Corporate tax transparency report 2021–22

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

Last updated 9 November 2023

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About this report

Highlights of the Corporate tax transparency report 2021-22.

Last updated 9 November 2023

This year's report analyses aggregated data from the 2021–22 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.

Note: The above income thresholds will change from 2024, impacting the population and the trends in future reports.

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**.

Highlights

- There are 2,713 entities in this year's population, representing a net increase of 245 entities (9.9%) on 2020–21.
- Total income for 2021–22 was $2,630.6 billion, an increase of 14.7%.
- Taxable income was $341.4 billion, an increase of 33.1%.
- Tax payable was $83.8 billion, an increase of 22.2%.
- Foreign-owned entities accounted for 55.1% of this year's corporate transparency population and 28.3% of tax payable.

- Australian public entities accounted for 21.7% of this year's corporate transparency population and 60.2% of tax payable.
- Australian private entities accounted for 23.1% of this year's corporate transparency population and nearly 11.5% of tax payable.
- Entities with income of more than $5 billion represented 2.9% of the corporate transparency population and accounted for 57.0% of tax payable ($47.8 billion).
- Entities with income of between $250 million and $5 billion represented the largest portion (56.5%) of the corporate transparency population and accounted for 38.1% of the tax payable ($31.9 billion).
- Medium entities – those with income of less than $250 million – represented 40.6% of the corporate transparency population and accounted for only 4.9% of the tax payable ($4.1 billion).
- Tax payable in the corporate transparency population was again dominated by the Mining, Energy and Water segment at 50.6% ($42.4 billion) of the total. This year the Mining, Energy and Water segment increased by $10.2 billion (31.6%) on last year.
- Approximately 31% of entities paid nil tax (12% incurred an accounting loss, 7% incurred a tax loss, 2% utilised offsets, 10% utilised tax losses from prior year).
- PRRT payable increased 115.6% from $926.0 million last year to $1,996.6 million this year.

Interpreting the results

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 aggregate annual 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. Due to secrecy provisions in the tax law we are only able to publish certain data in respect each eligible entity. Secrecy provisions prevent us from disclosing any additional information about specific entities beyond the three data points provided for in the legislation.

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 part of settlements these will be reflected in the future tax returns lodged and the outcomes reflected in future reports.

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.

This change will significantly increase the population size the corporate tax transparency report and affect the trends in this contextual analysis.

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 2021-22.

Last updated 9 November 2023

The 2021–22 year saw Australia return to normal operation after the COVID-19 pandemic. Australia's corporate taxpayers generally performed well and were supported by monetary stimulus, strong commodity prices and consumer demand.

Tax paid in 2021–22 was the highest since corporate tax transparency reporting started, rebounding from COVID-19 and lockdowns. Company tax collections increased by $15.2 billion (22.2%) to $83.8 billion in 2021–22, reflecting a stronger-than-expected recovery in economic conditions.

As in previous reports, mining outperformed other segments of the economy. Wholesale, Retail and Services also did well, reflecting a lifting of COVID-19 restrictions.

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Population overview

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

Last updated 9 November 2023

There are 2,713 corporate entities in the 2021–22 corporate transparency population, with tax payable of $83.8 billion. Compared to 2020–21, this represents a net increase of 245 entities (9.9%) and an increase in tax payable of approximately $15.2 billion (22.2%).

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 5-year growth in the transparency population to 2021–22. Growth has been relatively consistent over the last 5 years, from 2,214 entities in 2017–18 to 2,713 entities in 2021–22.

Ownership

Foreign-owned entities accounted for 55.1% of the corporate transparency population in 2021–22, while Australian public entities and Australian private entities accounted for 21.7% and 23.1% of the population respectively (see Figure 2).

Figure 2: Corporate entities by ownership segment, 2021–22

This chart shows that there were 2,713 entities in the corporate tax transparency population in 2021–22. They include 627 Australian private entities, 590 Australian public entities, and 1,496 foreign-owned entities.

Industry segment

Wholesale, Retail and Services (WRS) is the largest industry segment at 1,458 entities or 53.7% of the corporate tax transparency population, followed by:

- Manufacturing, Construction and Agriculture (MCA) at 613 or 22.6%
- Banking, Finance and Investment (BFI) at 298 or 11.0%

- Mining, Energy and Water (MEW) at 273 or 10.1%
- Insurance (ISR) at 71 or 2.6%.

Exits from the population

In 2021–22, 260 entities exited the population, 505 entities were new entrants, and 2,208 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 2023)
- were not required to lodge a company tax return due to deregistration.

See Figure 3 below 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.

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

This chart shows that in 2021–22, 260 entities from 2020–21 exited the corporate tax transparency population. Of these, 166 reported income below the income thresholds, 69 joined a consolidated group, 22 had not yet lodged, lodged late or were not yet processed and 3 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 9 November 2023

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 Boards, the ATO and 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 78 entities in the corporate transparency population with income of $5 billion or more.

While these corporations represent only 2.9% of the population, they collectively pay about 57.0% all corporate income tax payable for the corporate tax transparency population or $47.8 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.

In the Top 100 population, which includes Australia's largest public and multinational businesses, 4 out of 5 taxpayers have achieved either an overall high or medium level of assurance through our justified trust program. We have high levels of confidence that these businesses are meeting their legal tax obligations, or we know why they aren't and are taking action.

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

This chart shows that in 2021–22, the largest corporate entities in the $5 billion and greater income segment account for only 2.9% of the population, but reported the majority of income tax payable with $47.8 billion, or 57.0% of the total.

Large corporations

The large corporations account for 1,533 entities or 56.5% of the corporate transparency population. They are the highest population by count and paid 38.1% or $31.9 billion of all corporate income tax payable for the corporate tax transparency population (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 4 years. Where we identify areas of concern, they are addressed through our Next Actions Program.

Figure 5: Large corporate entities in $250 million to $5 billion income segment

This chart shows that in 2021–22, the large corporate entities which fall into the $250 million to $5 billion income segment, represent 56.5% of the population and reported tax payable of $31.9 billion, or 38.1% of the total.

Medium corporations

The medium corporations (those that earn less than $250 million) account for 1,102 entities or 40.6% of the corporate transparency population but paid only 4.9% of corporate all corporate income tax payable for the corporate tax transparency population (see Figure 6).

Many of these entities are covered by our medium and emerging compliance program. Part of the Tax Avoidance Taskforce, this compliance program uses sophisticated data and analytics programs to monitor and identify tax risk of medium corporations.

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

This chart shows that in 2021–22, the medium corporate entities in the $100 million to $250 million income segment account for 40.6% of the population but reported a relatively small amount of tax payable of $4.1 billion, or 4.9% of the total.

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Income tax payable

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

Last updated 9 November 2023

Over one million entities lodge company income tax returns in Australia. At the time of publication, the 2,713 entities in the corporate transparency report represent approximately 66% of total corporate income tax payable in 2021–22.

The increase in tax payable was primarily driven by the Mining, Energy and Water segment in particular, strong iron ore prices and increases in tax payable from coal, oil and gas producers. 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.

Tax payable – by ownership segment

Australian public entities contributed the most tax paid at 60.2%. This is followed by foreign-owned entities at 28.3% and Australian private entities at 11.5%.

Foreign owned entities contributed the most to the growth in tax payable in 2021–22 with $8.0 billion. Australian public entities contributed $5.1 billion in growth, while Australian private entities had growth of $2.2 billion. This data is presented in Figure 7.

Figure 7: Change in tax payable by ownership segment

This graph shows that total tax payable by corporate entities in 2021–22 was $83,831 million, compared with $68,604 million in 2020–21. Tax payable increased in 2021–22 by $2,173 million for Australian private entities, $7,999 million for foreign-owned entities and $5,055 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 $10.2 billion (see Figure 8). This was driven by strong commodity prices and high export volumes.

The Wholesale, Retail and Services segment showed strong growth of $2.2 billion, representing a return to more normal retail conditions. The Manufacturing, Construction and Agriculture segment increased its tax payable by $1.7 billion. Banking, Finance and Investment also showed growth, contributing $897 million. The Insurance segment had a small increase of $216 million in 2021–22.

Figure 8: Change in tax payable, by industry segment

This graph shows that total tax payable by corporate entities in 2021–22 was $83,831 million, compared with $68,604 million in 2020–21. Tax payable increased in 2021–22 an all segments. Banking, Finance and Investment increased by $897 million; Insurance increased by $216 million; Manufacturing, Construction and Agriculture increased by $1,710 million; Wholesale, Retail and Services increased by $2,221 million; and Mining, Energy and Water had increased tax payable of $10,182 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 2021–22, negatively affecting its performance.

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

Five-year trend analysis

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

Last updated 9 November 2023

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, all industries have grown their tax payable except Insurance and Banking, Finance and Investment. The Insurance segment has increased expenses over the 5 years due to a number of natural disasters. The Banking, Finance and Investment segment has restructured over the 5 years, increasing its costs.

The following figure illustrates the changes in tax payable by industry segment over 5 years. Tables 1 to 4 summarise the 5-year trends for 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 5 years from 2017–18 to 2021–22, by industry segment (Banking, Finance and Investment; Insurance; Manufacturing, Construction and Agriculture; Wholesale, Retail and Services and Mining, Energy and Water). Except for the Insurance and Banking, Finance and Investment segments, tax payable across all other industry segments steadily increased. This graph also shows that aggregate tax payable has increased over the 5 years.

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

Industry segment	2017–18	2018–19	2019–20	2020–21	2
Banking, Finance and Investment	16.2	14.9	14.1	15.2	
Insurance	2.7	2.2	1.9	1.8	
Manufacturing, Construction and Agriculture	4.1	3.7	3.7	4.1	
Wholesale, Retail and Services	13.2	12.4	12.5	15.3	
Mining, Energy and Water	16.1	22.9	25.0	32.3	
All industry segments	52.3	56.1	57.2	68.6	

Total income

Table 2 shows the total income by industry segment over the past 5 years. Total income was $2,630.3 billion in 2021–22, an increase of 14.7% on the prior year.

Insurance and Manufacturing, Construction and Agriculture have both seen small growth in total income over the last 5 years, while the other segments 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 total 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 segm ($ billion)

Industry segment	2017–18	2018–19	2019–20	2020–21
Banking, Finance and Investment	293.2	286.1	284.9	310.8
Insurance	121.5	132.3	129.9	189.7
Manufacturing, Construction and Agriculture	332.5	336.0	346.0	341.0
Wholesale, Retail and Services	881.8	932.6	956.1	976.7
Mining, Energy and Water	370.9	441.8	467.6	474.3
All industry segments	2,000.0	2,128.7	2,184.5	2,292.5

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.

Table 3 shows taxable income by industry segment over the past 5 years. Taxable income was $341.4 billion in 2021–22, an increase of

$84.9 billion or 33.1% on the prior year.

Insurance has experienced a decline in taxable income, as that segment faced challenging economic conditions and multiple natural disasters.

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 2021–22 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: Five-year trend of taxable income by industry seg
($ billion)

Industry segment	2017–18	2018–19	2019–20	2020–21	2
Banking, Finance and Investment	74.9	63.8	60.2	81.8	
Insurance	14.4	12.7	10.1	5.3	
Manufacturing, Construction and Agriculture	15.0	15.5	13.3	15.2	
Wholesale, Retail and Services	39.9	37.0	34.8	42.7	
Mining, Energy and Water	49.3	79.2	90.0	111.5	

All industry segments	193.5	208.2	208.4	256.6	

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. However, in the Mining, Energy and Water segment, commodity prices and export volumes have been additional key contributing factors to growth in this segment.

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

Table 4: Number of entities by industry segment

Industry segment	2017–18	2018–19	2019–20	2020–21	2
Banking, Finance and Investment	220	225	241	271	
Insurance	61	66	68	70	
Manufacturing, Construction and Agriculture	501	529	540	548	
Wholesale, Retail and Services	1,191	1,238	1,266	1,320	
Mining, Energy and Water	241	253	255	259	
All industry	2,214	2,311	2,370	2,468	

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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 9 November 2023

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. We apply considerable resources to ensure these taxpayers are paying the right amount of tax. For information on the specific risks we deal with, read about the **Tax Avoidance Taskforce** and refer to **Corporate population compliance** for links to our compliance findings.

The corporate tax transparency data this year has 31% 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 2,713 entities in the 2021–22 transparency report, 1,882 (69%) paid tax. However, due to some of the reasons outlined above, 831 (31%) did not pay tax (see Figure 10).

Figure 10: Reasons for nil tax at the entity level

Illustration shows that in 2021–22, 2,713 entities are in the corporate tax transparency population. Of these, 1,882 (69%) entities did pay tax and 831 (31%) entities did not have a tax liability for 2021–22. Of these, 326 (12%) incurred an accounting loss, 181 (7%) incurred tax losses, 63 (2%) utilised offsets and 261 (10%) 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.

The report lists entities that lodge returns, however our compliance approach is to examine the entire economic group structure. Multinationals typically comprise many corporate entities operating across multiple jurisdictions. At the economic group level, a total of 2,312 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 31% 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

Illustration shows that in 2021–22, 2,312 economic groups and standalone entities were in the corporation tax transparency population. Of these, 1,844 (80%) groups did pay tax and 468 (20%) economic groups and standalone entities did not have a tax liability for 2021–22. Of these, 187 (8%) incurred an accounting loss, 105 (5%) incurred tax losses, 30 (1%) utilised offsets and 146 (6%) 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 incurring accounting losses as opposed to utilising carry forward 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 3 years from 2019–20 to 2021–22, 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 incurring an accounting loss, tax losses or utlising offsets over the 3 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 31% in 2021–22. This drop was largely a reflection over better business 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 also an increase in the proportion of Australian private entities with nil tax this year. The proportion of foreign-owned entities with nil tax decreased to the lowest level over the 3–year period.

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 3 years from 2019–20 to 2021–22, by ownership segment (private, foreign-owned and Australian public). The percentages have remained broadly stable.

Nil tax payable – by industry segment

The proportion of entities with nil tax payable dropped in 2021–22 but the affect was different 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.

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 2021–22 for corporate entities in segments such as Insurance.

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 3 years from 2019–20 to 2021–22, by industry segment (Banking, Finance and Investment; Insurance; Manufacturing, Construction and Agriculture; Wholesale, Retail and Services and Mining, Energy and Water).

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Petroleum resource rent tax

Corporate tax transparency report 2021-22 data on petroleum resource rent tax (PRRT).

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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.

Total petroleum resource rent tax payable

There are 11 entities in the 2021–22 PRRT transparency population, with total PRRT payable of $1,997.6 million. The number of entities paying PRRT increased from 10 in the previous year, and PRRT payable increased from $926.0 million.

The increase in PRRT payable reflects the increased profitability of PRRT-liable companies in 2021–22, with oil prices being a key driver – see World Bank commodity prices data.

Figure 15 shows the number of PRRT entities since the CTT report commenced publication.

Figure 15: Number of PRRT entities over 9 years

This graph shows the number of petroleum resource rent tax (PRRT) entities over 9 years from 2013–14 to 2021–22. 2016–17 had the highest number of entities at 14.

Figure 16 below demonstrates that the annual PRRT collections are highly correlated to the price of oil. However, the results must also be read against developments in the global energy market. For instance, the 2020–21 result reflects energy prices recovering from a 2020 contraction, particularly for oil. The 2021–22 result is primarily attributed to energy price prices reacting to market volatility created by the Russian invasion of Ukraine.

Figure 16: PRRT payable versus oil price over 9 years

This graph shows the amount of PRRT payable and the average West Texas Intermediate (WTI) price and Brent Prices over 9 years from 2013–14 to 2021–22. Over this time the PRRT payable is highly correlated to the oil price over the 9-year period.

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Corporate population compliance

A summary of how we work to improve corporate compliance.

Last updated 9 November 2023

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**
- **Public and multinational business settlements**
- **Findings report RTP – Public and multinational businesses**

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