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Can Death Concession Rule Maintain Eternal Pre-CGT Asset Status for Entity Owned Assets? – *Dale Boccabella*

Death changes the status of a pre-capital gains tax asset to a post-CGT asset for the deceased's donee. This suggests no asset can remain a pre-CGT with time. Division 149 deals with pre-CGT assets held in entities. The general rule is where a substantial change in ownership of the entity occurs (50% or more) compared to the ownership position at CGT start date, the entity's pre-CGT assets will become post-CGT assets. However, where the disqualifying change in ownership of the entity occurs by reason of death, such a change of status is deemed to not occur. This exception to the general rule clearly applies where the deceased was a CGT start date owner. However, there is some doubt as to whether the exception can apply where the taxpayer who obtained the interest from the CGT start date owner passes it on to their beneficiary on death, that is, a subsequent testamentary transfer(s). If the exception does apply to subsequent testamentary transfers, the possibility of a pre-CGT asset in say 150-years is raised. 207

ESG Performance and Corporate Tax Aggressiveness in Australia – *Terri Trireksani, Hadrian Geri Djajadikerta and Hafiz Yasir Ali*

This study examines the association between environmental, social, and governance (ESG) performance and corporate tax aggressiveness among publicly listed Australian firms using a comprehensive data set from 2009 to 2024. Drawing on stakeholder and legitimacy theories, we find that higher ESG performance, particularly in the social dimension, is significantly linked to lower tax aggressiveness. Using Refinitiv ESG scores and a peer-adjusted tax aggressiveness measure (TA_GAAP), the analysis remains robust to alternative measures and extensive controls. Policy relevance is notable. For the Australian Taxation Office, social ESG indicators could enhance Justified Trust risk assessments. The findings also support integrating tax transparency metrics into ESG reporting frameworks for Treasury and standard setters. Boards and executives can align social responsibility initiatives with prudent tax strategies to strengthen compliance, investor confidence, and stakeholder trust. The study reinforces the view that responsible tax conduct is essential to sustainable corporate practice in the Australian context. 221

Comparing Indonesian and Australian Approaches to Tax Administration – *James McMillan, Henderi, and Leonardo Zulkarnain*

This article considers some of the main differences between the Australian and Indonesian approaches to tax administration, with emphasis on differences in the design of the two systems. Australia's tax system is high performing. Revenue targets are regularly met, and an annual Tax to Gross Domestic Product (GDP) ratio in the range of 23%–24% is

consistently achieved. In contrast, Indonesia’s tax system does not yet generate sufficient revenue to meet the Indonesian Government’s long-term aspiration to achieve a 16% Tax to GDP ratio. Through a better understanding of some of the design differences between the two systems in their approach to tax administration, Indonesia’s Directorate General of Taxation could identify changes which, if adopted, may assist it to achieve its long-term revenue goals. 241

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