

# TAX TRANSPARENCY INFORMATION

## FOR THE 2016-17 INCOME YEAR

### About this Information Sheet

- + The purpose of this document is to provide additional context to the Australian Taxation Office's (ATO) [2016-17 Report of Entity Tax Information](#) as pertaining to Woodside.
- + In this document, unless otherwise stated, references to 'Woodside' and 'we' refer to Woodside Petroleum Ltd (ABN 55 004 898 962) and its controlled entities, as a whole, and references to the 2016-17 year are to Woodside's year ended 31 December 2016 for income tax and the year ended 30 June 2017 for resource taxes. All amounts are denoted in Australian dollars, the currency in which Australian taxes are paid. Woodside's published consolidated financial statements are presented in US dollars, the company's reporting currency.
- + It is recommended to be read in conjunction with the [ATO's published guidance material](#).

### Introduction

- + Woodside is Australia's largest independent oil and gas company with a global portfolio, recognised for our world-class capabilities – as an explorer, a developer, a producer and a supplier of energy.
- + Woodside recognises the importance of stability, fairness and competitiveness in Australia's tax and fiscal regime. We understand that our social licence to operate relies on establishing and maintaining meaningful and sustainable relationships with all our stakeholders and the communities in which we operate.
- + Paying the taxes due under the law is one of the ways we support our social licence to operate.
- + Woodside has an established governance framework and our Board-approved Tax Policy is clear – we will comply with all tax laws and regulations applicable to our business. We do not support the use of artificial arrangements and we apply arm's length principles to our international related party dealings.
- + Woodside is committed to maintaining open and constructive relationships with our tax policy setters and administrators, both domestic and foreign. We take a proactive approach in clarifying interpretations and practices. As an Australian headquartered company, Woodside is proud to voluntarily operate under an Annual Compliance Arrangement with the ATO, a framework which provides for real-time interaction and co-operation on tax matters.
- + Woodside commends tax transparency initiatives that increase the public's confidence in the contributions of all corporate taxpayers. In Australia, Woodside voluntarily participates in the Board of Taxation's Tax Transparency Code.
- + Want to know more? Visit our [website](#), read our Tax Policy or Sustainable Development Report.

+ Woodside has paid **\$750 MILLION** in Australian tax and royalties in respect of the 2016-17 income year. Over the past four income years, 2013-14 to 2016-17, Woodside has paid **\$4 BILLION** in tax and royalties.

# Income Tax

Table 1 outlines Woodside's income tax information for the 2016-17 year. In addition, the income tax payable by Woodside for the four years including the 2016-17 year is disclosed.

COMPANY NAME (& ABN)	TOTAL INCOME FY 2016-17	TAXABLE INCOME FY 2016-17	INCOME TAX PAYABLE FY 2016-17	INCOME TAX PAYABLE FY 2013-14 TO FY 2016-17
Woodside Petroleum Ltd (ABN 55 004 898 962)	\$ 6,595,185,778	\$ 944,614,958	-	\$ 1,211,141,717
Burrup Facilities Company Pty Ltd (ABN 28 122 234 539)	\$ 1,618,990,719	\$ 979,781,078	\$ 293,934,323	\$ 759,793,592
Burrup Train 1 Pty Ltd (ABN 77 122 234 306)	\$ 2,726,547,888	\$ 715,910,447	\$ 214,773,134	\$ 514,331,838
<b>Total</b>	<b>\$ 10,940,724,385</b>	<b>\$ 2,640,306,483</b>	<b>\$ 508,707,458</b>	<b>\$ 2,485,267,148</b>

Table 1 - Income tax summary

- + Woodside Petroleum Ltd is the head company (and taxpayer) of the Woodside Petroleum Ltd Australian tax consolidated group, which includes all of Woodside's wholly-owned Australian entities. Woodside holds a 90% interest in the other Australian entities included in Table 1. The published figures relate to a 100% interest.<sup>1</sup>
- + Woodside derives the majority of its total income from the sale of petroleum products produced in Australia. Taxable income (profit) is total income less the costs allowed in earning that total income – such as employee wages, suppliers' bills and sales costs. Income tax payable is determined by multiplying taxable income by the applicable tax rate. Certain rebates, tax offsets and credits are allowed against income tax payable (including franking and R&D tax offsets).
- + Woodside has had approximately \$2.5 billion of income tax payable in the four years including the 2016-17 year. However, the decline in oil prices has caused a reduction in sales receipts in recent years, impacting Woodside Petroleum Ltd's taxable income and income tax payable in the 2016-17 year.
- + The amount of taxable income and income tax payable for a year is also impacted by the fully franked dividends Woodside Petroleum Ltd receives from its controlled 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 effective income tax rate for the four years including the 2016-17 year is, on average, near to the headline corporate tax rate of 30%.<sup>2</sup>

# Resource Taxes

Table 2 outlines the amount of petroleum resource rent tax (PRRT), royalties and excise payable by Woodside for the 2016-17 year. Also disclosed are the amounts payable by Woodside for the four years including the 2016-17 year.

RESOURCE TAX <sup>3</sup>	AMOUNT PAYABLE FY 2016-17	AMOUNT PAYABLE FY 2013-14 TO FY 2016-17
PRRT	-	\$ 146,119,058
Federal Royalties	\$169,762,076	\$ 936,733,581
Federal Excise	\$ 73,673,936	\$ 417,272,421
<b>Total</b>	<b>\$ 243,436,012</b>	<b>\$ 1,500,125,060</b>

Table 2 – Resource taxes summary

- + The PRRT is a profits-based resource tax used to tax oil and gas projects in Australia. The PRRT only taxes profits of a petroleum project above a specified rate of return. Refer to the Australian Petroleum Production & Exploration Association's (APPEA) [guidance material](#) for additional information relating to PRRT.
- + Woodside had approximately \$146 million of PRRT payable in the four years including the 2016-17 year.
- + 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.
- + Woodside has been subject to the Federal royalties and excise regimes since the North West Shelf (NWS) project commenced. This has not changed since the extension of PRRT to the NWS project from 1 July 2012. The existing royalties and excise regimes continue to operate alongside PRRT.

<sup>1</sup> Woodside's published consolidated financial statements list Woodside's subsidiaries, including members of the Woodside Petroleum Ltd Australian tax consolidated group – refer note E.9(a) in *Woodside's Annual Report for the 2016-17 year*.

<sup>2</sup> The effective income tax rate for the four years including the 2016-17 year is disclosed in Woodside's published consolidated financial statements, and is calculated as follows:  
Effective income tax rate = Income tax expense / (Accounting profit – PRRT expense)

<sup>3</sup> Woodside Energy Ltd (ABN 63 005 482 986) is the applicable taxpayer in Table 2.