



Corporate tax transparency reports

Detailed information about tax transparency for large businesses.

Corporate tax transparency report 2023–24



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

Corporate tax transparency report 2022–23



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

Corporate tax transparency report 2021–22



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

Corporate tax transparency report for the 2020–21 income year



This is the eighth annual report on corporate tax transparency.

Corporate tax transparency report for the 2019–20 income year



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

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.

Corporate tax transparency report for the 2017–18 income year



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

Corporate tax transparency report for the 2016–17 income year



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

Corporate tax transparency report for the 2015–16 income year



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

Corporate tax transparency report for the 2014–15 income year



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

Corporate tax transparency report for the 2013-14 income year

This page provides a detailed corporate tax transparency report for the 2013-14 income year.

QC 44491

Corporate tax transparency report for the 2013-14 income year

This page provides a detailed corporate tax transparency report for the 2013-14 income year.

Last updated 22 March 2016


This report forms part of a wider domestic and global push for improved corporate transparency. It is intended to inform public debate about tax policy, particularly in relation to the corporate tax system.

There are legislative limits to the information in this report and it is important to note that the aggregate figures cannot reflect the complexity of the tax system, the relationships between entities, the calculations behind the numbers shown or the extent and nature of any ATO activity.

The transparency population includes Australian and foreign corporate entities operating in Australia.

Population overview

Corporate entities by income segment

 This chart provides an overview of the number of corporate transparency entities broken down by income segment and then by taxable income and tax payable.


Industry segment

Australia's largest corporations tend to operate in sectors of the economy that are characterised by a high degree of capital intensity, economies of scale, and are exposed to cross-border trade.

Different economic performance factors impact particular sectors of the economy at different points in the economic cycle (for example, commodity prices, policy changes, impacts of the global financial crisis etc.). Proportionally, tax payable is dominated by the financial services and mining sectors, reflecting high returns in these industries.

Note that these industry classifications are necessarily broad and use internal ATO criteria. Information is presented as indicative only.

Corporate entities by industry segment

 This chart provides an overview of the number of corporate transparency entities broken down by industry income segment and then by taxable income and tax payable.

BF = Banking & Finance ER = Energy & Resources MFG = Manufacturing	ISR = Insurance and Superannuation (super funds are not included in the transparency population) S&S = Sales & Service
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Market size

There are approximately 1.1 million companies operating in Australia who reported total income tax payable of \$68.4bn in the 2013/14 tax year. The 1859 corporate tax entities reported under this measure represent 63% of that amount. Overall the public groups and international population includes 31,000 corporate entities. The privately owned and wealthy groups population includes 156,000 private groups with annual turnover greater than \$2 million.

The transparency population of 1859 corporate tax entities (which now includes 321 large Australian private companies) includes 1,314 corporate tax entities that are part of a large market economic group, being groups with an annual turnover greater than \$250 million. The balance of 545 entities belong to small and medium economic groups.

Many large private groups consist of a number of entities whose total income in aggregate may exceed \$200 million. However where these are not consolidated for taxation purposes, individual entities may not


exceed the threshold for inclusion in the report. The complexity of, and diversity of, large private groups means income can be distributed and returned through multiple structures and entities.

 This chart provides an overview of the number of corporate transparency entities broken down by market size.

Note: Government and not-for-profit entities have been incorporated into either the large or the small and medium populations based on total income.

Ownership

The transparency population is predominantly made up of foreign-owned entities, (including private companies with more than 50% foreign shareholding).

 This chart provides a breakdown of Australian public, foreign-owned and Australian private entities that are in the corporate transparency population.

Nil tax payable

The 2008 global financial crisis (GFC) was followed by the deepest recession in the world economy since World War II, with the weaker global economy resulting in a reduction in demand for Australia's exports, leading to falls in volumes and prices and consequential falls in Australia's terms of trade, and the exchange rate. The effects of the GFC are still being seen in corporate profits and tax results in 2013-14.


According to our analysis of publicly available information, approximately 63% of all ASX-listed companies reported a loss to their shareholders in the 2013-14 financial year.

Over the past 10 years, 20 to 30 per cent of the comparable grouping of ASX 500 companies has reported a net loss to their shareholders in any given year. The tax data reflects similar levels of tax losses reported by economic groups.

Proportion of companies with reported loss: by ASX population


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Note: This chart was compiled using listed companies only (including trading and suspended companies). The sectors are classified according to the Global Industry Classification Standard and the search query was PreTax Profit from Annual Profit & Loss. The search results were refined to exclude blank or zero results and as such, the population of companies included in the analysis varies on a yearly basis depending on the number of results returned in the search, which may not match the number of companies listed on the ASX. The companies included in the analysis were allocated to ASX indices based on current data, and this allocation remains constant for the entire 2005 to 2014 period.


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The charts below provide a breakdown of the nil tax payable proportion of the transparency population.

At the entity level

 This chart provides a breakdown of the corporate transparency entities by those entities with tax payable and those without tax payable.

At the economic group level

 This chart provides a breakdown of the economic groups by those with tax payable and those without tax payable.

Note: Data extracted on 22 February 2016, only includes Company Tax Returns and Client Initiated Amendments lodged before 1 September

2015.

Comparison of public/private/foreign: proportion (%) which paid nil tax, by industry

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Australian-owned resident private companies

The overall privately owned and wealthy group population includes 156,000 private groups with annual turnover greater than \$2 million and over 130,000 wealthy individuals with estimated net wealth greater than \$5 million. Wealthy individuals and their businesses constitute less than 1% of the individual taxpayer population and less than 5% of the business population. Collectively privately owned and wealthy groups contribute \$40.5 billion in net income tax representing 17% of the total ATO income tax collections.

Recent amendments to the tax transparency law resulted in the inclusion, in the report, of tax information for 321 Australian-owned resident private companies who reported total income of \$200 million or more in their 2014 company tax returns. Combined these private companies accounted for:

- 8.2% of the Corporate Transparency population total income,
- 4.2% of accounting profits,
- 7.2% of accounting losses,
- 4.6% of taxable income and
- 4.9% of tax payable.

These companies, representing about 17% of the total tax transparency population accounted for over \$145 billion in total income and over \$2 billion in tax payable. They operated mainly in the manufacturing, sales and services, and financial sectors, employing over 118,000 employees.

These companies are linked to private groups that in total consist of approximately 11,000 entities. On average these groups contain 35

entities typically comprised by 25 companies, 7 trusts, 1 partnership, 1 superfund and 1 individual. Often a number of the entities will be part of a consolidated group for tax purposes. One of the more complex groups comprises over 250 entities including more than 150 companies.

Some privately owned corporate groups (often controlled by a wealthy individual or family) will design complex business structures (including discretionary trusts) to extract company profits without payment of appropriate tax. This includes shareholders and their associates accessing company profits for personal expenses, using business lifestyle assets for private purposes, and restructuring to transition wealth in a tax effective manner as part of succession planning.

Some private groups are not consolidated for tax purposes and may channel income to flow-through entities such as trusts and partnerships or have other profit making companies that do not meet the reporting threshold. This can result in tax being paid either by one entity in the group, for the whole group, with others showing nil tax payable, or can result in taxes being ultimately borne by individual beneficiaries or companies below the threshold for inclusion in the report.


Private group structure example:

Although income is made and tax paid in a large private group only Company A with \$200 million income would be included in the report with other companies being below the threshold.

 This chart provides an example of the structure of a private group.

A number of private companies, who may be expected to feature in the transparency reporting, do not appear, due to reported total incomes for those companies being under the transparency reporting threshold of \$200 million.

The 2013-14 tax performance of Australian private companies in the transparency population reflects that 30% had nil tax payable, which is similar to the position of their transparency peers in the public and foreign-owned sector for the same period. While the majority made profits and paid tax in 2014, sensitivity to economic conditions, reinvestment back into the business, distribution of profits to other entities within the broader group, accounting for tax adjustments, utilisation of tax losses, and tax offsets do impact on profitability and tax payable.

 This chart provides a breakdown of the Australian-owned private entities by those entities with tax payable and those without tax payable.

It should be noted that the private groups associated with nil tax companies reported around \$700 million income tax payable in the 2014 income year from other entities within the group.

Note: The reasons as to why an entity may have nil tax payable are further explained in the contextual guidance material.

We risk assess 100% of the population using sophisticated analysis. Sustained poor tax and economic performance is one factor that requires further explanation and understanding and, along with other factors, results in engagement by us to ensure that large companies pay their fair share of tax. Since 2013, over half of the Australian private companies in the transparency population (and/or their linked group) have been subject to some form of ATO engagement. These activities range from help and advice for many, to complex reviews and audits. About 25% of those we engaged involve the more complex reviews and audits, raising in excess of \$500 million in average liabilities. In 2015-16 we commenced an ongoing program of face to face early engagement with our largest private groups to identify tax issues and assure correct tax treatment prior to the lodgment of their tax returns.

While a number of names on the list may be recognisable and any links to high profile individuals the subject of public knowledge, the taxpayer confidentiality provisions of the tax law prevent disclosure of tax information beyond what the transparency law allows, including details of the income and tax paid by other related entities.

More information

- [2013-14 Corporate Report of Entity Tax Information](#) 
- Privately owned and wealthy groups demographics

Note: Figures in charts and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding.

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