



# Corporate tax transparency report for the 2018–19 income year

This is the sixth annual report on corporate tax transparency, informing public debate about the corporate tax system.

**Last updated** 15 May 2024

This is the sixth annual report on corporate tax transparency, which informs the public debate about tax policy, particularly in relation to the corporate tax system.

Legislation specifies the type of information we are required to provide in the report. It is important to note that the aggregate figures can't reflect the:

- complexity of the tax system
- relationships between entities
- calculations behind the numbers
- extent and nature of any ATO activity.

The corporate tax transparency population includes:

- Australian public and foreign-owned entities with total income of \$100 million or more
- Australian-owned resident private entities with total income of \$200 million or more
- entities that have petroleum resource rent tax (PRRT) payable.

**For more information see:**

- [2018–19 Report of entity tax information](#) 

- Report of entity tax information

## **Interpreting the results**



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## Voluntary Tax Transparency Code



Corporations can publish transparency reports on tax through the Voluntary Tax Transparency Code (VTTC).

## Prior-year income tax returns processed after 1 September 2019



Prior-year income tax returns published in the 2018–19 corporate tax transparency report.

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# Interpreting the results

Interpreting the results of the Corporate tax transparency report for the 2018–19 income year.

**Last updated** 13 May 2024

Many large corporate groups consist of smaller income tax reporting entities whose aggregated total income meets the transparency population income thresholds. If these entities are not consolidated for tax purposes, some or all of the entities may not individually meet the income threshold for inclusion in the report. The complexity and diversity of large corporate groups means that income may be distributed and returned by multiple entities.

While a number of names listed in the *Report of entity tax information* may be recognisable to the public, and any links to high profile individuals may be the subject of public knowledge, confidentiality provisions of the tax law prevent us from disclosing some information. This means we cannot include details of the income and tax paid by other related entities. Taxpayers are, of course, able to disclose additional information at their own discretion – for example, through the Board of Taxation's Voluntary Tax Transparency Code.

Entities subject to the \$100 million income threshold include those with a reported foreign shareholding percentage on the company tax return of greater than 50% and those classified as an 'Australian public' entity. The 'Australian private' segment consists of private Australian entities that have total income of \$200 million or more.

Caution also needs to be taken when comparing the ownership cohorts, as they are not directly comparable. For example, Australian private corporate entities will be under-represented in counts because of the different income reporting thresholds.

Figures in this report have generally been rounded, which may result in differences between totals and sums of components in the charts and text.

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## Total income tax payable

Income tax payable for entities in the corporate transparency population in 2018–19.

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There are 2,311 corporate entities in the 2018–19 corporate transparency population, with tax payable of \$56.1 billion. Compared to 2017–18, this represents a net increase of 97 entities (4.4%) and a significant increase in tax payable of \$3.8 billion (7.2%).

The significant increase in tax payable was primarily driven by the mining, energy and water segment, in particular strong commodity prices and export volumes. There were declines in tax payable in other industry segments, which reflects the impact of more challenging economic conditions in 2018–19 and a softening in non-mining sector corporate profits (see Figure 1).

**Figure 1: Change in tax payable, by industry segment, 2018–19**

 Total tax payable by corporate entities in 2018–19 was \$56,082 million, compared with \$52,323 million in 2017–18. Tax payable decreased in all industry segments in 2018–19 except for mining; -\$1,300 million for banking, finance and investment, -\$444 million for insurance, -\$409 million for manufacturing, construction and agriculture, -\$865 million for wholesale, retail and services. Mining, energy and water had increased tax payable of \$6,778 million.

Tax payable again increased across all 3 ownership segments. Foreign-owned entities contributed the most to the increase (\$2.09 billion), followed by Australian public entities (\$1.33 billion) and Australian private entities (\$341 million) (see Figure 2).

### **Figure 2: Change in tax payable, by ownership segment, 2018–19**

 Total tax payable by corporate entities in 2018–19 was \$56,082 million, compared with \$52,323 million in 2017–18. Tax payable increased in all ownership segments in 2018–19; by \$341 million for Australian private entities, \$2,090 million for foreign-owned entities and \$1,328 million for Australian public entities.

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## **Six-year trend analysis**

Industry trend analysis for the corporate transparency population in the 6 years to 2018–19.

**Last updated** 13 May 2024

Since the start of this report in 2013–14, increases in the number of entities in each industry has been a key contributing factor to growth in tax paid and income across all segments. The exception is the mining, energy and water segment, where commodity prices and export volumes have been key contributing factors in volatility in total income and tax payable.


All other segments experienced relatively stable growth in tax payable over the 6 years. However, there was a decline in 2018–19 which reflects a softening in non-mining sector corporate profits and the impact of challenging market conditions.

Taxable income is a corporate's total income minus expenses and is affected by revenue growth and market conditions affecting deductions (for example, interest rates changes will affect a corporate's borrowing expenses). Non-mining segments have relatively low growth in taxable income over the past 6 years. The mining, energy and water segment has contributed to overall growth in taxable income in the total population over the past 3 years.


The following figures show the changes by industry segment in tax payable, total income, taxable income, and entity counts over the 6 years since the first report on corporate tax transparency was released.

Figure 3 and Figure 4 show the trend in tax payable by industry segment in the 6 years to 2018–19. Table 1 summarises this data.

**Figure 3: Six-year trend of tax payable by industry segment**

 This column graph shows the trend in tax payable across the six years of 2013–14 to 2018–19, by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture; wholesale, retail and services; and mining, energy and water). With the exception of the mining, energy and water segment which dropped in 2015–16 before increasing again until 2018–19, the tax payable across all other industry segments steadily increased until the first drop in 2018–19. This graph also shows that aggregate tax payable has increased across the six years, except for 2015–16 where it was affected by the mining industry.

**Figure 4: Six-year trend of tax payable by industry segment**

 Like in Figure 3, this graph shows the trend in tax payable across the six years of 2013–14 to 2018–19, but in the form of an area graph. The data is broken down by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture; wholesale, retail and services; and mining, energy and water).


**Table 1: Six-year trend of tax payable by industry segment**

Industry segment	2013–14	2014–15	2015–16	2016–17	2017–18
BFI	12.6	14.1	14.5	15.5	16.2

<b>ISR</b>	2.2	2.4	2.5	2.7	2.7
<b>MCA</b>	2.6	3.6	3.3	3.5	4.1
<b>WRS</b>	11.3	11.5	11.6	11.9	13.2
<b>MIN</b>	13.2	10.3	6.3	12.1	16.1
<b>All industry segments</b>	41.9	41.9	38.2	45.7	52.3

Figures 5 and 6 show the trend in total income by industry segment in the 6 years to 2018–19. Table 2 summarises this data.

**Figure 5: Six-year trend of total income by industry segment**

 This column graph shows the trend of total income across the six years of 2013–14 to 2018–19, by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture; wholesale, retail and services; and mining, energy and water). With the exception of the banking, finance and investment segment which increased in 2015–16 before dropping slightly in 2016–17 and again in 2018–19, and the mining, energy and water segment which dropped in 2015–16 before increasing again in 2016–17, the total income across industry segments has remained broadly stable. This graph also shows that across all industry segments there was an overall increase in total income each year..

**Figure 6: Six-year trend of total income by industry segment**

 Like in Figure 5, this graph shows the trend in total income across the six years of 2013–14 to 2018–19, but in the form of an area graph. The data is broken down by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture; wholesale, retail and services; and mining, energy and water).


**Table 2: Six-year trend of total income by industry segment**

Industry	2013–	2014–	2015–	2016–	2017–
ISR	2.2	2.4	2.5	2.7	2.7
MCA	2.6	3.6	3.3	3.5	4.1
WRS	11.3	11.5	11.6	11.9	13.2
MIN	13.2	10.3	6.3	12.1	16.1
All industry segments	41.9	41.9	38.2	45.7	52.3

segment	14	15	16	17	18
<b>BFI</b>	286.0	263.7	312.4	269.6	291.5
<b>ISR</b>	111.1	119.8	122.6	116.2	121.5
<b>MCA</b>	269.4	281.3	301.2	301.0	332.5
<b>WRS</b>	744.7	770.5	795.5	824.3	882.5
<b>MIN</b>	363.4	345.8	312.2	337.0	371.5
<b>All industry segments</b>	1,774.6	1,781.1	1,843.8	1,848.1	2,000.0

Figures 7 and 8 below show the trend in taxable income by industry segment in the 6 years to 2018–19. Table 3 summarises this data.

**Figure 7: Six-year trend of taxable income by industry segment**

 This column graph shows the trend of taxable income across the six years of 2013–14 to 2018–19, by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture; wholesale, retail and services; and mining, energy and water). With the exception of the mining, energy and water segment which dropped in 2015–16 before increasing again in 2016–17, and the banking, finance and investment segment which increased in 2015–16 before dropping slightly in 2016–17 and again in 2018–19, the taxable income across industry segments has remained broadly stable. This graph also shows that across all industry segments for all six years there had been an overall decline in taxable income, which recovered in 2016–17.

**Figure 8: Six-year trend of taxable income by industry segment**


 Like in Figure 7, this graph shows the trend in taxable income across the six years of 2013–14 to 2018–19, but in the form of an area graph. The data is broken down by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture; wholesale, retail and services; and mining, energy and water).

**Table 3: Six-year trend of taxable income by industry segment**

Industry segment	2013–14	2014–15	2015–16	2016–17	2017–18
<b>BFI</b>	60.4	55.5	70.8	63.3	74.8
<b>ISR</b>	11.5	12.3	13.1	14.5	14.4
<b>MCA</b>	10.0	13.1	12.4	12.7	14.8
<b>WRS</b>	34.7	36.8	34.7	35.3	40.3
<b>MIN</b>	40.0	27.3	11.0	30.3	49.2
<b>All industry segments</b>	156.5	145.1	142.0	156.2	193.5

Figures 9 and 10 below show the count of entities by industry segment in the 6 years to 2018–19. Table 4 summarises this data.

**Figure 9: Count of entities by industry segment over six years**

 This column graph shows the trend in the number of entities in the population across the six years of 2013–14 to 2018–19, by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture; wholesale, retail and services; and mining, energy and water). The entity count across industry segments has remained broadly stable, with the exception of wholesale, retail and services which has shown a year-on-year increase. This graph also shows that across all industry segments for all six years there had been an overall increase in the entity count.

**Figure 10: Count of entities by industry segment over six years**

 Like in Figure 9, this graph shows the trend in the number of entities in the population across the six years of 2013–14 to 2018–19, but in the form of an area graph. It is broken down by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture; wholesale, retail and services; and mining, energy and water).

**Table 4: Count of entities by industry segment**

Industry segment	2013–14	2014–15	2015–16	2016–17	2017–18
<b>BFI</b>	179	180	192	203	215
<b>ISR</b>	54	60	61	62	61
<b>MCA</b>	429	429	468	485	502
<b>WRS</b>	948	991	1,084	1,126	1,192
<b>MIN</b>	249	244	236	233	244
<b>All industry segments</b>	1,859	1,904	2,041	2,109	2,214

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## Population overview


Overview of the corporate transparency population for the 2018–19 income year.

**Last updated** 13 May 2024

The 2018–19 corporate transparency population consists of 2,311 entities, which reflects a net increase of 97 entities from the

previous year. The 2018–19 population includes 1,973 entities that were reported in the 2017–18 population, and 338 that were not (see Figure 11).

**Figure 11: Entities in scope for the 2018–19 corporate transparency report**

 In 2018–19, 2,311 entities were in scope for the transparency report. Of these, 1,973 carried over from the previous year and 338 were new to the transparency population.

### **Exits**



Reasons for entities exiting the corporate transparency population in the 2018–19 income year.

### **Income segment**



Tax payable by income segment for entities in the corporate transparency population in 2018–19.

### **Industry segment**



Tax payable by industry segment for entities in the corporate transparency population in 2018–19.

### **Ownership**



Tax payable by ownership segment for entities in the corporate transparency population in 2018–19.

### **Corporate entities and groups**



Corporate entities and economic groups in the corporate transparency population in 2018–19.

## Exits

Reasons for entities exiting the corporate transparency population in the 2018–19 income year.

**Last updated** 13 May 2024

In 2018–19, 241 entities from the 2017–18 corporate transparency population (including 56 Australian public, 125 foreign-owned entities and 60 Australian private) were no longer in scope. We analyse these entities to ensure that:

- exits are for legitimate reasons
- they are not manipulating their income tax returns to fall outside the corporate transparency measure.


Reasons for exits from the transparency population this year are:

- 142 reported income levels below the transparency thresholds
- 61 joined a consolidated group during the year (income earned after joining was reported by their head corporation)
- 37 had not yet lodged or had lodged a company tax return that was not processed by the cut-off date for the report (1 September 2020). These entities are contacted as part of our non lodgment program and may appear in a later year report (following lodgment)
- one was not required to lodge a company tax return due to deregistration.

The number of entities that exited the transparency population in 2018–19 due to a drop in income is consistent with a normal level of churn in the population over recent years, including years before the first corporate tax transparency report.

The headline results are summarised in Figure 12. Exits by reason are also shown in Figure 13 for Australian public entities, Figure 14 for foreign-owned entities and Figure 15 for Australian private entities.


**Figure 12: Exits from the corporate transparency population – entire population**

 In 2018–19, 241 entities from 2017–18 were no longer in scope for the transparency report. Of these, 142 reported income below the income thresholds, 61 joined a consolidated group, 37 had not yet lodged, lodged late or were not yet processed and one was not required to lodge.


**Figure 13: Exits from the corporate transparency population – Australian public entities**

 In 2018–19, 56 Australian public entities from 2017–18 were no longer in scope for the transparency report. Of these, 31 reported income below the income thresholds, 14 joined a consolidated group, 10 had not yet lodged, lodged late or were not yet processed and one was not required to lodge.

**Figure 14: Exits from the corporate transparency population – foreign-owned entities**

 In 2018–19, 125 foreign-owned entities from 2017–18 were no longer in scope for the transparency report. Of these, 79 reported income below the income thresholds, 33 joined a consolidated group, and 13 had not yet lodged, lodged late or were not yet processed.

**Figure 15: Exits from the corporate transparency population – Australian private entities**

 In 2018–19, 60 Australian private entities from 2017–18 were no longer in scope for the transparency report. Of these, 32 reported income below the income thresholds, 14 joined a consolidated group, and 14 had not yet lodged, lodged late or were not yet processed.

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## Income segment

Tax payable by income segment for entities in the corporate transparency population in 2018–19.

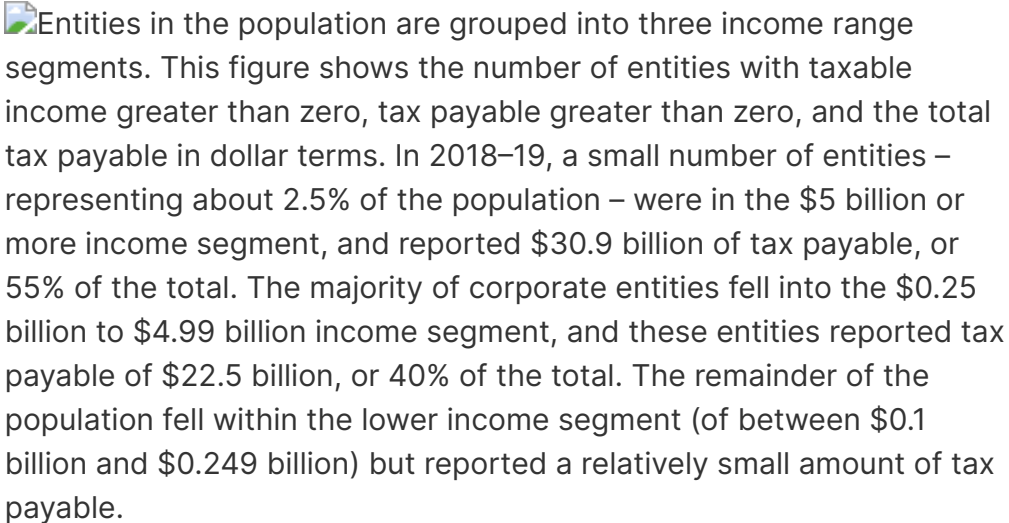
**Last updated** 13 May 2024

The largest corporate entities in the corporate transparency population contribute to a significant proportion of overall tax payable. This trend has remained relatively stable over the past 6 years.

Corporate entities with income of more than \$5 billion represent around 2.5% of the corporate transparency population and account for around 55% of tax payable (around \$30.9 billion) (see Figure 16). There is a greater representation of Australian public entities in this cohort compared to the total corporate transparency population.

Corporate entities with income between \$250 million and \$5 billion represent the largest portion (almost 56%) of the corporate transparency population by count, and also account for 40% (around \$22.5 billion) of the tax payable.

### **Figure 16: Corporate entities by income segment, 2018–19**

Entities in the population are grouped into three income range segments. This figure shows the number of entities with taxable income greater than zero, tax payable greater than zero, and the total tax payable in dollar terms. In 2018–19, a small number of entities – representing about 2.5% of the population – were in the \$5 billion or more income segment, and reported \$30.9 billion of tax payable, or 55% of the total. The majority of corporate entities fell into the \$0.25 billion to \$4.99 billion income segment, and these entities reported tax payable of \$22.5 billion, or 40% of the total. The remainder of the population fell within the lower income segment (of between \$0.1 billion and \$0.249 billion) but reported a relatively small amount of tax payable.

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## **Industry segment**

Tax payable by industry segment for entities in the corporate transparency population in 2018–19.

**Last updated** 13 May 2024


Australia's largest corporate entities tend to operate in segments of the economy characterised by a high degree of capital intensity and economies of scale. Different economic performance factors affect particular segments of the economy at different points in the economic cycle.

Cyclical factors have influenced the tax performance of the mining, energy and water segment in recent years. Significant project construction costs can result in material deductions during the construction phase, when a project is not yet generating revenue. Such projects typically also have high levels of depreciation in their early years when revenue is still ramping up. This can result in the generation of tax losses which can be carried forward for a number of years.

Some cyclical factors can be seen in Figure 17 and Table 5 which show a higher percentage of nil tax payable entities compared to other segments. Similarly, corporate entities in the manufacturing, construction and agriculture segment may experience extended periods of incurring costs before income is generated from projects. This has resulted in them also having a higher proportion of nil tax payable entities than other segments.

Tax payable in the corporate tax transparency population was again dominated by the mining, energy and water segment in 2018–19, followed by the banking, finance and investment segment. The share of tax payable attributable to the mining, energy and water segment was again higher than in previous years, primarily due to high iron ore prices.

#### **Figure 17: Corporate entities, by industry segment, 2018–19**

 Entities in the population are grouped into five industry segments. This figure shows the number of corporate entities in each industry segment, the number with positive taxable income and tax payable amounts, and the amount of tax payable. In 2018–19, the mining, energy and water segment contributed the highest amount of tax payable with only a small number of entities, and also performed well in terms of the proportion of entities that had taxable income and tax payable amounts. This was followed by the banking, finance and investment segment with the second largest amount of tax payable, with a small number of entities. The wholesale, retail and services segment represented the largest segment of the population by count and contributed the third largest share of tax payable. This was followed by manufacturing, construction and agriculture, then insurance in terms of tax payable.

#### **Table 5: Corporate entities, by industry segment, 2018–19**

<b>Corporate entities</b>	<b>BFI</b>	<b>ISR</b>	<b>MCA</b>	<b>WRS</b>	<b>MIN</b>
<b>Total number of corporate entities within the industry segment</b>	220	66	529	1240	256
<b>Number of corporate entities with taxable income &gt;\$0 within the industry segment</b>	182	54	378	946	150
<b>Number of corporate entities with tax payable &gt;\$0 within the industry segment</b>	173	48	338	884	127
<b>Tax payable (\$b) by corporate entities within the industry segment</b>	15	2	4	12	23

<b>Percentage with tax payable &gt;\$0 within the income segment</b>	78.6%	72.7%	63.9%	71.3%	49.6%
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## Ownership

Tax payable by ownership segment for entities in the corporate transparency population in 2018–19.

**Last updated** 13 May 2024


The 1,320 foreign-owned entities account for 57% of the corporate transparency population in 2018–19 and account for 30% of tax payable. Australian public entities account for 23% of the population and 64% of tax payable. Australian private entities account for 20% of the population and nearly 7% of tax payable (see Figure 18).

This year we changed our methodology to identify companies as if they reported they were ultimately held by a non-resident corporate entity, regardless of any shareholding percentages they disclosed. This has resulted in a small increase in the percentage of companies defined as foreign-owned in this year's report.

### **Figure 18: Corporate entities, by ownership segment, 2018–19**

 There were 2,311 entities in scope for the transparency report in 2018–19. They include 527 Australian public entities, 464 Australian private entities and 1,320 foreign-owned entities.

### **Figure 19: Tax payable – corporate entities, by ownership segment, 2018–19**

 Entities in the population are grouped into three ownership segments. This figure shows the number of corporate entities in each ownership segment, the number with positive taxable income and tax payable amounts, and the amount of tax payable. In 2018–19, there were 1,320 foreign-owned entities (57% of the corporate transparency population accounting for 30% of tax payable); 527 Australian public entities (23% of the population accounting for 64% of the tax payable); and 464 Australian private entities (20% of the population accounting for 7% of tax payable).

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## Corporate entities and groups

Corporate entities and economic groups in the corporate transparency population in 2018–19.


**Last updated** 13 May 2024

Over 1 million entities lodge company income tax returns in Australia. At the time of publication, the 2,311 corporate tax entities in the transparency report represent approximately 65% of total corporate income tax payable in 2018–19.

These entities are not necessarily standalone, as they are sometimes part of a group of entities.

As shown in Figure 20, the 2018–19 corporate transparency population consists of entities that belong to 1,816 unique economic groups, as well as 225 standalone entities. Most economic groups in the corporate transparency population have linked entities outside the scope of this measure.

### **Figure 20: Corporate transparency population groups and entities, 2018–19**

 2,041 economic groups and standalone entities were to some degree in scope for the transparency report in 2018–19, comprising 1,816 economic groups and 225 standalone entities.

## Net losses and nil tax payable

Overview of losses and nil tax payable for entities in the corporate transparency population in 2018–19.

**Last updated** 13 May 2024

Where a corporate entity has tax deductions that exceed its income, it can incur a tax loss and pay no tax for that year. Companies with losses in one year can carry these losses forward and deduct them from their profits in future years.

Corporate entities may also be able to use features in the Australian tax law (such as tax offsets) to reduce the amount of tax they pay, sometimes to zero. Eligibility criteria for each offset can be different and are used to stimulate investment in areas given special concessions in the tax law (for example, the research and development offset).

We examine tax loss making companies very carefully to understand why they are making a loss and whether this represents a compliance risk. We can use our strong information-gathering powers to get documents and information from corporates, and exchange information with other jurisdictions on the operation of corporations (see [Country-by-Country reporting](#)).

We can examine Australian Securities Exchange (ASX) data, an annual report to shareholders and other third-party information to determine the overall performance of a corporate in comparison to the information reported on its tax return.

The corporate tax transparency data this year has 32% of corporate entities reporting nil tax paid. This proportion is similar to ASX data which shows around 20–30% of ASX 500 companies reporting a net loss to their shareholders in any given year. The ASX data shows that even extremely large companies will sometimes not make a profit in a year when they expand or face challenging market conditions.

## Reasons for tax losses

Reasons for tax losses and nil tax payable for entities in the corporate transparency population in 2018–19.

## Nil tax payable by ownership type

Proportion of entities with nil tax payable by ownership segment from 2016–17 to 2018–19.

## Nil tax payable by industry segment

Proportion of entities with nil tax payable by industry segment from 2016–17 to 2018–19.

## Nil tax payable by ownership and industry segment

Proportion of entities with nil tax payable by ownership and industry segment for the 2018–19 income year.

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## Reasons for tax losses

Reasons for tax losses and nil tax payable for entities in the corporate transparency population in 2018–19.

**Last updated** 13 May 2024

There are numerous commercial reasons why corporates can make a loss. Main reasons include, but are not limited to:

- sensitivity to economic and environmental conditions which may impact income and expenses

- capital investment decisions, including reinvesting capital assets or business expansion that can lead to increased tax deductions.

Although taxable income or loss is calculated differently to accounting profit or loss, it is useful to compare levels. We can gain confidence when we examine a corporate and find loss-making levels are broadly comparable between accounting and tax.

We often look at the alignment between the reporting of an accounting or economic loss in a company tax return with a consequential tax loss, given the close relationship between the accounting and tax systems (the company tax return asks for information to reconcile the calculation of taxable income from accounting profit or loss).

Of the 2,311 entities in scope for the 2018–19 transparency report, 1,570 (68%) paid tax; however, due to features of the tax system, the remainder did not. At an entity level, those that didn't pay tax are grouped in Figure 21 by the primary feature of the tax system that led to their nil tax payable outcome. Of these:

- 293 entities (13%) reported an accounting loss
- 136 entities (6%) reported an accounting profit but reconciliation items (for example, tax deductions allowed at higher rates than accounting permits) resulted in a tax loss
- 58 entities (3%) reported a taxable income but were also entitled to offsets (such as the research and development incentive) at least equal to the tax otherwise payable
- 254 entities (11%) reported a taxable income but prior-year losses were available to deduct against that profit, so no tax was payable.

### **Figure 21: Entity tax outcomes, 2018–19**

**Note:** Totals may differ from the sum of components due to rounding.

The corporate tax transparency population consists of larger corporates and are often part of groups that comprise multiple companies or even trusts. Corporate entities with nil tax payable for a given year may have been part of a broader economic group that did have a tax liability (see Figure 22). At the economic group level, a total of 2,041 economic groups or standalone entities were to some degree in scope for the transparency report.

When we analyse this population at the group level, the percentage with nil tax payable drops to 22% because at least one corporate in the group did pay tax.

### **Figure 22: Economic group level tax outcomes, 2018–19**

Since 2016–17 there has been a small increase in those groups incurring an accounting loss. Utilisation of losses has remained relatively stable over the period and the proportion of groups or companies utilising offsets has remained low, ranging between 1% to 2% during this time (see Figure 23).

### **Figure 23: Proportion of economic groups with nil tax payable, by tax outcome, 2016–17 to 2018–19**

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## **Nil tax payable by ownership type**

Proportion of entities with nil tax payable by ownership segment from 2016–17 to 2018–19.

**Last updated** 14 May 2024

The proportion of entities with nil tax payable has decreased over the past 3 years, from 34% in 2016–17 to 32% both this year and last year. The largest decline in the proportion of nil tax payable by ownership type over this period was in foreign-owned and Australian public entities. Australian private entities have seen a small increase in the proportion of entities with nil tax paid in 2018–19 but have seen a decline in nil tax paid entities over the 3 -year period.

The proportion of Australian public and foreign-owned entities with nil tax payable is higher when compared to Australian private entities (see Figure 24).

As mentioned in the **Interpreting the results** section, the ownership cohorts are not directly comparable as smaller Australian private

entities with total income less than \$200 million are not represented in the data.

**Figure 24: Proportion of entities with nil tax payable, by ownership segment, 2016–17 to 2018–19**

 This graph shows the proportion of entities with nil tax payable in 2018–19 as compared to 2017–18 and 2016–17 by ownership segment (private, foreign-owned and Australian public). The percentages have remained broadly stable, with the exception of Australian public entities showing larger declines than the rest over the three years.

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## Nil tax payable by industry segment

Proportion of entities with nil tax payable by industry segment from 2016–17 to 2018–19.

**Last updated** 14 May 2024

The proportion of entities with nil tax payable differs across the industry segments, with the mining, energy and water segment experiencing the highest rates (see Figure 25). The mining, energy and water segment along with banking, finance and investment have reported the largest decline in the proportion of entities with nil tax payable over the last 3 years.

**Figure 25: Proportion of entities with nil tax payable, by industry segment, 2016–17 to 2018–19**

 This graph shows the proportion of entities with nil tax payable in 2018–19 as compared to 2017–18 and 2016–17, by industry segment (banking, finance and investment; mining, energy and water; insurance; manufacturing, construction and agriculture; and wholesale, retail and services). In 2018–19, the mining, energy and water segment had the highest proportion of entities with nil tax payable at around 50%, while the banking, finance and investment segment had the lowest at around 21%.

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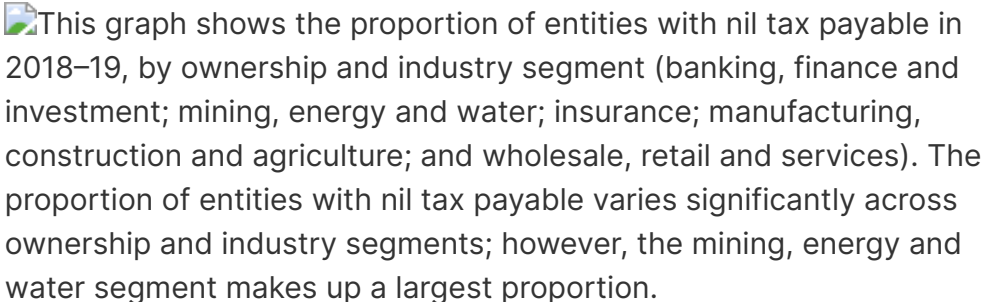
## Nil tax payable by ownership and industry segment

Proportion of entities with nil tax payable by ownership and industry segment for the 2018–19 income year.

**Last updated** 14 May 2024

The proportion of entities with nil tax payable varies significantly across industry and ownership type, as shown in Figure 26.

### **Figure 26: Proportion of entities with nil tax payable, by ownership and industry segment, 2018–19**

This graph shows the proportion of entities with nil tax payable in 2018–19, by ownership and industry segment (banking, finance and investment; mining, energy and water; insurance; manufacturing, construction and agriculture; and wholesale, retail and services). The proportion of entities with nil tax payable varies significantly across ownership and industry segments; however, the mining, energy and water segment makes up a largest proportion.

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## Petroleum resource rent tax

Overview of Petroleum resource rent tax (PRRT) for the 2018–19 corporate transparency report.

**Last updated** 14 May 2024

The petroleum resource rent tax (PRRT) is a profits-based tax that only taxes profits above a specified rate of return.

PRRT revenues are also affected by key design features of the PRRT. PRRT will only arise when a project has recovered all eligible outlays associated with the project (after deducting eligible exploration expenditure transferred from other projects), including the achievement of a threshold rate of return on the outlays. This means projects tend to pay no PRRT for some years even after production has started.

Unlike income tax, where many capital costs are deductible over a defined life, all deductible expenditure for PRRT purposes is immediately deductible, whether capital or revenue.

## Total petroleum resource rent tax payable >

Petroleum resource rent tax (PRRT) payable for entities in 2018–19.


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## Total petroleum resource rent tax payable

Petroleum resource rent tax (PRRT) payable for entities in 2018–19.

**Last updated** 14 May 2024

There are 11 entities in the 2018–19 PRRT transparency population, with total PRRT payable of \$1.06 billion. The number of entities paying PRRT increased from 9 in the previous year, and PRRT payable decreased from \$1.16 billion.

The decrease in PRRT payable reflects the decreased profitability of PRRT-liable companies in 2018–19; oil prices were a key driver ([World Bank Commodity Price Data – The Pink Sheet](#) )

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## Corporate population compliance

Assuring tax compliance of the corporate population through our justified trust program.

**Last updated** 14 May 2024

The ATO is a world leader in combating tax avoidance. The Tax Avoidance Taskforce bolsters our efforts to ensure multinational enterprises, large public and private businesses (and associated individuals) pay the right amount of tax in Australia.

Through our **justified trust** program, we assure the tax compliance of large corporate groups and privately owned and wealthy groups. Where we identify areas of concern, these are escalated for further investigation by our compliance teams.

Justified trust builds and maintains community confidence that taxpayers are paying the right amount of tax. It also allows us to focus our resources in the right areas. As the corporate tax transparency population has some of our largest taxpayers, we invest significant resources to ensure they are paying the correct amount of tax.

We engage with the top 1,100 public and multinational businesses and superannuation funds, and the top 500 privately owned and wealthy groups to obtain assurance that these businesses pay the correct amount of tax.

Each year we also publish the **Tax and Corporate Australia** report, which explains in more detail how we maintain assurance over large corporate taxpayers.

For more information see:

- Findings report Top 100 (income tax) program
- Findings report Top 1,000 income tax and GST assurance programs
- Tax performance programs for privately owned and wealthy groups
- Tax Avoidance Taskforce

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## Voluntary Tax Transparency Code

Corporations can publish transparency reports on tax through the Voluntary Tax Transparency Code (VTTC).

**Last updated** 14 May 2024

Corporations can also publish their own reports on taxation through the Voluntary Tax Transparency Code (VTTC), which complements Australia's existing tax transparency measures.

The VTTC encourages greater transparency within the corporate segment, particularly by multinationals, and helps the community to understand how the corporate segment complies with Australia's tax laws.

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## Prior-year income tax returns processed after 1 September 2019

Prior-year income tax returns published in the 2018–19 corporate tax transparency report.

**Last updated** 14 May 2024

For inclusion in the corporate transparency population, income tax returns must be lodged and processed by 1 September of the following income year.

The 2016–17 income tax returns for 5 entities were not previously published because they were lodged or processed after 1 September 2019. Of these 5 entities:

- 3 reported nil tax payable
- 2 had aggregate tax payable of \$5.7 million, none of which was paid on time (82.7% has been paid to date).

These entities are now published as part of the 2018–19 report.

The 2017–18 income tax returns of 31 entities were not previously published because they were lodged or processed after 1 September 2019. Of these 31 entities:

- 20 reported nil tax payable
- 11 had aggregate tax payable of \$50.2 million, 22.5% of which was paid on time (65.1% has been paid to date).

These entities are now published as part of the 2018–19 report.

Corporate entities' income tax return lodgment and payment dates are fixed based on the date their year of income ends. We apply a risk-based approach to ensuring lodgment and payment where these obligations are not met, including the application of penalties and interest.

Priority is given to processing different return types and demands. The time it takes the ATO to process returns can vary during the year. A few corporate entities with 2018–19 data being reported may, have met all of their lodgment requirements before 1 September 2019.

Reasons for companies not lodging on time include:

- information from third parties being unavailable
- structural changes (such as mergers, acquisitions and consolidation)
- being in, or about to enter liquidation, which prevents them from being able to prepare and lodge a return.

Where companies still have outstanding lodgments, this may include escalation to default assessments or criminal prosecution for non-lodgment.

## **Our commitment to you**

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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