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Corporate tax transparency report for the 2020–21 income year

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

Last updated 3 November 2022

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About this report

The population covered by the Corporate tax transparency report 2020-21 and our powers to report on this data.

Last updated 3 November 2022

This year's report analyses aggregated data from the 2020–21 income tax returns of some of the largest corporations operating in Australia. It describes changes and trends in key headline figures for the population, as well as data by industry segment and ownership group.

The corporate tax transparency population includes:

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

Legislation specifies the type of information we are required to report on. In producing this report – for corporations that meet the population income threshold – we take the data from 3 labels in the tax return:

- total income
- taxable income
- tax payable.

Note: Data in the corporate tax transparency report is taken directly from tax returns at a certain point in time and does not reflect any intervention or compliance work after lodgment of the returns (including settlement outcomes).

Corporations can also publish their own reports about their tax positions through the Voluntary Tax Transparency Code.

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Highlights

Highlights of the Corporate tax transparency report 2020-21.

Last updated 3 November 2022

Highlights from the 2020–21 corporate tax transparency report:

- There are 2,468 entities in this year's population, representing a net increase of 98 entities (4.1%) on 2019–20.
- Total income for 2020–21 was $2,292.5 billion, an increase of 4.9%.
- Taxable income was $256.6 billion, an increase of 23.1%.
- Tax payable was $68.6 billion, an increase of 19.8%.
- Foreign-owned entities accounted for 55.8% of this year's corporate transparency population and 22.9% of tax payable.
- Australian public entities accounted for 22.8% of this year's corporate transparency population and 66.2% of tax payable.
- Australian private entities accounted for 21.4% of this year's corporate transparency population and nearly 10.9% of tax payable.
- Entities with income of more than $5 billion represented 2.7% of the corporate transparency population and accounted for 59.9% of tax payable (around $41.1 billion).
- Entities with income of between $250 million and $5 billion represented the largest portion (55.9%) of the corporate transparency population, and accounted for 35.0% of the tax payable (around $24.0 billion).
- Medium entities – those with income of less than $250 million – represented 41.4% of the corporate transparency population and accounted for only 5.1% of the tax payable (around $3.5 billion).
- Tax payable in the corporate transparency population was again dominated by the mining, energy and water segment. The share of

tax payable attributable to this sector was again higher than in previous years, primarily due to high iron ore prices.

- Approximately 32% of entities paid nil tax.
- PRRT payable increased by 5% this year to $926.0 million.

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Interpreting the results

How to interpret the results from the Corporate tax transparency report 2020-21.

Last updated 3 November 2022

Many large corporate groups consist of smaller 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 thresholds for inclusion in the report.

The complexity and diversity of large corporate groups mean that the corporation's income may be distributed and returned by multiple entities within an economic group. This can change the nil tax paid percentages when the entire group is taken into consideration. For a detailed explanation, see Net losses and nil tax payable.

It is important to note that the total figures in this report cannot reflect the:

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

Corporate tax transparency reports are our analysis of the tax return data published in the annual Report of entity tax information. Some names listed in the Report of entity tax information may be recognisable to the public and connections to high-profile individuals may be the subject of public knowledge. Confidentiality provisions of the tax law prevent us from disclosing certain information.

Tax information is protected by privacy legislation, this limits what we can cover in this report such as the report does not include operating profits, tax losses or tax offsets, which can help to provide a more complete understanding of a corporate's tax position.

The data does not reflect any audit or compliance work. The report is based on information contained in an entity's tax return at a point in time. The tax return may later be amended, and the amount published in this report may no longer reflect the amount of tax actually paid. However, when we lock in go forward outcomes as parts of settlements these will be reflected in the future tax returns lodged and the outcomes reflected in future reports.

Caution needs to be taken when comparing the ownership cohorts, as they are not directly comparable. For example, Australian private companies 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.

Changes to future reports

Changes to the tax law will alter the threshold for inclusion in the corporate tax transparency report for the 2022-23 income year and each later income year. The amendment changes the $200 million income threshold for Australian-owned resident private companies to $100 million. This will affect the data that will be reported in 2024 and onwards.

You can read more about the law change in Treasury Laws Amendment (2022 Measures No. 1) Act 2022.

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Introduction

An introduction to the Corporate tax transparency report 2020-21.

Last updated 3 November 2022

The 2020–21 year was dominated by the COVID-19 pandemic, which represented the largest shock to the global economy in recent history. Despite significant challenges, Australia's corporate taxpayers generally performed well and were supported by monetary stimulus, strong commodity prices and consumer demand.

Tax paid in 2020–21 was the highest since corporate tax transparency reporting started, despite COVID-19 and lockdowns. Company tax collections increased by $11.4 billion (19.8%) to $68.6 billion in 2020–21, reflecting a stronger-than-expected recovery in economic conditions and corporations changing business practices to meet these challenges.

As in previous reports, mining outperformed other sectors of the economy. Wholesale, Retail and Services also did well despite COVID-19 restrictions. Income and tax paid in the Insurance sector were affected negatively by natural disasters.

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Population overview

An overview of ownership, industry segment and exits from the population.

Last updated 3 November 2022

There are 2,468 corporate entities in the 2020–21 corporate transparency population, with tax payable of $68.6 billion. Compared to 2019–20, this represents a net increase of 98 entities (4.1%) and an increase in tax payable of approximately $11.4 billion (19.8%).

Figure 1 shows a relatively steady corporate transparency population growth over the last 5 years. The growth is caused by more corporations exceeding the reporting income thresholds each year.

Figure 1: Corporate tax transparency population, growth over 5 years

This column graph shows the five-year growth in the transparency population to 2020–21. Growth has been relatively consistent over the last five years, from 2,109 entities in 2016–17 to 2,468 entities in 2020–21.

Ownership

Foreign-owned entities accounted for 55.8% of the corporate transparency population in 2020–21, while Australian public entities and Australian private entities accounted for 22.8% and 21.4% of the population respectively (see Figure 2).

Figure 2: Corporate entities by ownership segment, 2020-21

There were 2,468 entities in the corporate tax transparency population in 2020–21. They include 529 Australian private entities, 563 Australian public entities, and 1,376 foreign-owned entities.

Industry segment

Wholesale, Retail and Services (WRS) is the largest industry segment at 53.5% of the corporate tax transparency population, followed by:

- Manufacturing, Construction and Agriculture (MCA) at 22.0%
- Banking, Finance and Investment (BFI) at 11.0%
- Mining, Energy and Water (MEW) at 10.6%
- Insurance (ISR) at 2.9%.

Exits from the population

In 2020–21, 294 entities exited the population, 392 entities were new entrants, and 2,076 entities were part of last year's population.

Entities may exit the population because they:

- restructured or joined a tax consolidated group during the year (or both)
- reported income below the transparency thresholds

- 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 2022)
- were not required to lodge a company tax return due to deregistration.

See Figure 3 for the reasons for entities exiting the population this year.

We follow up entities that don't lodge returns as part of our non-lodgment program.

The number of entities that exited the transparency population due to a drop in income is consistent with a normal level of 'churn' in the population over recent years.

Entities that fail to lodge are subject to lodgment penalties and compliance action, this lodgment compliance can eventuate in prosecution action.

Figure 3: Exits from the corporate transparency population – entire population

In 2020–21, 294 entities from 2019–20 exited the corporate tax transparency population. Of these, 205 reported income below the income thresholds, 52 joined a consolidated group, 30 had not yet lodged, lodged late or were not yet processed and 7 were not required to lodge.

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Income segments

How tax transparency applies to the largest corporations, large corporations and medium corporations.

Last updated 3 November 2022

Australia's corporate tax paid is concentrated in the largest corporations (see Figure 4 below), which is why we apply a significant degree of scrutiny to these taxpayers. We use the Action Differentiation Framework to apply resources efficiently, allocating them to priority focus areas where specific attention is required.

We engage with the largest corporations on an ongoing one-to-one basis to manage their compliance and assure their tax performance. For more information, see **Top 100 engagement**, **Top 1,000 engagement** and **Top 500 engagement**.

We have a high level of compliance coverage across the population with a focus on assuring that the right amount of tax has been paid. These programs seek to give the community confidence that Australia's largest corporations are paying the right amount of tax.

Largest corporations

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. There are only 67 entities in the corporate transparency population with income of $5 billion or more.

Whilst these corporations represent only 2.7% of the population, they collectively pay about 59.9% of all income tax payable or $41.1 billion (see Figure 4). The majority of these large corporations are Australian public companies, and assurance over their tax compliance is covered by our Top 100 program.

Four out of 5 taxpayers in the Top 100 population have achieved either an overall high or medium level of assurance through our annual justified trust program. Justified trust builds and maintains community confidence that taxpayers are paying the right amount of tax.

Figure 4: Largest corporate entities in $5b and greater income segment

In 2020–21, the largest corporate entities in the $5 billion and greater income segment account for only 2.7% of the population, but reported the majority of income tax payable with $41.1 billion, or 59.9% of the total.

Large corporations

The large corporations account for 55.9% of the corporate transparency population. They are the highest population by count and paid 35.0% or $24.0 billion of total tax payable (see Figure 5).

Many corporations in this cohort are covered by the Top 1,000 program. Under this program, we aim to assure the tax outcomes of corporations which are not part of the Top 100 population and with income above $250 million once every four years. Where we identify areas of concern, they are addressed through our Next Actions Program.

Figure 5: Large corporate entities in $250m to $5b income segment

In 2020–21, the large corporate entities which fall into the $250 million to $5 billion income segment, represent 55.9% of the population and reported tax payable of $24.0 billion, or 35.0% of the total.

Medium corporations

The medium corporations (those who earn less than $250 million) account for 41.4% of the corporate transparency population but paid only 5.1% of corporate income tax (see Figure 6).

We have risk based, and data and analytics programs to monitor the tax compliance of medium corporations.

Figure 6: Medium corporate entities in $100m to $250m income segment

In 2020–21, the medium corporate entities in the $100 million to $250 million income segment account for 41.4% of the population but reported a relatively small amount of tax payable of $3.5 billion, or 5.1% of the total.

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Income tax payable

Data on tax payable by ownership segment and by industry segment.

Last updated 3 November 2022

Over one million entities lodge company income tax returns in Australia. At the time of publication, the 2,468 entities in the corporate transparency report represent approximately 65% of total corporate income tax payable in 2020–21. This population contributed

$68.6 billion in tax payable. This represents a net increase in tax payable from 2019-20 of approximately $11.4 billion (19.8%).

The increase in tax payable was primarily driven by the Mining, Energy and Water segment (in particular, strong iron ore prices and high export volumes). Wholesale, Retail and Services also showed strong growth in tax payable. Segments relating to Banking, Finance and Investment, and Manufacturing, Construction and Agriculture were relatively stable during the period. There was a decline in tax payable in the Insurance segment. These numbers reflect the differentiated impact of COVID-19 during 2020–21.

Tax payable – by ownership segment

Australian public entities contributed the most tax paid at 66.2%. This is followed by foreign-owned entities at 22.9% and Australian private entities at 10.9%.

Australian public entities contributed the most to the growth in tax payable in 2020–21 with $9.5 billion. Foreign entities contributed $1.7 billion in growth, while Australian private entities had smaller growth at $140 million. This data is presented in Figure 7.

Figure 7: Change in tax payable by ownership segment

Total tax payable by corporate entities in 2020–21 was $68,604 million, compared with $57,245 million in 2019–20. Tax payable increased in 2020–21 by $140 million for Australian private entities, $1,740 million for foreign-owned entities and $9,480 million for Australian public entities.

Tax payable – by industry segment

The increase in tax payable across the corporate transparency population this year was primarily driven by the Mining, Energy and Water segment, with a growth of $7.3 billion (see Figure 8). This is driven by strong commodity prices and high export volumes. The Wholesale, Retail and Services, and Banking, Finance and Investment segments also showed growth contributing $2.8 billion and $1.1 billion respectively. There was a decline in tax payable in the Insurance segment of $118 million. There was low growth in Manufacturing, Construction and Agriculture reflecting more challenging economic conditions impacting that segment in 2020–21, and a softening in non-mining sector corporate profits in recent years.

Figure 8: Change in tax payable, by industry segment

Total tax payable by corporate entities in 2020–21 was $68,604 million, compared with $57,245 million in 2019–20. Tax payable decreased in 2020–21 in the insurance segment by -$118 million. Manufacturing, construction and agriculture segment had increased tax payable during 2020–21 of $323 million, banking, finance and investment increased by $1,102 million, wholesale, retail and services increased by $2,820 million, and mining, energy and water had increased tax payable of $7,233 million.

Economic and environmental factors can affect the performance of an industry segment each year. For example, the Insurance segment was affected by several natural disasters in 2020–21. Recurring factors can affect any business but especially the tax performance of the Mining, Energy and Water segment.

Read more about the reasons **why some corporations pay no tax**.

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Five-year trend analysis

Trends in tax payable, total income, taxable income and count of entities.

Last updated 3 November 2022

Over the last 5 years, the increase in the number of entities in each industry in the corporate transparency population has been a key contributing factor to growth in income and tax paid across all segments. The exception is Australia's Mining, Energy and Water segment, where commodity prices and export volumes have been key contributing factors in income and tax paid.

Over the 5-year period, Banking, Finance and Investment and the Insurance segments experienced small declines in tax paid. The Manufacturing, Construction and Agriculture, and Wholesale, Retail Services segments have experienced small increases in tax paid.

The following figures illustrate the changes by industry segment in tax payable, total income, taxable income, and entity counts.

Tax payable

Figure 9 shows the trend in tax payable by industry segment over the past 5 years. Table 1 summarises this data.

Figure 9: Tax payable by industry segment over 5 years

This column graph shows the trend in tax payable over five years from 2016–17 to 2020–21, 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 insurance segment which dropped in 2020–21, the tax payable across all other industry segments steadily increased. This graph also shows that aggregate tax payable has increased over the five years.

Table 1: Five-year trend of tax payable by industry segment ($b)

Industry segment	2016–17	2017–18	2018–19	2019–20
Banking, Finance and Investment	15.5	16.2	14.9	14.1
Insurance	2.7	2.7	2.2	1.9
Manufacturing, Construction and Agriculture	3.5	4.1	3.7	3.7
Wholesale, Retail and Services	11.9	13.2	12.4	12.5
Mining, Energy	12.1	16.1	22.9	25.0

and Water					
All industry segments	45.7	52.3	56.1	57.2	

Total income

Table 2 shows the total income by industry segment over the past 5 years. Total income was $2,292.5 billion in 2020–21, an increase of 4.9% on the prior year.

Banking, Finance and Investment, Insurance, and Manufacturing, Construction and Agriculture have all seen a small growth in total income over the last 5 years, while the other sectors have experienced stronger growth.

Income tax is applied to taxable income not total income. Total income generally includes all income received. Taxable income is the portion of total income that's actually subject to taxation. Deductions are subtracted from gross income to arrive at taxable income. Deductions can vary from industry to industry for example retail could have a high percentage of deductions reflecting smaller gross profit margins. When commodity prices are high, mining companies can have a lower percentage of deductions relative to total income.

Table 2: Five-year trend of total income by industry segment ($b)

Industry segment	2016–17	2017–18	2018–19	2019–20	
Banking, Finance and Investment	270.0	292.1	285.2	283.8	
Insurance	116.2	122.3	132.7	130.9	
Manufacturing, Construction and Agriculture	300.8	332.4	335.5	345.4	

Wholesale, Retail and Services	824.3	882.2	932.9	956.1
Mining, Energy and Water	336.8	371.1	442.4	468.3
All industry segments	1,848.1	2,000.0	2,128.7	2,184.5

Taxable income

Taxable income is a company's total income minus expenses. The amount of taxable income is affected by revenue growth and market conditions. For example, interest rate changes will affect a company's borrowing expenses.

Insurance, and Manufacturing, Construction and Agriculture have both experienced a decline and low growth in taxable income as those sectors faced challenging economic conditions.

The Mining, Energy and Water segment is a major contributor to the overall increase in taxable income, with steady and consistent growth over the past 5 years.

The Banking, Finance and Investment segment had a rise in taxable income in 2020–21 as financial investments rebounded from the initial shock of COVID-19 in the prior financial year.

The taxable income of the Wholesale, Retail and Services segment increased as the aggregate level consumption of these services increased.

Table 3 shows taxable income by industry segment over the past 5 years. Taxable income was $256.6 billion in 2020–21, an increase of $48.0 billion (23.1%) on the prior year. All non-mining sectors, except the Insurance segment, have seen increases in taxable income this year.

Table 3: Five-year trend of taxable income by industry segment ($b)

Industry segment	2016–17	2017–18	2018–19	2019–20	2
Banking, Finance and Investment	63.3	74.9	63.9	60.2	
Insurance	14.5	14.4	12.7	10.1	
Manufacturing, Construction and Agriculture	12.7	14.8	15.4	13.2	
Wholesale, Retail and Services	35.2	40.1	37.1	34.8	
Mining, Energy and Water	30.4	49.3	79.1	90.0	
All industry segments	156.2	193.5	208.2	208.4	[illegible]

Count of entities

Over the 5 years increases in the number of entities in each industry has been a contributing factor to income and tax paid across all segments. The exception is the Mining, Energy and Water segment, where commodity prices and export volumes have been additional key contributing factors to growth in this sector.

Table 4 shows the number of entities by industry segment over the past 5 years.

Table 4: Number of entities by industry segment

Industry	2016–	2017–	2018–	2019–	2

segment	17	18	19	20
Banking, Finance and Investment	205	217	222	240
Insurance	62	62	67	69
Manufacturing, Construction and Agriculture	485	501	527	538
Wholesale, Retail and Services	1,125	1,192	1,239	1,265
Mining, Energy and Water	232	242	256	258
All industry segments	2,109	2,214	2,311	2,370

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Net losses and nil tax payable

Reasons for tax losses, and data on nil tax payable by ownership segment and industry segment.

Last updated 3 November 2022

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 tax incentive**.

We examine tax loss making companies very carefully to understand why they are making a loss and whether this represents a compliance risk. When required we can use our strong information gathering powers to obtain documents and information from corporations, and exchange information with other jurisdictions to help our compliance activities. For more information, see our **approach to information gathering**.

The corporate tax transparency data this year has 32% of 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

There are numerous commercial reasons why corporations can make a loss. The 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 entity 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.

An entity may not pay tax in an income year where it reports:

- an accounting loss
- an accounting profit but reconciliation items resulted in a tax loss. For example, tax deductions allowed at higher rates than accounting permits
- a taxable income but was also entitled to offsets, such as the research and development incentive at least equal to the tax otherwise payable
- a taxable income but prior-year losses were available to deduct against that profit, so no tax was payable.

Of the 2,468 entities in the 2020–21 transparency report, 1,686 (68%) paid tax. However, due to some of the reasons outlined above, 782 (32%) did not pay tax (see Figure 10).

Figure 10: Reasons for nil tax at the entity level

In 2020–21, 2,468 entities are in the corporate tax transparency population. Of these, 1,686 (68%) entities did pay tax and 782 (32%) entities did not have a tax liability for 2020–21. Of these, 287 (12%) incurred an accounting loss, 155 (6%) incurred tax losses, 59 (2%) utilised offsets and 281 (11%) utilised losses from prior year.

Economic group level analysis

Many single entities that did not pay tax are members of a tax paying corporate group. An economic group includes all entities, such as companies, trusts and partnerships, that lodge an Australian tax return under a direct or indirect Australian or foreign ultimate holding company or other majority controlling interest. This includes all entities under a single ultimate holding company or under the ownership of a single individual, trust or partnership.

When we look at a corporate entity, we look at the entire economic group structure and which entities are paying tax. At the economic group level, a total of 2,102 economic groups or standalone entities were to some degree in scope for the corporate tax transparency report. When we analyse this population at the group level, the percentage with nil tax payable drops from 32% to 20% because at least one entity in the group did pay tax (see Figure 11).

Figure 11: Reasons for nil tax at the economic group level

In 2020–21, 2,102 economic groups and standalone entities were in the corporation tax transparency population. Of these, 1,672 (80%) groups did pay tax and 430 (20%) economic groups and standalone entities did not have a tax liability for 2020–21. Of these, 148 (7%) incurred an accounting loss, 77 (4%) incurred tax losses, 27 (1%) utilised offsets and 178 (8%) utilised losses from prior year.

The main reason for nil taxes can vary from year to year. This year there were higher rates of entities utilising carry forward losses as opposed to incurring accounting losses see figure 12.

Figure 12: Proportion of economic groups with nil tax payable, by tax outcome over 3 years

This graph shows the proportion of economic groups with nil tax payable over three years from 2018–19 to 2020–21, by tax outcome (incurred an accounting loss, utilised losses from prior year, incurred tax loss, utilised offsets). There was an increase in the proportion of groups utilising losses from prior years or incurring tax losses over the three years. The proportion of groups or standalone entities utilising offsets has remained low, at around 1% during this time. There was an increase in groups incurring accounting losses in 2019–20, but a decrease in 2020–21 saw it drop to 7.0%, the lowest level over the three years.

Nil tax payable – by ownership segment

The proportion of entities with nil tax payable has decreased since the first publication of this report from 36% in 2013–14 to 32% in 2020–21. However, there was an increase in 2019–20, which was largely due to the effects of COVID-19 related lockdowns on Gross Domestic Product (GDP) growth and economic activity. This has stabilised in 2020–21 as corporations adjusted to the new market conditions.

There was an increase in the proportion of Australian public entities which paid nil tax over the 3-year period, see Figure 13. This was associated with services, transport and financial asset investing industries, which were affected by COVID-19.

There was a notable decrease in the number of Australian private entities with nil tax this year. This was primarily due to an increase in the amount of nil taxpayer companies exiting the population due to their income being below the threshold. Some of these companies were in segments such as Manufacturing, Construction and Agriculture, and Wholesale, Retail and Services.

The ownership cohorts are not directly comparable, as smaller Australian private entities with total income less than $200 million are currently not represented in the data. See Interpreting the results.

Figure 13: Proportion of entities with nil tax payable, by ownership segment, over 3 years

This graph shows the proportion of entities with nil tax payable over three years from 2018–19 to 2020–21, by ownership segment (private, foreign-owned and Australian public). The percentages have remained broadly stable, with the exception of Australian private entities which showed a significant decrease in 2020–21.

Nil tax payable – by industry segment

The proportion of entities with nil tax payable differs across the industry segments. Nil tax payable can also depend on macroeconomic factors such as economic downturns or conditions that affect industry segments in different ways. For example, COVID-19 has affected mining differently to the international travel industry.

Some recurring factors will show a higher percentage of nil tax payable entities in the Mining, Energy and Water segment compared to other segments.

The effect of natural disasters and challenging economic conditions resulted in greater expenses in 2020–21 for corporate entities in segments such as Insurance, Manufacturing, Construction and Agriculture.

This resulted in these segments also having a higher proportion of nil tax payable entities than those in other segments (see Figure 14).

Figure 14: Proportion of entities with nil tax payable, by industry segment, over 3 years

This graph shows the proportion of entities with nil tax payable over three years from 2018–19 to 2020–21, by industry segment (banking, finance and investment; insurance; manufacturing, construction and agriculture: wholesale, retail and services and mining, energy and water). In 2020–21, the mining, energy and water segment had the highest proportion of entities with nil tax payable at around 54%, while the banking, finance and investment segment had the lowest at around 24%.

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Petroleum resource rent tax

Corporate tax transparency report 2020-21 data on petroleum resource rent tax (PRRT).

Last updated 3 November 2022

The petroleum resource rent tax (PRRT) taxes profits generated from the sale of marketable petroleum commodities above a specified rate of return. PRRT is paid when a petroleum project's total assessable receipts exceed total eligible expenditure. Learn more about the Petroleum resource rent tax.

Total petroleum resource rent tax payable

There are 10 entities in the 2020–21 PRRT transparency population, with total PRRT payable of $926 million. The number of entities paying PRRT decreased from 12 in the previous year, and PRRT payable increased from $881.1 million.

The increase in PRRT payable reflects the increased profitability of PRRT liable companies in 2020–21, with oil prices being a key driver, see World Bank commodity prices data.

Figure 15a: Number of PRRT entities over the past 5 years

This graph shows the number of petroleum resource rent tax (PRRT) entities over five years from 2016–17 to 2020–21. Since 2016–17 the number of PRRT entities has decreased slightly to 10 entities in 2020–21.

Figure 15b: PRRT payable versus oil price over the past 5 years.

Figure 15b below demonstrates that PRRT paid each year is highly correlated to the oil price over the 5-year period.

This graph shows the amount of PRRT payable and the average West Texas Intermediate (WTI) price and Brent Prices over five years from 2016–17 to 2020–21. Over this time the PRRT payable is highly correlated to the oil price over the 5 year period.

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Corporate population compliance

A summary of how we work to improve corporate compliance.

Last updated 3 November 2022

We are a world leader in combating tax avoidance. The Tax Avoidance Taskforce bolsters our efforts to ensure the right amount of tax in Australia is paid by:

- multinational enterprises
- large public and private businesses
- associated individuals.

Through our **justified trust** program we assure the tax compliance of large corporate groups and privately owned and wealthy groups. Areas of concern identified through the program 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.

Our **population-wide approaches to preventing non-compliance** explains how we monitor large corporations. It also explains the large number of resources applied to educating and preventing non-compliance.

To gain assurance they are paying the correct amount of tax, we engage with the top:

- 1,100 public and multinational businesses and superannuation funds
- 500 privately owned and wealthy groups.

Our **Tax and Corporate Australia** report, explains in more detail how we maintain assurance over large corporate taxpayers.

For more information, see **Tax Avoidance Taskforce** and **Tax performance programs for privately owned and wealthy groups**.

Our findings reports give insights into our compliance approach to the large corporate market:

- **Top 100 income tax and GST program**
- **Top 500 income tax and GST program**
- **Top 1,000 income tax and GST program**

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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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