

ATO Corporate Transparency Disclosure

FY2016

Entity	ABN	Total Income (Item 6, Box S)	Taxable Income (Item 7, Box T)	Income Tax Payable (T5)	PRRT Payable
BHP Billiton Aluminium Australia Pty Ltd	65 063 671 349	A\$1,123,909,957	A\$0	A\$0	n/a
BHP Billiton Limited	49 004 028 077	A\$26,671,570,876	A\$5,260,130,225	A\$1,325,839,334	n/a
BHP Iron Ore (Jimblebar) Pty Ltd	95 009 114 210	A\$1,070,468,641	A\$126,133,867	A\$20,650,102	n/a
BHP Billiton Mitsui Coal Pty Ltd	34 009 713 875	A\$875,440,419	A\$86,009,453	A\$24,446,843	n/a
BM Alliance Coal Operations Pty Ltd	67 096 412 752	A\$363,187,998	A\$0	A\$0	n/a
BHP Billiton Petroleum (Australia) Pty Ltd	39 006 923 879	n/a	n/a	n/a	A\$185,718,418
BHP Billiton Petroleum (Bass Strait) Pty Ltd	29 004 228 004	n/a	n/a	n/a	A\$278,969,430
BHP Billiton Petroleum (Victoria) Pty Ltd	12 006 466 486	n/a	n/a	n/a	A\$23,294,181
BHP Billiton (AUS) DDS Pty Ltd*	44 609 420 420	A\$2,654,395,091	A\$3,791,992,987	A\$0	n/a
Total				A\$1,370,936,279	A\$487,982,029

Notes:

- BHP Billiton Aluminium Australia Pty Ltd is the head company of a multiple entry consolidated group (MEC group), comprising the wholly owned Australian tax resident subsidiaries of BHP Billiton plc. The MEC group incurred a tax loss in FY2016. This was consistent with the MEC group's accounting position. The FY2016 tax loss and tax losses from earlier years have been carried forward by the company to later years.
- BHP Billiton Ltd is the head company of the BHP Billiton tax consolidated group in Australia.
- BHP Iron Ore (Jimblebar) Pty Ltd is 92.5 per cent indirectly owned by BHP Billiton Limited and is a separate taxpayer.

- BHP Billiton Mitsui Coal Pty Ltd is 80 per cent indirectly owned by BHP Billiton Limited and is a separate taxpayer.
- BM Alliance Coal Operations Pty Ltd is the Joint Venture (JV) Manager for the unincorporated Central Queensland Coal Associates (CQCA) and Gregory (GJV) JVs. BM Alliance Coal Operations Pty Ltd is indirectly owned 50 per cent by BHP Billiton Limited and 50 per cent by Mitsubishi Corporation. As a result of the unincorporated status of the JV, the operating results of BM Alliance Coal Operations Pty Ltd are distributed to each JV participant. Accordingly, taxable income and tax payable are nil as these amounts are included in the disclosure for BHP Billiton Limited, as the ultimate parent entity of BM Alliance Coal Operations Pty Ltd.

- BHP Billiton Petroleum (Australia) Pty Ltd, BHP Billiton Petroleum (Bass Strait) Pty Ltd and BHP Billiton Petroleum (Victoria) Pty Ltd are members of the BHP Billiton Ltd tax consolidated group and therefore income tax amounts are included in the BHP Billiton Limited disclosures. These entities continue to be standalone PRRT taxpayers.
- BHP Billiton (AUS) DDS Pty Ltd is a holding company. Its income consists entirely of fully franked dividends in FY2016. It had nil income tax payable in FY2016 because its income tax liability has been fully offset by the franking credits attached to the dividend income.

* Information relating to BHP Billiton (AUS) DDS Pty Ltd's FY2016 income was included in the ATO's report of entity tax information in December 2018.

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Questions and answers

Q: Does this table illustrate all BHP Billiton Group companies?

A: The ATO data incorporates the relevant income tax amounts for BHP Billiton Limited and its wholly owned Australian tax resident subsidiaries; BHP Billiton plc's wholly owned Australian tax resident subsidiaries and any other Australian tax resident entities with total income exceeding \$100 million in which BHP Billiton holds a 50 per cent or greater interest. BHP Billiton does have an interest in some entities which do not have total income exceeding \$100 million and which are not subject to these disclosure requirements.

Q: I cannot reconcile these amounts to the 2016 Economic Contribution and Payments to Governments Report. Can you explain the difference?

A: There are several reasons why the ATO data does not reconcile to BHP Billiton's Economic Contribution and Payments to Governments Report 2016 ("the Report") including:

- The ATO data represents the corporate income tax liability related to the FY2016 income year whereas the Report represents corporate income tax that is paid in the FY2016 income year. Therefore, the ATO data includes tax payments/refunds relevant to the FY2016 income year that were made/received outside 1 July 2015 to 30 June 2016, whereas the

Report includes cash payments and refunds received during the FY2016 income year even where they relate to a different income year.

- The ATO data is reported in AUD whilst the Report disclosures are in USD.
- The ATO data is limited to entities with an annual turnover exceeding A\$100 million whilst the Report includes all Australian BHP Billiton companies.
- The ATO data includes 100 per cent share of the entity irrespective of BHP Billiton's ownership percentage whilst the Report includes BHP Billiton owned entities including joint ventures but excluding equity accounted investments.

* The AUD amount Tax refund received in FY2016 relating to prior year, not included in the ATO data, is A\$735,071,725.

** The AUD amount of payment made in FY2016 in relation to disputed prior year assessments is A\$185,056,200.

Corporate income tax in relation to 2016 per ATO data	A\$1,370.94m
FY2016 related tax refunds received in FY2017 not included in the Report	A\$43.92m
FY2016 related tax payments made in FY2017 not included in the Report	A\$0
Subtotal A\$	A\$1,414.86m
Total tax payments of entities with an annual turnover of A\$100 million (US\$ Equivalent)	US\$1,028.10m
Not included in the ATO data (e.g. Australian BHP Billiton companies with <A\$100m turnover and other amounts not included in the ATO data)	(US\$0.63m)
Tax refund received in FY2016 relating to prior year, not included in the ATO data	(US\$528.81m) *
Payments made in FY2016 in relation to disputed prior year assessments	US\$134.82m **
Corporate income tax paid in 2016 per the Report	US\$634.74m

Corporate income tax paid in 2016 per the Report	US\$634.74m
Tax refund received in FY2016 relating to prior year, not included in the ATO data	US\$528.81m *
Payments made in FY2016 in relation to disputed prior year assessments	(US\$134.82m) **
Not included in the ATO data (e.g. Australian BHP Billiton companies with <A\$100m turnover and other amounts not included in the ATO data)	US\$0.63m
Total tax payments of entities with an annual turnover of A\$100 million	US\$1,028.10m
Subtotal (A\$ Equivalent)	A\$1,414.86m
FY2016 related tax refunds received in FY2017 not included in the Report	(A\$43.92m)
FY2016 related tax payments made in FY2017 not included in the Report	A\$0
Corporate income tax in relation to 2016 per the ATO data	A\$1,370.94m

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Questions and answers

Q: What is the difference between 'Total Income' and 'Taxable Income'? Should they ordinarily be the same amount?

A: 'Total income' refers to gross income or revenue (e.g. the amount received from the sale of commodities) and is an accounting concept. 'Total income' does not take into account any of the expenses incurred in generating that income (e.g. mining costs) and which are taken into account in determining accounting profit.

'Taxable income' represents assessable income less allowable deductions incurred for the entity. Differences between accounting profit and taxable income routinely arise due to different treatments of amounts under the accounting standards and tax law (e.g. exploration deductions, carry forward losses, R&D concessions and accelerated depreciation).

Q: The corporate tax rate in Australia is 30 per cent. Why is 'Tax Payable' not equal to 30 per cent of 'Taxable Income'?

A: The ATO's tax payable number reflects credits and offsets which BHP is entitled to. These credits and offsets are applied to reduce Australian tax payable from 30 per cent of taxable income. This generally relates primarily to franking credits for Australian tax paid by BHP Billiton Group companies, but also tax offsets relating to eligible research and development activities and credits for foreign taxes paid.

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Questions and answers

Q: I cannot reconcile the PRRT payable amounts to the 2016 Economic Contribution and Payments to Governments Report. Can you explain the difference?

A: There are several reasons why the ATO Disclosures do not reconcile to the Report including:

- The ATO data represents the PRRT liability related to the FY2016 income year whereas the Report represents PRRT that is paid in the FY2016 income year. Therefore, the ATO data includes tax payments/refunds relevant to the FY2016 income year that were made/received outside 1 July 2015 to 30 June 2016, whereas the Report includes cash payments and refunds received during the FY2016 income year even where they relate to a different income year.

- The ATO data is reported in AUD whilst the Report disclosures are in USD.

PRRT paid in 2016 per ATO data	A\$487.98m
Prior year related tax payments not in the ATO data	A\$139.50m
FY2016 related tax payments made in FY2017 not included in the Report	(A\$175.77m)
Subtotal A\$	A\$451.7m
Total tax payments of entities (US\$ Equivalent)	US\$333.69m
Royalty related taxation in 2016 per the Report	US\$333.69m

Royalty related taxation in 2016 per the Report	US\$333.69m
Subtotal (A\$ Equivalent)	A\$451.71m
Prior year related tax payments not in the ATO data	(A\$139.50m)
FY2016 related tax payments made in FY2017 not included in the Report	A\$175.77m
Royalty related taxation 2016 per the Report	A\$487.98m