



**> GPT** Tax Transparency  
Report

---

2017



## About The GPT Group (“the Group”)

General Property Trust (“GPT”) is Australia’s oldest property trust. Listed on the Australian Securities Exchange (“ASX”) in 1971 the GPT Group is today one of Australia’s largest diversified listed property groups. The Group has a substantial investor base, with more than 35,000 investors, and is one of the top 50 stocks by market capitalisation.

The GPT Group is the owner and manager of a high quality portfolio of Australian office, logistics, business parks and retail assets and has \$20 billion of assets under management.

The Group’s portfolio includes some of Australia’s most well recognised properties, including the MLC Centre and Australia Square in Sydney’s CBD, Melbourne Central and Highpoint Shopping Centre in Melbourne and Brisbane’s One One One Eagle Street.

Each GPT security listed on the ASX is comprised of a share in GPT Management Holdings Limited (“GPTMH”) that is ‘stapled’ to a unit in General Property Trust (GPT) that trades on the ASX. GPT is a unit trust that is treated separately to GPTMH for Australian tax purposes.

Stapling arrangements are commonly used by real estate investors to capture operating and efficiency benefits related to large scale real estate investments.

The Group’s business is almost entirely conducted in Australia and consists predominantly of property investments in Australia that are held to derive rental income. In addition, GPTMH’s business consists of funds management, property development and property management.

The GPT Group owns its real estate investment assets within a trust (GPT). Under Australian tax law, investors in a trust are taxed on a flow through basis in respect of rental income earned from investing in real estate. All other trading activities are carried on through a company.

The GPT Group does not engage in arrangements that shift profits to low tax overseas jurisdictions. The GPT Group Board and the Group’s Tax Risk Management Framework does not support or sanction arrangements that involve aggressive tax planning.

The GPT Group is also subject to goods and services tax (“GST”), stamp duty, council rates, land tax, payroll tax, fringe benefits tax (“FBT”) and remits ‘pay as you go’ (“PAYG”) withholding taxes on behalf of employees and investors.

## Australian Tax Transparency

The GPT Group regards good corporate governance as a fundamental component of its commitment to investors and its Board strives to ensure that the group meets high standards of governance across its operations. The GPT Group is committed to managing its tax obligations responsibly and in compliance with all laws and regulations.

The Board of Taxation has released a Tax Transparency Code (“TTC”) that recommends a set of principles and minimum standards on the disclosure of tax information for businesses. The GPT Group has voluntarily adopted the TTC recommendations and publishes this document as part of the Group’s commitment to tax transparency.

The GPT Group has a long established Tax Risk Management Framework (“the Framework”) that is endorsed by the GPT Audit and Risk and Management Committee that reflects the Group’s low risk approach to taxation.

The Framework provides a strong governance approach that ensures compliance with tax law through the implementation of tax related policies, processes, procedures and systems across the Group’s business.

The Group applies the Framework across the broader business to correctly integrate the taxation implications of transactions, projects and business initiatives into day to day activities.

By applying the Framework, The GPT Group is able to manage its tax obligations efficiently and ensure that it complies with all tax laws and mitigates transaction related tax risks.

Where necessary, private tax rulings, external advice and counsel opinion is obtained to ensure the correct application of the tax law to the Group’s business.

The GPT Group is cognisant of the Australian Taxation Office’s expectations on tax risk management and is committed to maintaining a positive relationship with the Australian Taxation Office at all times that is based on open dialogue and trust in respect of its tax affairs.

The GPT Group commits executive resources on an ongoing basis to engage in consultation regarding tax policy, tax reform and tax law administration with policymakers, the Australian Taxation Office directly, and through the Property Council of Australia (“PCA”) on matters that are relevant to GPT’s business and GPT’s investors. The GPT Group’s engagement with revenue authorities and policymakers provides commercial and business insight regarding the practical difficulties that arise in applying tax laws and helps The GPT Group to ensure it is properly discharging its tax obligations.

## ATO public disclosure

Under Australia’s taxation laws, unitholders that invest in GPT pay income tax to the Federal Government on distributions through the personal income tax regime or through the withholding tax regime that applies to Managed Investment Trusts (“MIT”).

In the case where a GPT unitholder is an Australian resident, the unitholder pays tax as if they held the property directly at their own applicable tax rate. Where the unitholder is a non-resident, MIT withholding tax applies at the rate of 15 per cent where the place of payment is in a country that has an exchange of information agreement with Australia. If such an agreement does not exist, a withholding tax rate of 30 per cent or 45 per cent applies, depending on the circumstances.

All other taxable income that is earned from funds management, property development, property management and responsible entity services is subject to Australian corporate taxation at the rate of 30 per cent. This business is carried on by GPTMH and its subsidiaries.

Because The GPT Group is a stapled group, GPTMH as a company is included in the tax transparency reporting made by the Commissioner. GPT is not a corporate entity and its financial details are not reflected in the data publicly released by the Commissioner. For this reason, it will not be possible to reconcile the Total Income reported by the Commissioner with The GPT Group's financial results.

Further information regarding the Group's tax arrangements can be found in the tax note included in the Group's annual financial report published on the Group's website at: [www.gpt.com.au](http://www.gpt.com.au).