

# WE PAY OUR TAXES

December 2021

PART OF  
A BETTER  
FUTURE



**As Australia's leading natural gas producer, we are proud of our contribution to the community and the nation. In 2020 Woodside paid A\$473 million in Australian corporate income tax and a further A\$234 million in other taxes and royalties.**

## Woodside pays corporate income tax in Australia

Our Australian taxes are paid by a number of entities, namely Woodside Petroleum Ltd and the 90%-owned 'Burrup' entities, Burrup Facilities Company Pty Ltd and Burrup Train 1 Pty Ltd. Through these entities, Woodside paid A\$473 million in Australian corporate income tax in 2020.

Our tax payments are sometimes misreported because people only search for 'Woodside' in the Australian Taxation Office's (ATO) Report of Entity Tax Information, which is released each year in December (the ATO Data Release).

One of the Woodside entities noted in the December 2021 ATO Data Release, Woodside Petroleum Ltd (WPL), has an amount of income tax payable, however it is less than 30% of its taxable income. This is because:

- + WPL's tax profit includes revenue from the 'Burrup' entities that has already been taxed in Australia, so a tax offset is available to ensure there is no double tax on the same revenue; and
- + WPL is the explorer and producer of our Australian energy projects and includes the allowable tax deductions and offsets relating to these activities.

## Why our numbers are different to the ATO Data Release

The ATO Data Release each December reports Woodside's income tax and Petroleum Resource Rent Tax (PRRT) liabilities as opposed to payments. In the December 2021 ATO Data Release these liabilities were A\$454 million for the financial year ended 30 June 2020 (the 2019-20 income year).

We report our Australian tax contributions for the previous calendar year on a cash paid basis (A\$473 million paid in Australian corporate income tax in 2020). Through Australia's corporate pay-as-you-go instalment system, corporate income tax is commonly paid before the end of the financial year to which the liability relates.

## Our PRRT payments

PRRT applies in addition to corporate income tax and only becomes payable when owners of petroleum projects earn above a specified rate of return. In the years Woodside does not pay PRRT we continue to pay many other types of taxes and royalties. Since 2001, Woodside has paid approximately A\$2 billion in PRRT.

## Our approach to tax

We voluntarily participate in the Australian Board of Taxation's Tax Transparency Code and operate under an Annual Compliance Arrangement (ACA) with the ATO. The ACA is a co-operative tax compliance arrangement that is only available to taxpayers that are trusted, transparent and have a robust tax governance framework.

As a Top 100 Australian taxpayer we are also part of the ATO's Justified Trust program that seeks to assure large corporates are paying the "right" amount of tax. We are proud to have obtained the highest assurance rating under the program, achieved by just under half of the Top 100 Australian taxpayers.

We actively participate in several global ESG rating indices and our approach to tax is included within the leading group, relative to our industry peers.



MORE THAN  
**A\$10**  
BILLION

in Australian taxes and  
royalties paid since 2011



We remain a significant Australian  
taxpayer with more than

**95%**  
of our taxes paid  
in Australia



- Corporate income tax
- Payroll tax
- Federal royalties
- Fringe benefits tax
- Federal excise



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For more information, visit the "We Pay Our Taxes" page on our website.

# 2019-20 REPORT OF ENTITY TAX INFORMATION SUPPLEMENTARY INFORMATION

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December 2021

## This information sheet provides supplementary information to the Australian Taxation Office's (ATO) 2019-20 Report of Entity Tax Information, released in December 2021 (the ATO Data Release).<sup>1</sup>

Woodside had approximately **\$454 million** of income tax payable in respect of the 2019-20 income year through a number of entities (as detailed below). In addition to the ATO Data Release, approximately \$191 million of resource taxes were payable, meaning Woodside's total amount payable in respect of the 2019-20 income year was approximately \$645 million.

### ATO Data Release information

**Table 1 - Income tax summary for the 2019-20 income year**

Woodside Entity <sup>2,3</sup>	What this company does	Total income (Accounting income)	Taxable income (Tax profit)	Income Tax Payable (Tax profit x 30% less allowable tax offsets)
Burrup Facilities Company Pty Ltd (ABN 28 122 234 539)	LNG processing	\$ 1,113,069,680	\$ 615,798,067	\$ 184,739,420
Burrup Train 1 Pty Ltd (ABN 77 122 234 306)	LNG processing	\$ 1,749,134,540	\$ 307,534,611	\$ 92,260,383
Woodside Petroleum Ltd (ABN 55 004 898 962)	Head company of the group, explorer, and energy producer	\$ 8,229,114,684	\$ 2,167,431,832	\$ 176,790,531
	<b>Total</b>	<b>\$ 11,091,318,904</b>	<b>\$ 3,090,764,510</b>	<b>\$ 453,790,334</b>

**Table 2 - Petroleum Resource Rent Tax (PRRT) summary for the 2019-20 income year**

Resource Tax	Application	Amount Payable
PRRT	A 40% profits-based resource tax applicable to offshore oil and gas projects in Australia	Nil

To assist with interpreting the ATO Data Release:

- + Tax profit includes allowable operational expenses and deductions. Tax profit is calculated from accounting profit, which represents the entities' accounting income, less accounting expenses (e.g. cost of sales). From the accounting profit, adjustments are required to comply with tax law and regulations to arrive at tax profit. [Taxable income and accounting profit are different concepts | Corporate Tax Association \(corptax.com.au\)](#)
- + The amount of income tax payable is calculated by multiplying the tax profit by 30% (the applicable tax rate) and subtracting allowable tax offsets such as franking and R&D tax offsets. [Tax is not simply 30% of profit | Australian Taxation Office \(ato.gov.au\)](#)
- + Woodside's tax liability for any year is impacted by a number of factors such as changes to production, operating fields and commodity prices impacting revenues, as well as cost of sales and capital investment impacting expenditures. It is also impacted by the fully franked dividends Woodside Petroleum Ltd receives from its controlled entities (for example, from the Burrup entities). Franking credits reflect the taxes already paid by these controlled entities and are allowed to ensure there is no double tax within the group.
- + Woodside's PRRT profile is dependent on various factors, including the impact of lower commodity prices on revenues, the life cycle of those PRRT projects, the amount of capital investment, ongoing operational costs and exploration activity. [PRRT liabilities are dependant on a range of factors | Australian Taxation Office \(ato.gov.au\)](#)

### Additional resource taxes payable information

The ATO Data Release is limited to income tax and PRRT, however Woodside also pays other resource taxes. In respect of the 2019-20 income year Woodside had \$191 million of resource tax payable.

**Table 3 - Additional Resources Taxes summary for the 2019-20 income year**

Resource Tax <sup>4</sup>	Application	Amount Payable
Federal royalties	10-12.5% is levied on the wellhead value of petroleum products produced by the North West Shelf Project (NWS Project). The royalties collected by the Federal Government are shared with the Western Australian Government (approximately 68%)	\$ 156,679,795
Federal excise	Up to 30% take per barrel of crude oil and condensate from the NWS Project.	\$ 34,653,410
	<b>Total</b>	<b>\$ 191,333,205</b>

Woodside has been subject to the Federal royalties and excise regimes since the NWS Project commenced. This has not changed since the extension of the PRRT to the NWS Project from 1 July 2012. The existing royalties and excise regimes continue to operate alongside PRRT.

- All amounts are denoted in Australian dollars and are referable to the amounts payable for the 2019-20 income year pursuant to the amounts contained in Woodside's tax returns (i.e. they are not stated on a cash basis, consistent with the ATO Data Release format).
- Woodside Petroleum Ltd is the head company of Woodside's Australian tax consolidated group. A full list of Woodside's subsidiaries can be found in note E.8(a) in Woodside's Annual Report 2020.
- The published figures reflect a 100% interest, aligning with the ATO Data Release. Woodside holds a 90% interest in the 'Burrup' entities shown in Table 1.
- The amounts relate to Woodside's share only.