

# Australia's development fund allowed to use tax havens

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### Government takes the brakes off.

The Green Party in Australia tried to stop that country's international development fund investing through tax havens yesterday. It failed:

*THE \$64 billion Future Fund will continue to be free to invest through tax havens such as the Cayman Islands and will also be freed from a raft of restrictions relating to pay scales, freedom of information laws and the use of its \$4.3 billion Telstra shareholding, under reforms unveiled by the Finance Minister, Lindsay Tanner, in the presence of the fund's chairman, David Murray.*

*Mr Tanner told the National Press Club that given the structure of the industry and complexity of international tax law, investing through asset managers domiciled in the Cayman Islands was "a common practice and often difficult to avoid".*

No it is not. It is a choice as to whether to avoid it or not. The difficulty is that the 'funds management' industry and the combined forces of the lawyers and accountants of the world say that these structures are hard to avoid even though they unambiguously use arrangements that are used to facilitate the biggest scandal since slavery - the movement of US\$1 trillion each year from the world's poorest people to the world's wealthiest people (you - the reader, I suspect, and me too).

And the usual excuses were offered:

*"And the Cayman Islands is changing," he said. "It is negotiating a tax information treaty with Australia, and joined the OECD list of jurisdictions that have substantially implemented the internationally agreed tax standard."*

Twelve Tax Information Exchange Agreements is not transparency, honesty, accountability or even an indication of any benefit actually arising. The OECD has to hand its head in shame for setting this absurd indication 'compliance with international standards'.

And the Australians (like the UK, and others) have to be ashamed of the duplicity in their position:

*The fund's annual report revealed that in the past year it had opened five subsidiaries in the Caribbean tax haven at a time when the Prime Minister had been part of the global push to crack down on tax shelters.*

Only Norway has had the courage to begin tackling this issue. It is long overdue that other's did.