorp Securities Limited (TSL), (the Responsible Entity);
- The Constitution of the 2007 Timbercorp Olive Project, received on 21 September 2006;

- Draft Compliance Plan of the 2007 Timbercorp Olive Project, received on 21 September 2006;
- Draft Lease between the Land Owner and TSL in relation to that part of the Project land known as Anderson TOP 7 on which Grove 700 has been established (Anderson TOP 7 Head Lease), received on 21 September 2006;
- Draft Lease between the Land Owner and TSL in relation to that part of the Project land known as Suttons on which Grove 300 will be established (Suttons Head Lease), received on 21 September 2006;
- Draft **Sub-Lease Deed** between each Grower, the Land Owner and TSL, received on 21 September 2006;
- Draft **Grovelot Management Agreement** between each Grower and TSL undated, received on 16 November 2006;
- Draft Management Agreement between TSL and Olivecorp Management Ltd (OML), received on 21 September 2006;
- Timbercorp Boundary Bend Olive Grove Management Plan for the year ended 30 June 2007, received on 21 September 2006;
- Draft Olive Grove Management Agreement for the 2007 Timbercorp Olive Project between OML, Boundary Bend Estate Management Pty Ltd (BBEM), TSL, and B.B. Olives Pty Ltd (Land Owner), received on 21 September 2006;
- Capital Works Agreement for the 2007 Timbercorp Olive Project between the Land Owner, BBEM and Boundary Bend Ltd (BBL), received on 21 September 2006;
- 2006 Timbercorp Projects Finance Package, which includes the **Loan Application Form**, and Loan Explanation and Loan Terms, received on 21 September 2006;
- Draft Custody Agreement for the 2007 Timbercorp Olive Project between TSL and the Custodian, received on 21 September 2006; and
- Draft Distribution Agreement between Boundary Bend Marketing Pty Ltd (BBM), BBL, TSL and OML, received on 21 September 2006.

Note: certain information has been provided on a commercial-in-confidence basis and will not be disclosed or released under Freedom of Information legislation.

29. The documents highlighted are those that a Grower may enter into. For the purposes of describing the scheme to which this Ruling applies, there are no other agreements, whether formal or informal, and whether or not legally enforceable, which a Grower, or any associate of a Grower, will be a party to, which are a part of the scheme. The effect of these agreements is summarised as follows.

30. All Australian Securities and Investment Commission (ASIC) requirements are, or will be, complied with for the term of the agreements. The effect of these agreements is summarised as follows.

Overview

31. The main features for the 2007 Timbercorp Olive Project are as follows:

Location	North-west Victoria.
Type of business to be carried on by each Participant Grower	Commercial growing and cultivation of Olive Trees for the purpose of harvesting Olives for processing into Olive Oil and selling the Olive Oil.
Number of hectares offered for cultivation	1,000
Size of each Grovelot	0.25 hectares, of which approximately 70% will be located on Grove 700 and approximately 30% will be located on Grove 300.
Minimum allocation	2 Grovelots (TSL may allocate 1 Grovelot at its absolute discretion.)
Minimum subscription	None
Number of trees per hectare	Approximately 398
Term of the Project	23 years with provision for extension by 2 years if certain cashflow benchmarks are not achieved.
Initial cost per Grovelot	$5,700
Initial cost per hectare	$22,800
Ongoing costs	• Annual rent • Fixed management fees for years ending 30 June 2008 and 2009 then operating costs for the remainder of the Term of the Project.
Other fees and costs	• Deferred management fees • Incentive (performance) fees • Marketing and sales costs

32. The Project will be registered as a managed investment scheme under the *Corporations Act 2001*. TSL is the holder of an Australian Financial Services Licence Number 235653 and will be the Responsible Entity for the Project.

33. The Project will involve cultivating and maintaining Olive Trees for the purpose of harvesting Olives for processing into Olive Oil for sale.

34. An offer to participate in the Project will be made through the 2007 Timbercorp Olive Project Product Disclosure Statement (PDS). The offer under the PDS is for 1,000 hectares in the Project which corresponds to 4,000 Grovelots. Applicants will be invited to subscribe for at least two Grovelots comprising of 0.25 hectares per Grovelot. There is no minimum amount that must be raised under the PDS and TSL will not be accepting oversubscriptions.

35. To participate in the Project Applicants must complete the Application and Power of Attorney Form Booklet attached to the PDS and lodge the completed Booklet together with the relevant Application Money on or before 15 June 2007. The Custodian will be appointed under the Custody Agreement to protect the interests of a Grower in their dealings with the Responsible Entity, Timbercorp Securities Limited (TSL).

36. Under the Power of Attorney, TSL will execute the Grower Agreements on behalf of Applicants who are accepted to participate in the Project as Growers. TSL will also allocate Grovelots to the Grower and place the Grower's details in a Register.

37. A Grower accepted on or before 15 June 2007 will commence participation as an Early Grower. **This Ruling only applies in respect of Early Growers who are accepted into the Project from the date this Ruling issued to 15 June 2007. Note that a separate Product Ruling PR 2006/155 has issued for Growers accepted into the Project from 1 July 2007 to 15 June 2008.**

38. The land on which a Grower will be growing and cultivating Olive Trees for the production of Crop or Product consists of two properties (the Project Land) known as Anderson TOP 7 and Suttons, located near Boundary Bend in North West Victoria. TSL will enter into Head Leases with B.B. Olives Pty Ltd, (the Land Owner), in respect of the Project Land and Water Licences owned or acquired by the Land Owner.

39. TSL will grant each Grower a sub-lease to use and occupy two or more identifiable Grovelots for the Term of the Project. However, TSL reserves the right to accept applications for less than two Grovelots.

40. A Grower will also enter into a Grovelot Management Agreement with TSL to engage TSL to cultivate and maintain the Olive Trees on the Grower's Grovelots, and be responsible for harvesting the Olive Trees, procuring the processing of the Grower's Crop into Product, and selling the Grower's Product.

41. As an alternative to participation by a Grower as a single entity, the terms of the Constitution, the Grovelot Management Agreement, and the Sub-lease Deed provide that two entities may participate in the Project as Joint Venture Growers on the terms specified in the Constitution.

Constitution

42. The Constitution establishes the Project and operates as a deed binding all of the Growers and TSL, as Responsible Entity (clause 8.6). The Constitution sets out the terms and conditions under which the Responsible Entity agrees to act and thereby manage the Project.

43. The Responsible Entity must hold the Application Money as a bare trustee for the Applicant. The Application Money paid by any Applicant must be accounted for by the Responsible Entity in a special trust account and such amounts must be placed in one or more bank accounts solely for the purpose of depositing the Application Money for this Project (clause 4). Once the Responsible Entity is satisfied that all documents have been executed and the required finance has been approved for an Applicant, the Application Money is released and applied against the fees payable by the Applicant (clause 9.3).

44. Among other things, the Constitution also sets out provisions relating to:

- invitations and offers under the PDS (clause 2);
- the irrevocable appointment of the Responsible Entity as the Grower's agent, representative and attorney (clause 3);
- how the Responsible Entity is to hold property of the Grower (clause 5);
- procedures relating to applications (clause 6);
- the absolute discretion of the Responsible Entity to refuse applications (clause 7);
- the effect of an Applicant's application being accepted by the Responsible Entity (clause 8);
- the preparation and execution of the Sub-lease Deed and Grovelot Management Agreement by the Responsible Entity (clause 9);
- preparation and issuing of Grovelot Statements to a Grower and the setting up and maintenance of a Register of Growers (clause 10);
- the Responsible Entity's powers (clause 11);

- the keeping of a separate Agency Account for the holding of Proceeds and any other money, apart from Application Money and interest thereon, that the Responsible Entity may hold for the Grower (clause 12);
- procedures relating to processing and the sale of Crop, distributions from the Agency Account of Proceeds and pooling of amounts (clause 13);
- the right of the Responsible Entity to be paid fees and other expenses (clause 14);
- the Responsible Entity's authority to use money in the Agency Account and powers of investment of the money standing in the Agency Account (clauses 15 and 16);
- the status and the retention by the Responsible Entity of the Grovelot Management Agreement and Sub-lease Deed. This includes the right of a Grower to obtain a copy of the above agreements by written request to the Responsible Entity (clauses 18.1 and 18.2);
- the termination of the Grovelot Management Agreement and Sub-lease Deed, consequences of termination in the event of default, and procedures relating to the sale of a Defaulting Grower's Grovelots (clauses 18.3 and 18.4);
- the right of a Grower to inspect certain documents related to their participation in the Project and to give opinions to the Responsible Entity (clause 19.1);
- the assignment and transmission of Grovelots (clause 20) and restrictions on such assignments and transmissions (clause 21);
- procedures for calling a meeting of Growers (clause 22);
- the resolution of complaints made by the Grower in relation to the Project or the Responsible Entity (clause 25); and
- the termination of the Project (clause 26).

45. Clause 6.4 of the Constitution provides that, in certain circumstances, Application Moneys may be paid by instalments. TSL have stated that clause 6.4 will not be invoked. However, for the sake of certainty, this Product Ruling will not apply to any Applicant who enters into an arrangement with TSL to pay their Application Moneys by instalments.

Joint Venture

46. The Constitution also provides for two entities to participate in the Project as Joint Venturers in an unincorporated joint venture (clause 29). Each of the Joint Venturers will be entitled to a Prescribed Proportion of the Joint Venture Assets and any losses realised will be as tenants in common in their Prescribed Proportions. The First Joint Venturer and the Second Joint Venturer will both have an equal 50% Prescribed Proportion.

47. A default on the part of one Joint Venturer will constitute a default of both Joint Venturers that comprise the Participant Grower in respect of the Joint Venturer Grovelots. However, the Responsible Entity acknowledges that a Joint Venturer is not liable for any amount or liability exceeding the Joint Venturer's respective Prescribed Portion by reason of any joint liability incurred or joint loss sustained in connection with any contract or arrangement entered into by the Joint Venturer (clause 18.3A).

48. This Ruling will not apply to Joint Venturers comprised of more than two entities.

Compliance Plan

49. As required by the *Corporations Act 2001*, the Responsible Entity has prepared a Compliance Plan. The purpose of the Compliance Plan is to ensure that TSL, as the Responsible Entity, manages the Project in accordance with its obligations and responsibilities contained in the Constitution and that the interests of the Growers are protected.

Head Leases

50. The Project will be conducted on 2 properties (Project Land) in north-west Victoria, one known as Anderson TOP 7 (designated as Grove 700) and the other known as Suttons (designated as Grove 300).

51. The Project Land and Water Licences for the Project are owned or will be owned by the Land Owner. The properties will be leased by the Land Owner to TSL (the Lessee) under two Head Leases. Each Head Lease sets out the terms and conditions under which the Land Owner will lease the Project Land to TSL to use and exploit during the Term of the Project.

52. TSL must only use the Project Land in accordance with the Constitution, the Grovelot Management Agreement and the Sub-lease Deed (clause 5.1). The Land Owner consents and authorises TSL to enter into Sub-lease Deed with the Growers (clause 9.2).

Sub-lease Deed

53. The Grower will enter into a Sub-lease Deed with TSL and the Land Owner, effective from the Commencement Date, to use and occupy their Grovelots for growing and cultivating the Olive Trees for the production of Crop or Product for commercial gain. The Sub-lease Deed will have a Term of approximately 23 years, but may be extended by TSL for a further 2 years on the same terms and conditions if certain threshold conditions are not met over the period from the Commencement Date until 29 June 2029 and TSL is reasonably satisfied that it is in the best interests of the Grower to extend the Term (clauses 4.1 and 4.2).

54. A Grovelot is a stapled lot consisting of separately identifiable parts of the Grove located on two separate properties. The Grower's interest in the Project includes their interests in, and rights in relation to, each stapled and separately identifiable area in the Project Land. Each Grovelot is approximately 0.25 hectares and consists of approximately 0.175 hectares of the Grove 700 Project Land and approximately 0.075 hectares of the Grove 300 Project Land. Each Grower's Grovelot also includes their interest in and rights over the Olive Trees, the Capital Works and the Water Licences attributed to the Project.

55. The Land Owner warrants to the Grower that Grove 700 has been established and that the necessary infrastructure and other capital works have been or will be constructed and carried out by 15 December 2006.

56. The Land Owner also agrees with the Grower that it must, at its own cost, establish or procure the establishment of Grove 300 and construct necessary infrastructure and carry out the necessary capital works, including the irrigation infrastructure by 15 December 2007 (clause 2.2).

57. In accordance with the provisions of the Grovelot Management Agreement, the Land Owner must also fully exploit its Water Licences to enable water to be supplied to the Grovelots by TSL for the benefit of all the Growers during the Term of the Project (clause 3.2).

58. The Grower acknowledges that the Capital Works, Olive Trees and the Water Licences on and attaching to the Grower's Grovelot(s) will at all times remain the property of B.B. Olives Pty Ltd (clause 2.3).

59. The Sub-lease Deed also set out provisions relating to:

- the obligations and rights of TSL (clause 5), the obligations of the Grower (clause 8), and the obligations and rights of the Land Owner (clause 9);
- the requirement that the Grower enters into the Grovelot Management Agreement (clause 6.1);
- the rent payable by a Grower (clause 7);

- events which may trigger early termination of the Sub-lease by the Grower or TSL (clauses 10.1 and 10.2); and
- the damage to or reduction of the viability of the Grower's Grovelots (clauses 10.3 and 10.4).

Grovelot Management Agreement

60. Each Grower separately engages TSL as an independent contractor for the Term of the Project to manage their Grovelots, conduct the Project Operations on their behalf and perform the Grove Services in accordance with the Management Plan and Best Horticultural Practices (clauses 5 and 6).

61. TSL will carry out the following Grove Services in the period from the Commencement Date until 30 June 2007:

- Infrastructure Management Services (clauses 5.2(a) to (f));
- Administrative and other Management Services (clauses 5.2(g) to (m)); and
- Olive Tree Management Services (clauses 5.2 (n) to (y)).

62. During each subsequent year of the Project TSL will provide Grovelot Services (clause 5.2A), test the maturity of the Olives and where they are ready for harvesting, harvest the mature Olives (clause 6) and deliver the harvested Olives to delivery point(s) for processing into Product and sale (clause 7).

63. TSL will procure the processing of the Grower's Participating Interest in the Crop and will enter into a Project Document as agent and attorney for the Grower. TSL will market and sell the Grower's Participating Interest in the Product using its reasonable endeavours to seek to maximise returns (clauses 7.1 and 7.2).

64. The Grower agrees that the Crop or Product and the proceeds of sale of the Crop or Product will be divided pro rata according to the Participating Interest of each of the Growers in the Project in the Crop or Product (clause 7.3(a)).

65. TSL will be responsible for obtaining and keeping policies of insurance on behalf of the Growers in the Project with a reputable insurer against damage to the Grove, provided that the cost of any such insurance is economically justified. Insurance over the Grove does not include crop insurance unless specifically agreed between TSL and the Grower from year to year (clause 12).

66. Among other things, the Agreement also sets out details of the following:

- the Term (clause 2);
- certain administrative services to be provided to the Growers during the Term of the Project (clause 8);

- the fees and charges payable by a Grower (clause 11);
- the provision of a report to Growers each Financial Year which sets out the results of the harvest, the condition of the Grove and the Grower's Grovelots and Olive Trees (clause 13.5);
- the provision of an annual statement of income and expenses relating to the Grower's Grovelots and the sale of the Product or Crop (clause 13.6); and
- the events that may trigger early termination of this Agreement (clause 15);

Capital Works Agreement

67. The Land Owner engages BBEM as an independent contractor to provide Development Services, to establish the Land having regard to the Establishment Plan, and Best Horticultural Practice. The Development Services include the preparation of the Land, the installation of irrigation facilities, advising the Land Owner on the purchase of Water Licences adequate to meet the requirements of the Grove, erect single wire trellis guards and tree ties and planting of the Olive Trees at an average density of approximately 398 trees per hectare across the whole of the Growers Grovelots (clauses 4.1 and 4.2).

68. The Development Services referred to in clauses 4.1(a) to (f) and 4.2(a) to (c) will have been performed by BBEM by 15 December 2006 in relation to Grove 700. BBEM will also have performed the Development Services referred to in clauses 4.1(a) to (f) and 4.2(a) to (c) in relation to Grove 300 by 15 December 2007.

69. BBEM will replace and replant, at its cost, any Olive Tree that fails within 6 months where the failure is caused by BBEM (clause 4.2(d)).

Management Agreement

70. TSL engages OML as an independent contractor to manage and administer the Project, manage, direct and conduct the Project Operations on behalf of the Growers and perform the Grove Services.

Olive Grove Management Agreement

71. OML engages BBEM as an independent contractor to provide Grove Management Services (clause 4), Harvesting Services (clause 5), Olive Oil Processing Services (clause 6) and Technical Services (clause 7). BBEM must carry out the provision of these services in accordance with the Management Plan. An Olive Grove Management Plan prepared by BBEM for the Financial Year ending 30 June 2007 forms part of the application for this Product Ruling.

Distribution Agreement

72. OML engages BBM as distributor to purchase the entire Product produced from the Project. The Agreement provides for BBM to sell the produce on a back-to-back basis, that is, BBM will source and enter agreements with purchasers for the sale of the Product and will complete its obligations under its agreements by purchasing the Product produced by the Project.

Pooling of Crops and Grower's entitlement to Net Proceeds

73. Both the Constitution (clause 13) and the Grovelot Management Agreement (clauses 7.3 and 14.1) set out provisions relating to the Grower's entitlement to Proceeds. This Product Ruling only applies where the following principles apply to the pooling and distribution arrangements:

- only Growers who have contributed Crop or Product are entitled to benefit from distributions of Proceeds from the pool; and
- any pool of Crop or Product must consist only of Crop or Product contributed by Growers in the 2007 Timbercorp Olive Project.

Fees

74. Under the terms of the Grovelot Management Agreement and the Sub-lease Deed, a Grower will make payments as described below on a **per Grovelot** basis**.** These are as follows:

Fees payable under the Grovelot Management Agreement

- for Grove Services and all other services to be provided in the period from the Commencement Date to 30 June 2007 a fee of **$5,700** is payable upon Application;
- for services to be provided in the period from 1 July 2007 to 30 June 2008, a fee comprised of two components is payable. The first component of **$1,200** is payable on 31 October 2007. The second component is a deferred fee calculated as **2% of the Net Sales Proceeds** of the sale of Crop and Product. The deferred component is payable in each Financial Year of the Project out of and at the time that Proceeds are received by TSL;

- for services to be provided in the period from 1 July 2008 to 30 June 2009, a fee comprised of two components is payable. The first component of **$1,200** is payable on 31 October 2008. The second component is a deferred fee calculated as **2% of the Net Sales Proceeds** of the sale of Crop and Product. The deferred component is payable in each Financial Year of the Project commencing on and from the 2009 Financial Year out of and at the time that Proceeds are received by TSL;
- for services to be provided in each subsequent Financial Year after 30 June 2009 a fee based on the **estimated costs** of operating the relevant Grovelot is payable on 31 October 2009 and 31 October each year thereafter (see paragraph 76 of this Ruling for further explanation). The estimated costs of operating the relevant Grovelot will include an allocation of **overhead costs** incurred by TSL that will not exceed **$50** per Grovelot, indexed; and
- an **incentive (performance) fee of 27.5% of the** annual **Net Proceeds** received by the Grower in excess of the Incentive Fee Threshold is payable prior to any distribution of Net Proceeds received by a Grower in each Financial Year.

Fees payable under the Sub-lease Deed

- for the period from the Commencement Date until 30 June 2007, **nil**;
- for the Financial Years ending 30 June 2008 and 2009, **$500** rent is payable on 31 October 2007 and 2008 respectively;
- for the Financial Years ending 30 June 2010, **$600** rent is payable on 31 October 2009;
- for the Financial Years ending 30 June 2011, **$687** rent is payable on 31 October 2010;
- for the Financial Years ending 30 June 2012, **$966** rent is payable on 31 October 2011; and
- for each subsequent Financial Year during the Term, an amount equal to the rent payable on the immediately proceeding 31 October, Indexed, is payable on 31 October of the relevant Financial Year.

75. As noted above, from the 2010 Financial Year the annual fee payable by a Grower will consist of an amount for the estimated costs of operating the Grovelot. The estimated costs of operating the Grovelot for a Financial Year will include an adjustment for the difference between the actual costs and the estimated costs of managing the Grovelot during the preceding Financial Year (clause 11.3(b)).

76. The PDS provides that the ultimate cost to the Grower will depend on the fees the Grower negotiates with TSL or a financial planner. This Product Ruling does not apply to any Grower who does not pay the fees set out in paragraph 74 of this Ruling. Growers who negotiate fees that are different to those set out in paragraph 74 may request a private ruling on the tax consequences of their participation in the Project.

Fees payable under the Constitution by Growers as Joint Venturers

77. The fees payable per Grovelot by a Grower who is in Joint Venture with another entity are stipulated in clause 29.5 of the Constitution. Under this clause, the fees for which a Joint Venture Grower will be solely responsible are expressed as percentages of the fees outlined in paragraph 74 of this Ruling.

78. The First Joint Venturer will be solely responsible for paying the following fees and other amounts:

- i. 100% of the management fees payable under the Grovelot Management Agreement for the year ended 30 June 2007;
- ii. 50% of the management fees and operating costs payable under the Grovelot Management Agreement in respect of management services provided in all Financial Years commencing on and from the 2012 Financial Year;
- iii. 50% of the rent payable under the Sub-lease Deed in respect of leasehold rights granted in all Financial Years commencing on and from the 2012 Financial Year;
- iv. 50% of all of the deferred management fees and marketing and sales costs payable under the Grovelot Management Agreement; and
- v. 50% of any incentive (performance) fee payable under the Grovelot Management Agreement.

79. The Second Joint Venturer will be solely responsible for paying the following fees and other amounts:

- i. 100% of the management fees (other than the deferred management fees) payable under the Grovelot Management Agreement in respect of management services provided in the Financial Years from 2008 to 2011;
- ii. 100% of the rent payable under the Sub-lease Deed in respect of leasehold rights granted in the Financial Years from 2008 to 2011;

iii. 50% of the management fees and operating costs payable under the Grovelot Management Agreement in respect of management services provided in all Financial Years commencing on and from the 2012 Financial Year;

iv. 50% of the rent payable under the Sub-lease Deed in respect of leasehold rights granted in all Financial Years commencing on and from the 2012 Financial Year;

v. 50% of all of the deferred management fees and marketing and sales costs payable under the Grovelot Management Agreement; and

vi. 50% of any incentive (performance) fee payable under the Grovelot Management Agreement.

Finance

80. A Grower who does not pay the Application Monies in full upon application can fund their involvement in the Project by borrowing from Timbercorp Finance Pty Ltd (the Financier), a lender associated with TSL or from an independent lender external to the Project.

81. Only the finance arrangements set out below are covered by this Product Ruling. A Grower cannot rely on this Product Ruling if they enter into a finance arrangement with the Financier that materially differs from that set out in the documentation provided to the Tax Office with the application for this Product Ruling. A Grower who enters into a finance arrangement with an independent lender external to the Project other than the Financier may request a private ruling on the deductibility or otherwise of interest incurred under finance arrangements not covered by this Product Ruling.

82. Growers cannot rely on any part of this Ruling if the Application Monies are not paid in full on or before 15 June 2007 by the Grower or, on the Grower's behalf, by a lending institution. Where an application is accepted subject to finance approval by any lending institution other than the Financier, Growers cannot rely on this Ruling if written evidence of that approval has not been given to the Responsible Entity by the lending institution on or before 15 June 2007.

Finance offered by Timbercorp Finance Pty Ltd

83. Subject to the terms and conditions of the Loan Application Form and Loan Explanation and Loan Terms a Grower can finance the cost of their Application Monies by borrowing that amount from the Financier.

84. Subject to the Financier accepting the Grower's application, the Grower will be bound by the terms and conditions of the Loan Application Form and Loan Explanation and Loan Terms.

85. The Financier will offer Loan Terms on a commercial basis and approve Loan Amounts up to 90% of the Application Money, as well as 90% of the management fees and rent payable by the Grower in the Financial Years ending 30 June 2008 and 2009. A Grower is required to complete a separate Loan Application Form for each year in which they wish to borrow from the Financier. The Financier will provide a Grower with the loan(s) on a full recourse basis and will pursue legal action against any defaulting borrowers.

86. Common features contained in the Loan Terms are:

- all loans include monthly principal and interest instalments;
- the Financier will lend to the Grower the Loan Amount by paying it to TSL as payment of the Grower's balance of the Application Money for Grovelots or as payment of management fees and rent as the case may be;
- a Loan Application Fee of $250 will comprise part of the Loan Amount;
- the Grower is entitled to repay the whole or part of the Total Amount Owing without penalty for early repayment;
- in the event that any amount is overdue, the Financier may charge interest at the Higher Interest Rate; and
- for the purpose of securing payment of the Total Amount Owing, the Grower will assign to the Financier all its rights, title, and interest in any debt or other monetary obligations owed to the Grower by TSL under or in relation to the Grower's Grovelot(s).

87. The terms specific to the Loan Terms offered by the Financier are summarised below. Rates shown are indicative.

- 1 year term with an interest rate of 0.00% per annum;
- 3 year term with an interest rate of 9.00% per annum;
- 4 year term with an interest rate of 9.95% per annum;
- 5 year term with an interest rate of 10.50% per annum;
- 7 year term with an interest rate of 10.50% per annum;
- 8 year term with an interest rate of 10.50% per annum;
- 9 year term with an interest rate of 10.50% per annum; and
- 10 year term with an interest rate of 10.50% per annum.

88. This Ruling does not apply if the finance arrangement entered into by the Grower includes or has any of the following features:

- there are split loan features of a type referred to in Taxation Ruling TR 98/22;
- there are indemnity arrangements or other collateral agreements in relation to the loan designed to limit the borrower's risk;
- 'additional benefits' are or will be granted to the borrowers for the purpose of section 82KL of the ITAA 1936 or the funding arrangements transform the Project into a 'scheme' to which Part IVA of the ITAA 1936 may apply;
- the loan or rate of interest is non-arm's length;
- repayments of the principal and payments of interest are linked to the derivation of income from the Project;
- the funds borrowed, or any part of them, will not be available for the conduct of the Project but will be transferred (by any mechanism, directly or indirectly) back to the lender or any associate of the lender;
- lenders do not have the capacity under the loan agreement, or a genuine intention, to take legal action against defaulting borrowers; or
- entities associated with the Project, other than the Financier, are involved or become involved in the provision of finance to a Grower for the Project.

Commissioner of Taxation
6 December 2006

Appendix 1 – Explanation

This Appendix is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.

Is the Grower carrying on a business?

89. For the amounts set out in paragraphs 24 and 25 of this Ruling to constitute allowable deductions the Grower's horticultural activities as a participant in the 2007 Timbercorp Olive Project must amount to the carrying on of a business of primary production.

90. Two Taxation Rulings are relevant in determining whether a Grower will be carrying on of a business of primary production.

91. The general indicators used by the Courts are set out in Taxation Ruling TR 97/11 Income tax: am I carrying on a business of primary production?

92. Taxation Ruling TR 2000/8 Income tax: investment schemes, particularly paragraph 89, is more specific to arrangements such as the 2007 Timbercorp Olive Project. As TR 2000/8 sets out, the relevant principles have been established in court decisions such as *Commissioner of Taxation v. Lau* (1984) 6 FCR 202; 84 ATC 4929; (1984) 16 ATR 55. Having applied these principles to the arrangement set out above, a Grower in the 2007 Timbercorp Olive Project is accepted to be carrying on a business of growing and harvesting Olives for processing into Olive Oil for sale.

The Simplified Tax System

Division 328

93. Subdivision 328-F sets out the eligibility requirements that a Grower must satisfy in order to enter the STS and Subdivision 328-G sets out the rules for entering and leaving the STS.

94. Changes to the STS rules apply from 1 July 2005. The question of whether a Grower is eligible to be an 'STS taxpayer' is outside the scope of this Product Ruling (but refer to Taxation Ruling TR 2002/6 and Taxation Ruling TR 2002/11). Therefore, any Grower who relies on those parts of this Ruling that refer to the STS will be assumed to have correctly determined whether or not they are eligible to be an 'STS taxpayer'.

Deductibility of management fees, rent and interest on loans with Timbercorp Finance Pty Ltd

Section 8-1

95. The management fees and rent are deductible under section 8-1 (see paragraphs 43 and 44 of TR 2000/8). A 'non-income producing' purpose (see paragraphs 47 and 48 of TR 2000/8) is not identifiable in the arrangement and there is no capital component evident in the management fees or rent (see paragraphs 49 to 51 of TR 2000/8).

96. The tests of deductibility under the first limb of section 8-1 are met. The exclusions do not apply. Provided that the prepayment provisions do not apply (see paragraphs 99 to 102 of this Ruling) a deduction for these amounts can be claimed in the year in which they are incurred. (Note: the meaning of incurred is explained in Taxation Ruling TR 97/7.)

97. Some Growers may finance their participation in the Project through a Loan Agreement with Timbercorp Finance Pty Ltd. Applying the same principles as that used for the management fee and rent, interest incurred under such a loan has sufficient connection with the gaining of assessable income to be deductible under section 8-1.

98. Other than where the prepayment provisions apply (see paragraphs 99 to 102 of this Ruling), a Grower can claim a deduction for such interest in the year in which it is incurred.

Prepayment provisions

Sections 82KZL to 82KZMF

99. The prepayment provisions contained in Subdivision H of Division 3 of Part III of the ITAA 1936 affect the timing of deductions for certain prepaid expenditure. These provisions apply to certain expenditure incurred under an agreement in return for the doing of a thing under the agreement (for example, the performance of management services or the leasing of land) that will not be wholly done within the same year of income as the year in which the expenditure is incurred. If expenditure is incurred to cover the provision of services to be provided within the same year, then it is not expenditure to which the prepayment rules apply. For this Project, the only prepayment provisions that are relevant are section 82KZL of the ITAA 1936 (an interpretive provision) and sections 82KZME and 82KZMF of the ITAA 1936 (operative provisions).

Application of the prepayment provisions to this Project

100. Under the Scheme to which this Product Ruling applies management fees and rent are incurred annually and interest payable to Timbercorp Finance Pty Ltd is incurred monthly in arrears. Accordingly, the prepayment provisions in sections 82KZME and 82KZMF of the ITAA 1936 have no application to this Scheme.

101. However, sections 82KZME and 82KZMF of the ITAA 1936 may have relevance if a Grower in this Project prepays all or some of the expenditure payable under the Grovelot Management Agreement and/or the Sub-lease Deed, or prepays interest under a loan agreement (including loan agreements with lenders other than Timbercorp Finance Pty Ltd). Where such a prepayment is made these prepayment provisions will also apply to 'STS taxpayers' because there is no specific exclusion contained in section 82KZME that excludes them from the operation of section 82KZMF.

102. As noted in the Ruling section above, a Grower who prepays fees or interest is not covered by this Product Ruling and may instead request a private ruling on the tax consequences of their participation in this Project.

Expenditure of a capital nature

Division 40

103. Any part of the expenditure of a Grower that is attributable to acquiring an asset or advantage of an enduring kind is generally capital or capital in nature and will not be an allowable deduction under section 8-1. In this Project, expenditure attributable to the establishment of the Olive Trees is of a capital nature. This expenditure falls for consideration under Division 40.

Division 35 – deferral of losses from non-commercial business activities

Section 35-55 – exercise of Commissioner's discretion

104. In deciding to exercise the discretion in paragraph 35-55(1)(b) on a conditional basis for the income years **30 June 2007 to 30 June 2012** the Commissioner has applied the principles set out in Taxation Ruling TR 2001/14 Income tax: Division 35 – non-commercial business losses. Accordingly, based on the evidence supplied, the Commissioner has determined that for those income years ended 30 June 2007 up to and including 30 June 2012:

- it is because of its nature the business activity of a Grower will not satisfy one of the four tests in Division 35; and
- there is an objective expectation that within a period that is commercially viable for the olive industry, a Grower's business activity will satisfy one of the four tests set out in Division 35 or produce a taxation profit.

105. A Grower who would otherwise be required to defer a loss arising from their participation in the Project under subsection 35-10(2) until a later income year is able to offset that loss against their other assessable income.

106. The exercise of the Commissioner's discretion under paragraph 35-55(1)(b) is conditional on the Project being carried on in the manner described in this Ruling during the income years specified. If the Project is carried out in a materially different way to that described in the Ruling a Grower will need to apply for a private ruling on the application of section 35-55 to those changed circumstances.

Section 82KL – recouped expenditure

107. The operation of section 82KL of the ITAA 1936 depends, among other things, on the identification of a certain quantum of 'additional benefits(s)'. Insufficient 'additional benefits' will be provided to trigger the application of section 82KL. It will not apply to deny the deduction otherwise allowable under section 8-1 of the ITAA 1997.

Part IVA – general tax avoidance provisions

108. For Part IVA of the ITAA 1936 to apply there must be a 'scheme' (section 177A), a 'tax benefit' (section 177C), and a dominant purpose of entering into the scheme to obtain a tax benefit (section 177D).

109. The 2007 Timbercorp Olive Project will be a 'scheme'. A Grower will obtain a 'tax benefit' from entering into the scheme, in the form of tax deductions for the amounts detailed at paragraphs 24 and 25 of this Ruling that would not have been obtained but for the scheme. However, it is not possible to conclude the scheme will be entered into or carried out with the dominant purpose of obtaining this tax benefit.

110. Grower to whom this Ruling applies intends to stay in the scheme for its full term and derive assessable income from the harvesting and sale of the Crop or Product. There are no facts that would suggest that a Grower has the opportunity of obtaining a tax advantage other than the tax advantages identified in this Ruling. There is no non-recourse financing or round robin characteristics, and no indication that the parties are not dealing at arm's length or, if any parties are not dealing at arm's length, that any adverse tax consequences result. Further, having regard to the factors to be considered under paragraph 177D(b) of the ITAA 1936 it cannot be concluded, on the information available, that Growers will enter into the scheme for the dominant purpose of obtaining a tax benefit.

Appendix 2 – Detailed contents list

111. The following is a detailed contents list for this Ruling:

References

Previous draft:

Not previously issued as a draft

Related Rulings/Determinations:

TR 97/7; TR 97/11; TR 98/22;
TR 2000/8; TR 2001/14;
TR 2002/6; TR 2002/11;
PR 2006/155

Subject references:

- carrying on a business
- commencement of business
- fee expenses
- interest expenses
- management fees
- non-commercial losses
- producing assessable income
- product rulings
- public rulings
- tax avoidance
- tax benefits under tax avoidance schemes
- tax shelters
- tax shelters project
- taxation administration

Legislative references:

- ITAA 1936 82KL
- ITAA 1936 Pt III Div 3 Subdiv H
- ITAA 1936 82KZL
- ITAA 1936 82KZM
- ITAA 1936 82KZMA
- ITAA 1936 82KZMB
- ITAA 1936 82KZMC
- ITAA 1936 82KZMD
- ITAA 1936 82KZME
- ITAA 1936 82KZMF
- ITAA 1936 Pt IVA
- ITAA 1936 177A
- ITAA 1936 177C
- ITAA 1936 177D
- ITAA 1936 177D(b)
- ITAA 1997 6-5
- ITAA 1997 8-1
- ITAA 1997 17-5
- ITAA 1997 25-25
- ITAA 1997 Div 27
- ITAA 1997 Div 35
- ITAA 1997 35-10
- ITAA 1997 35-10(2)
- ITAA 1997 35-55
- ITAA 1997 35-55(1)(b)
- ITAA 1997 Div 40
- ITAA 1997 40-515
- ITAA 1997 40-515(1)(b)
- ITAA 1997 40-520(2)
- ITAA 1997 40-525(2)
- ITAA 1997 40-530
- ITAA 1997 40-545
- ITAA 1997 Subdiv 61-J
- ITAA 1997 Div 328
- ITAA 1997 Subdiv 328-F
- ITAA 1997 Subdiv 328-G
- TAA 1953
- TAA 1953 Sch 1 357-75(1)
- Copyright Act 1968
- Corporations Act 2001
- IT(TP)A 1997 328-120
- IT(TP)A 1997 328-125

Case references:

- Commissioner of Taxation v. Lau (1984) 6 FCR 202; 84 ATC 4929; (1984) 16 ATR 55

ATO references

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