Multinational tax avoidance is a long-run, serious global problem.

Foreign multinationals not paying their fair share – or in some cases any company tax – is unfair to Australian taxpayers and local businesses, especially small companies. It is also hurting the commonwealth budget bottom line, to the tune of billions of dollars, money which could be spent on essential services and a raft of other investments in the Australian people and their social, economic and environmental infrastructure. Yet in this John Curtin Research Centre Discussion Paper, Peter Khalil argues that one of the solutions can be found at home. Drawing on disturbing tax avoidance data and global developments, Khalil makes the persuasive case for Australia acting as a 'first mover' on multinational tax avoidance. This will help create the necessary momentum for real international action but is also a nation-building reform in the interests of fairness and budget integrity.

About the Author

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Introduction

It has been 82 years since Dorothy and Toto found themselves on the yellow brick road to the Wizard of Oz. Flying monkeys and munchkins aside, the central moral of the movie classic "being afraid but doing whatever it was you set out to do anyway" contrasts with the Abbott-Turnbull-Morrison Coalition Government's 8 year-long lack of reform courage and insipid policy response to the egregious tax avoidance of big multinational corporations (MNCs).

This, of course, is not just an Australian problem but a global one. The Organisation for Economic Co-operation and Development (OECD) is seeking to rewrite the international tax rules to end the decades long race to the bottom on corporate tax because in the increasingly digitalised global economy – it is only becoming easier for MNCs to avoid paying tax.

The Coalition waits passively for the great Wizard of the OECD, invisible behind the curtain conjuring solutions, pleading with member states to "pay no attention" as it tries to retrofit an unwieldy rules mechanism onto the sputtering and ageing international tax system.[i]

Meanwhile the MNCs virtually unchecked fly around the world like the Wicked Witch of the West with a band of flying evil monkeys exploiting their mobility across national borders and outmanoeuvring the clapped out, grounded international tax system. They blatantly evade paying their fair share of tax (often any tax) to the tune of hundreds of billions of dollars annually.[ii] It's average Aussie taxpayers who are doubly disadvantaged: not only paying their fair share of tax but missing out on critical investment in public services that these tax dollars should be funding.

The Coalition lacks the brains, the heart and the courage to take on the MNCs and make them pay up. Like the cowardly lion, Treasurer Josh Frydenberg cowers from substantive action on a glaring global problem. He kicks the can down the yellow brick road for a future government.

The problem is clear. According to the 2017-18 the Australian Taxation Office's (ATO) tax gap analysis estimated big companies avoided paying up to $4.1 billion through non-compliance alone.[iii] That doesn't include the likely tens of billions more syphoned away through legal tax avoidance tactics.[iv] In 2019, one third of large companies operating in Australia paid no corporate income tax.[v] Globally, nations lost around AUD $130-310 billion to tax-avoidance tactics.[vi] It's getting worse despite domestic anti-avoidance laws and international efforts.

Internationally, the OECD continues to seek reform of outdated corporate income tax systems to mitigate multinational tax avoidance. Yet these efforts have been slow and criticised for not going far enough.[vii] Frustrated by the sluggish pace and unnerving complexity of OECD processes, nations have taken unilateral action and implemented a digital services tax (DST).

“Toto, I have a feeling we’re not in Kansas anymore”

Just like Dorothy we find ourselves in the Land of Oz: a shiny, new technicolour digital world where our international taxation system has been transported from 1920s Kansas and is no longer fit for purpose. Unlike Dorothy getting back to Kansas, there is no going back for us.

Our – national and global efforts – have not addressed the core problem. The outdated source-based corporate income tax (CIT) system frames the allocation of taxing rights according to the source of income and the residence of taxpayers, a system all too easily manipulated.

Australia should lead the way to change this to ensure that MNCs, and especially big tech companies (they are fast becoming the worst offenders), pay their fair share of tax.

We need to have the courage to take the first steps towards making the big structural tax reforms necessary for our national interest; for our budget repair to be based on fairness and for more tax dollars to spend on public goods. We should be a first mover to create the momentum in the international process necessary for genuine reform of the international tax system.

This requires bold approaches, brave policy making and ambitious international engagement.

If we don’t take the initiative companies will continue to win this game, find new and ever more devious more ways to avoid their tax responsibilities, denying Australians the tax dollars that would otherwise be spent on our schools, hospitals, public infrastructure and environment.

There are bold tax reform options available; DST, a data tax or even the more ‘radical’ cash flow tax (CFT) would address tax avoidance and make MNCs pay up, right here in Australia.[ix]

Leadership on the domestic reform front will not only make big MNCs pay their fair share at home, but can be leveraged to build momentum for efforts on a global consensus including joining with the Biden Administration in their new push for a Global Minimum tax (GMT) rate.

It’s time for Australia to pursue these options and make MNCs pay up.

What’s the problem?

MNCs who pay no tax and get away with it are beneficiaries of an international and corporate income tax system designed almost a century ago by the League of Nations, forerunner to the United Nations. At that time concerns that double taxation would weaken international trade and commerce and be an "obstacle to placing investments abroad''[x] led to the adoption of a source-based taxation at origin system whereby taxing rights are based on the location of physical assets, capital and labour, the source of income and the residence of taxpayers.[xi]

It was designed in a world where large MNCs as we know them and the digitalised fluidity of business and communication across borders did not exist. Today, MNCs are responsible for almost a third of global production.[xii] As the OECD puts it, "in a digital age, the allocation of taxing rights can no longer be exclusively circumscribed by reference to physical presence. The current rules dating back to the 1920s are no longer sufficient to ensure a fair allocation of taxing rights in an increasingly globalised world."[xiii]

When you think about tax avoidance, most minds drift to tropical island tax havens. While this practice still occurs, MNCs also deploy a range of sophisticated tactics to avoid their tax responsibilities including structuring their businesses to avoid a taxable presence, debt shifting, using royalty payments, tax arbitrage, treaty shopping and transfer pricing.[xiv]

Perhaps the most significant of these avoidance mechanisms is where MNCs distort or inflate the prices of an item sold to related parties operating in a higher tax jurisdiction to minimise their tax bill (sometimes referred to as transfer mispricing). Around 60% of global trade consists of these related party dealings.[xv]

There can be no doubting the effectiveness of these tactics. Based on the latest ATO data, of the 2,311 entities in the yearly 2018-19 ATO Transparency Report, 741 entities (32%) paid zero tax.[xvi] The figures are staggering. For instance, Vodafone and Ikea both paid nothing to the ATO. Yet the former declared a total income of $3 billion and the latter $1 billion.[xvii] Other companies who do cough up some tax often pay rates as low as 2 or 3%.

Big tech companies are among the worst offenders in this category. You would be hard-pressed to find a household in Australia without at least one Netflix account. Yet, Netflix Australia paid less than $500,000 in tax for the 2019 calendar year despite an estimated 5 million plus subscribers and estimated revenue between $670 million. $1.2 billion was syphoned back to the Netherlands, untaxed.[xviii]

Multiple sources in Australia have declared that they receive invoices for advertising services from 'Facebook Ireland' or 'Google Asia Pacific' instead of from their Australian operations.[xix] Payments are deliberately moved offshore to lower-taxing countries making it difficult to see how much Facebook and Google actually make in advertising revenue in Australia.

According to the ATO Transparency Report, Facebook with a total declared income of $581 million, only paid $15 million – effectively a tax rate of 3%. Google wasn't much better, despite declaring a total income of $1.07 billion, paid only $51 million in tax, a tax rate of 5%.[xx]

Domestic efforts

Seeking to get a big MNC to pay their fair share of tax, is akin to 'Aunty Em' politely convincing the Wicked Witch to stop being nasty to Toto. Granted, Australian governments have tried to get companies to pay up by introducing the Diverted Profits Tax (DPT), Thin Capitalisation Laws and the Multinational Anti-Avoidance Law (MAAL), and some MNCs have paid more tax locally. However, these laws have not solved or made much of a dent in the tax avoidance that occurs. The MAAL is estimated to only have recovered $7 billion of taxable sales annually to the Australian tax base, resulting in a relatively minor $1 billion boost in collected tax.

The DPT, which the ATO invoked for the first time last financial year has the powers to hit companies engaging in "contrived arrangements" to avoid tax with a 40% tax on all profits. It is applied when a MNC hasn't been cooperative with the ATO. In the past year, the ATO has considered a few matters under this law, but no cases have been settled yet.[xxii]

Australia also has longstanding thin capitalisation laws applying to entities with debt deductions of $2 million or more in an income year to limit the amount of deductible debt. Despite these efforts none have entirely solved the tax avoidance problem. Billions are still avoided every year and these laws are collecting just a few drops for what should be a much fuller bucket.

International efforts

Globally, the OECD has been leading the multilateral efforts to counter tax avoidance. The 2013 Base Erosion and Profit Shifting (BEPS) Action Plan aimed to ''better align rights to tax with economic activity''[xxiii] with 15 actions to facilitate cooperation between countries. Australia has enacted 14 of the 15 recommendations. These actions were not intended to 'overhaul' the system, but rather focused on combatting transfer pricing and profit shifting. At best, the plan tinkers around the edges rather than tackles the core issue. As the European Commission (EC) noted in 2017, "current tax framework does not fit with modern realities"; a more radical approach is needed to ensure "a better link between how value is created and where it is taxed".

In response the 2018 OECD has laid out two pillars. Pillar One proposes to re-write the international tax rules so that companies are taxed where they are making their profits – where their consumers or users are located – regardless of where the company itself is located. Pillar Two would implement a global minimum tax (GMT) to ensure that a minimum is paid across any country, any jurisdiction, and if not, act essentially as a 'top up' tax so that minimum is met.

While G20 nation leaders welcomed the release of the two pillars, COVID-19 has delayed the OECD's final report, and some commentators note that Pillar One is "mind bogglingly ambiguous"[xxv] and so complex that notwithstanding the degree of difficulty even to reach international agreement on it, there is an argument it would add "further complexity to a system which is in serious danger of caving under the sheer weight of its labyrinthine rules."

Getting the world's nations to agree on how to re-write the international tax rules and implement a new GMT is the overarching challenge. Notwithstanding the recent Biden-Yellen endorsements of a GMT, even if negotiations go well, it will take years to reach consensus. Meanwhile, companies will continue to successfully exploit the gaps in our current system.

Some countries are not waiting on this multilateral process. They are taking domestic action and trying to make companies pay their fair share. The OECD also set out a 'temporary' framework for countries that may want to implement a DST on income generated through digital services, online advertising, user data and digital platforms until long-term solutions are agreed.

Several countries did not need to be told twice. France, the UK, Spain, and Italy all unilaterally implemented a domestic DST. France slapped a 3% DST on big tech companies in 2019. The move was met by strong opposition from US President Donald Trump who threatened a trade war with retaliatory tariffs on French wine. Ultimately, the US and France reached a truce whereby France agreed to reimburse US tech firms for any amounts of tax charged under their DST higher than what would be charged under the OECD's long-term solution, if implemented.

This kind of unilateral domestic action is critical for global momentum against tax avoidance. It made Facebook and Google pay attention. The new DSTs made global headlines, spotlighted tax avoidance, and gave added momentum to the conversation about possible policy solutions.

By contrast, the Coalition Government's position has been to sit back and wait for the OECD to summon a global consensus. Treasury studied the possibility of implementing a DST in 2018 but Treasurer Josh Frydenberg delayed action until the OECD hands down its final report.

Many of the Treasurer's illustrious predecessors took on big reform even when, and especially when, it was hard. For example, Paul Keating lowered the top marginal tax rate and introduced a capital gains tax and a fringe-benefits tax. Yet Frydenberg waits for others to move when it comes to tax reform. He does not understand that courage means acting in the face of fear.

Waiting for the OECD-led long-term consensus solution, even with the Biden Administration's support for the GMT, means Australia foregoes billions in tax. We can't afford to wait anymore. Australia should be leading the way, enacting bold reforms to tackle this problem head on.

Unfairness

When you mix the growing public awareness of tax avoidance with the Aussie value of the 'fair go' there should be no surprise that the anger of the Australian taxpayer is palpable and reasonable: if the biggest richest companies in the world don't play by the rules, why should I?

The average Australian faced a personal tax rate of 23.6% in 2019.[xxvii] Significantly, more than eighty companies have paid zero tax consecutively over the past six financial years.[xxviii]

It is unfair for our small businesses, which account for 97% of all Australian businesses.[xxix] Unlike an MNC they cannot avoid taxes by shifting profits to Singapore. The average café business pays 27.5% of their earnings on tax.[xxx] All the while big MNCs get away with paying nothing and some like Google or Facebook essentially determine their own tax rate, in their case 2 or 3%.

This blatant unfairness is not lost on voters. 90% of Australians agree and believe that the Federal Government should take action to prevent MNC tax avoidance.[xxxi] But when Australians turn to their government for real solutions, they find little is being done to restore fairness.

Radical reform options

To really tackle this problem, reform must change the source-based tax system. Of course, this does not mean there is an easy or quick solution. But it is possible. We just need to get started. We do not need to wait for the OECD. Any unilateral action we take builds momentum towards the global consensus. And we must implement bold tax reform for our own national interest.

There are a few ways that we can start to truly crack down on MNC tax avoidance. Each in its own way targets the core problem at hand – our out-dated source-based tax system.

Digital Services Tax

To begin with, Australia could follow in the footsteps of nations like France who have implemented an interim measure, a gross CFT tax of 3% on all revenue from digital services and advertising. This levy on revenue is really about catching out the Big Tech MNCs who don't pay up. Even after implementing the BEPS package, France and other nations recognised that digital businesses continued to make untaxed profit in jurisdictions they had a limited presence in. The DST helps recoup some of this tax and has been a tax revenue raiser for France. It is estimated to have raised AUD $773 million in revenue during 2020.[xxxii] France pressed on with their DST, despite the backlash from the Trump administration and they have results to show for it.

The main criticisms of the DST are that it increases compliance burdens and may lead to double taxation. This rings hollow, however, when we are faced with stark reality of big tech companies paying next to no tax anywhere and, importantly, after several DST implementations in Europe, the sky has not fallen in, so to speak, as regards compliance or the integrity of free trade.

The primary reason the Morrison Government has no plans to introduce a DST in Australia, it seems, is fear of taking on the big tech companies. The Government lacks the policy imagination to see that Australia can be both supportive of the OECD process and the broader global solution while also taking domestic action and making big companies pay up now.

Data Tax

Another policy response to make big tech companies pay their fair share is to value and tax the personal data that these companies monetise. Data is frequently labelled the ''oil of the 21st century. "[xxxiii] It follows that our data should be valued, and profits reaped fairly taxed.

Saadia Madsberg, a US researcher who argues for a data tax, noted "it's this data brokerage industry that should be the primary, initial focus of the data tax. This industry exists solely to collect our information and sell it as a commodity to retailers, advertisers, marketers, even other data brokerages and government agencies."[xxxiv] She further writes: ''Our personal data is a valuable commodity that we give to companies in exchange for "our experience on the internet"[xxxv]. Digital MNCs use our data for their commercial gain by selling increasingly niche and precisely targeted advertising based on everything that they know about us. Yet, we have very little to show for it.

Making this asset taxable would enable Australia to collect tax from the digital MNCs that make hefty profits from our data without a physical presence in Australia. The data tax could, for example, be set at 1 percent of the revenue companies earn from monetising personal data. A tax like this would be a world first. The challenge for our clever public servants in Treasury is in how to value that data. An in-the-know former Google employee suggests valuing data by taxing "data collection and processing the same way that you, for example, pay your water bill by monitoring the amount of water that you use. You tax these companies on the data assets they have. It gives them a fiscal reason to not acquire every piece of data on the planet" [xxxvi]

Both a DST and a data tax, if applied as temporary domestic measures within the interim OECD frameworks, would begin to combat tax avoidance because both are focussed on profits earned in Australia – whether from digital services or our personal data – regardless of where the company is headquartered. Each would also create momentum and help push digital MNCs towards more proactive support for a broader international consensus on a GMT. The key however is that the DST and data taxes would need to bite hard now. The cost to these MNCs should be higher than the new global tax rules and a future GMT to help build momentum and bring laggard companies with us to the table on the negotiated international solution.

Cash Flow Tax

The limitations of a DST and a data tax are that they are taxes targeted at the big digital players, which are only part of the problem. There is a more radical reform that Australia could pursue – a broadly applied cash flow tax (CFT) which is a tax on the amount of cash received less cash outgoings, with some outgoings non-deductible. If pursued in parallel to the DST and data tax it would take on not just digital MNCs but all consumer facing MNCs that avoid tax and apply enormous pressure on recalcitrant countries with low or no tax rates to adopt the CFT.

Academic debate about different models of CFTs has been extensive, including Ross Garnaut and Craig Emerson writing in 2018 support of a CFT to replace the CIT in Australia. However, no country has ever implemented a broad based CFT. CFTs have several substantive advantages. Subject to the design, a CFT would raise substantially more revenue than our current tax system. If implemented, modelling demonstrates an estimate of between $24-83 billion (depending on the speed of transitional arrangements) in additional tax take under a new Australian CFT over the next ten years.[xxxviii] Certain CFT models are very effective against transfer mispricing tactics, as payments of expenses incurred overseas, would not be an allowable deductable expense.[xxxix]

A CFT would also incentivise business investment as expenses are deducted immediately, advantaging longer-term capital-intensive investments and innovation and even-up competition between domestic and multinational firms.[xl] Australian-based firms would be more competitive in a world where the MNCs no longer have the unfair advantage gained from tax avoidance.

Criticisms of the CFT include the possibility of companies cost shifting to consumers, increasing cost of capital, disadvantaging small business and start-ups reliant on debt rather than equity or with large sales revenues but low or no profit margins, and the requirement to rewrite of tax treaties. These problems are not insurmountable, certainly no more complex than OECD initiatives and may be solvable in a shorter time frame than any international agreement.

A CFT might receive a hostile reception from trading partners who perceive it as an import tariff. However, if a large economy like the US adopted a CFT alongside Australia it would create strong momentum and pressure on other countries to follow suit, whether they wanted to or not because of the impact on their exports.[xli] Further, it would incentivise MNCs to shift operations, and potentially manufacturing, to the CFT-implementing country. With capital getting sucked out of the other nations, a CFT would substantially increase international tension, but it is this oft claimed weakness that could well be its strength, spurring broader adoption amongst other countries in addition to those that also want to make MNCs pay up in their jurisdictions.[xlii]

A heavy diplomatic effort to convince a group of countries with economies that would benefit from MNCs paying their fair share of tax to adopt a CFT could create a voluntary multiple country uptake, and momentum for adoption that other countries could not resist. The very effort at the international level would also be a potent leveraging tool to push MNCs and nations closer to adoption of the OECD plan to re-write the international tax rules and create a GMT.

Recently, the Biden-Yellen Corporate Tax plan drew on the idea of first mover pressure including increasing minimum taxes on both foreign earnings (raising the Global intangible low-taxed income (GILTI) rate)[xliii] as well as domestic profits that MNCs report to shareholders – a step towards a GMT. There is growing international momentum to take on MNCs and make them pay up. Australia, alongside other countries implementing a CFT, would bolster this bold policy option because it would actually make MNCs pay a fair rate of tax in Australia.

Conclusion

In 1789, Benjamin Franklin famously noted that "nothing can be said to be certain, except death and taxes." This may be true for the average Aussie taxpayer but the same cannot be said for the biggest richest companies making gigantic profits within our shores. For too long, we have accepted that MNC tax avoidance is an endemic feature of corporate culture, just another product of globalisation, the creaking age of the international tax system and the great difficulty of getting any international consensus for change. Too tough, too hard. This is simply a cop out. The biggest barrier to progress on ending MNC tax avoidance is the lack of political courage and heart of the governments themselves. The Coalition Government is guilty as charged.

Other governments are not afraid of the challenge and hyper aware of the need to be first movers. France created their DST, despite a backlash from the US, because the Macron Government was acting in the interests of French taxpayers. President Biden and Treasury Secretary Janet Yellen support a GMT but the Morrison Government is nowhere to be seen.

Labor has historically delivered big, great reforms. This challenge is no different and a future federal Labor government can and should lead the way on tax avoidance. We have the brains, the heart, and the courage to push for substantive reform and to be a leader in the multilateral negotiations for global solution to this problem. We can put the truth back into Franklin's idiom. Let's make paying their fair share again a certainty for every company that does business in Australia, ensuring 'there is no place like home', especially when it comes to paying taxes.

Endnotes

[i] Critics note the "three tier model is in many ways a poorly crafted rewrite of decades long transfer pricing rules. See Glenn De Souza, 'Are you on the OECD Pillar 1 Black List?', *Bloomberg Tax,* 30 March 2020, https://news.bloombergtax.com/transfer-pricing/insight-40 (https://news.bloombergtax.com/transfer-pricing/insight-40)

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[v] Australian Taxation Office, 'Corporate tax transparency report for the 2018-19 income year', rhttps://www.ato.gov.au/misc/downloads/pdf/qc64354.pdf (https://www.ato.gov.au/misc/downloads/pdf/qc64354.pdf)

[vi] Hathorne and Breunig, 'Digital Service Taxation'. In 2015, the OECD implemented an Action Plan on Base Erosion and Profit Shifting (BEPS) that included 15 measures dedicated to "improv[ing] the coherence of international tax rules and ensur[ing] a more transparent tax environment" in order to prevent an estimated USD 100-240 billion annually lost in tax avoidance practices globally

[vii] Nick Shaxson, '**OECD's BEPS proposals will not be the end of tax avoidance by multinationals',** Tax Justice Network, 5 October 2015, https://www.taxjustice.net/2015/10/05/press-release-oecds-beps-proposals-will-not-be-the-end-of-tax-avoidance-by-multinationals/; European Commission, 'Taxation: Commission sets out path towards fair taxation of the Digital Economy', 21 September 2017, https://www.pressreleasepoint.com/taxation-commission-sets-out-path-towards-fair-taxation-digital-economy (https://www.pressreleasepoint.com/taxation-commission-sets-out-path-towards-fair-taxation-digital-economy)

[ix] Aman Gaur, 'Cash me if you can': Implementing a cash-flow tax to tackle multinational tax avoidance in Australia', London School of Economics, School of Public Policy Paper, PP4V8 – MPA Policy Paper, London, 2019.

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[xiii] OECD, 'Secretariat Proposal for a Unified Approach under Pillar one', October 2019, https://www.oecd.org/tax/beps/public-consultation-document-secretariat-proposal-unified-approach-pillar-one.pdf (https://www.oecd.org/tax/beps/public-consultation-document-secretariat-proposal-unified-approach-pillar-one.pdf)

[xiv] One way to avoid paying tax in Australia is to not have an Australian taxable presence. This is typically done by booking sales done in Australia to an overseas related party or by using complicated artificial structures that circumvent permanent establishment (PE) rules. Debt shifting refers to the MNCs that have subsidiaries or related parties in different tax jurisdictions, who intentionally go into debt with a related party in order to reduce their profits recorded in a high tax jurisdiction. This allows for the MNC to lower their tax burden through debt write offs.

MNCs can transfer their intangible assets (software, trademarks, patents etc) from high tax to low tax jurisdictions to minimise tax. The related company in the high tax jurisdiction then pays royalty payments to the parent company for the use of those assets. These payments provide tax relief as the payments are a deductable expense. This form of tax avoidance is most practiced by technological intensive MNCs as most of their value are held in intangible assets.

MNCs can reduce their Australian tax liability by taking advantage of differences in how countries tax certain transactions, different tax rates, or exploiting 'loopholes' in tax treaties. Many countries have developed specific tax concessions to attract certain industries or MNCs. We did this in Australia with our Managed Investment Trust (MIT) which was designed to enhance the international competitiveness of Australia's managed funds sector. This allows MNCs to shop around for a better tax rate and it is common for MNCs to implement structures to maximise access to such tax rates or regimes.

Treaty shopping typically involves taxpayers who are residents of third states attempting to indirectly access the benefits of a treaty between two Contracting States.

[xv] Nick Shaxson, 'Over a third of world trade happens inside multinational corporations', *Tax Justice Network*, 9 April 2019, https://www.taxjustice.net/2019/04/09/over-a-third-or-more-of-world-trade-happens-inside-multinational-corporations/

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[xvi] Nassim Khadem, 'Hundreds of companies pay no tax, says ATO as it releases latest corporate tax transparency data', *ABC News Online*, 10 December 2020, https://www.abc.net.au/news/2020-12-10/ato-corporate-tax-transparency-data-large-companies-pay-no-tax/12967064 (https://www.abc.net.au/news/2020-12-10/ato-corporate-tax-transparency-data-large-companies-pay-no-tax/12967064)

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[xxii] Ibid.

[xxiii] OECD, 'Action Plan on Base Erosion and Profit Shifting', 19 July 2013, http://dx.doi.org/10.1787/9789264202719-en (http://dx.doi.org/10.1787/9789264202719-en)

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'The nation looked to Labor, and it did not look in vain.'

- John Curtin, 26 July 1943