

# ATO Corporate Transparency Disclosure

## FY2018

Entity	ABN	Total Income (Item 6, Box S)	Taxable Income (Item 7, Box T)	Income Tax Payable (T5)	PRRT Payable
BHP Group Limited	49 004 028 077	A\$36,685,553,130	A\$12,781,584,047	A\$3,523,250,116	n/a
BHP Iron Ore (Jumblebar) Pty Ltd	95 009 114 210	A\$2,165,545,455	A\$892,003,295	A\$267,600,988	n/a
BHP Billiton Mitsui Coal Pty Ltd	34 009 713 875	A\$1,780,711,686	A\$666,370,954	A\$198,019,931	n/a
BHP Aluminium Australia Pty Ltd	65 063 671 349	A\$1,855,840,333	A\$0	A\$0	n/a
BM Alliance Coal Operations Pty Ltd	67 096 412 752	A\$405,135,880	A\$0	A\$0	n/a
BHP (AUS) DDS Pty Ltd	44 609 420 420	A\$3,387,306,414	A\$4,839,009,163	A\$0	n/a
BHP Billiton Petroleum (Australia) Pty Ltd	39 006 923 879	n/a	n/a	n/a	A\$176,844,453
BHP Billiton Petroleum (Bass Strait) Pty Ltd	29 004 228 004	n/a	n/a	n/a	A\$425,412,633
BHP Billiton Petroleum (Victoria) Pty Ltd	12 006 466 486	n/a	n/a	n/a	A\$32,318,265
<b>Total</b>				<b>A\$3,988,871,035</b>	<b>A\$634,575,351</b>

### Notes:

- BHP Group Ltd is the head company of the BHP Group tax consolidated group in Australia.
- BHP Iron Ore (Jumblebar) Pty Ltd is 92.5% indirectly owned by BHP Group Limited and is a separate taxpayer.
- BHP Billiton Mitsui Coal Pty Ltd is 80% indirectly owned by BHP Group Limited and is a separate taxpayer.
- BHP 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 Group plc. The MEC group had tax losses from earlier years have that been carried forward. The MEC group's assessable income in FY2018 has been fully offset by its carried forward tax losses.
- 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% by BHP Group Limited and 50% 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 Group Limited, as the ultimate parent entity of the participant in the JV managed by BM Alliance Coal Operations Pty Ltd.
- BHP (AUS) DDS Pty Ltd is a holding company. Its income consists entirely of fully franked dividends in FY2018. It has nil income tax payable in FY2018 because its income tax liability has been fully offset by the franking credits attached to the dividend income.
- 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 Group Limited tax consolidated group and therefore income tax amounts are included in the BHP Group Limited disclosures. These entities continue to be standalone PRRT taxpayers.

# ATO Corporate Transparency Disclosure

## FY2018

### Questions and answers

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

**A:** The ATO data incorporates the relevant income tax amounts for BHP Group Limited and its wholly owned Australian tax resident subsidiaries; BHP Group plc's wholly owned Australian tax resident subsidiaries and any other Australian tax resident entities with total income exceeding \$100 million in which BHP holds a 50% or greater interest. BHP 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 2018 Economic Contribution Report. Can you explain the difference?**

**A:** There are several reasons why the ATO data is not the same as BHP's Economic Contribution Report 2018 ("the Report") including:

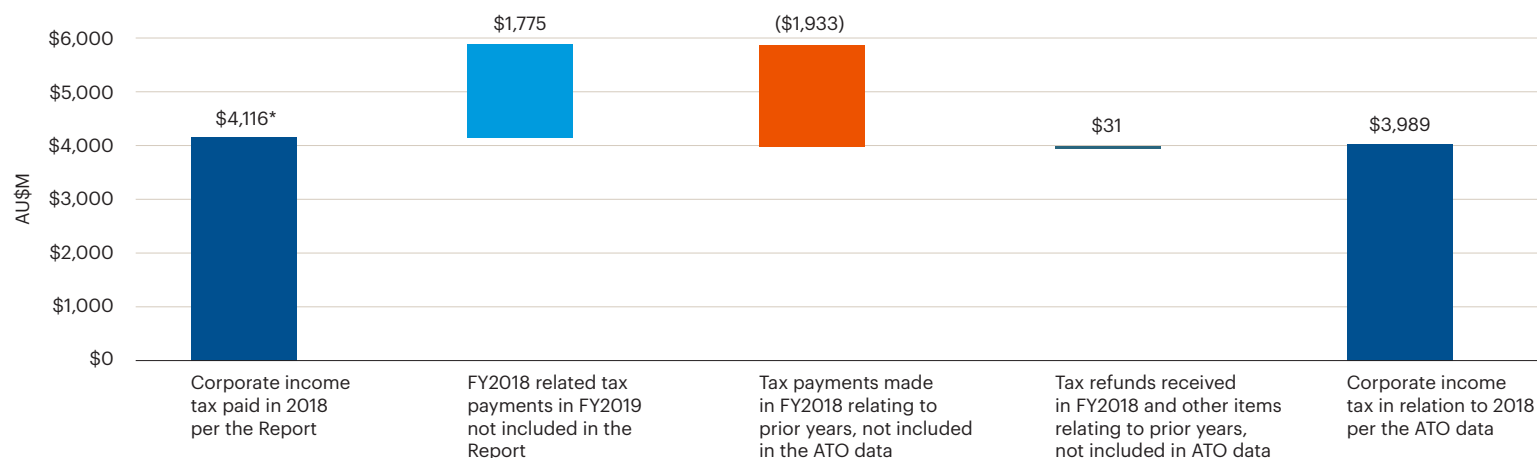
- The ATO data represents the corporate income tax liability related to the FY2018 income year whereas the Report represents corporate income tax that is paid in the FY2018 income year. Therefore, the ATO data includes tax payments/refunds relevant to the FY2018 income year that were made/received

outside the 1 July 2017 to 30 June 2018 period, whereas the Report includes cash payments and refunds received during the FY2018 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 companies.

- The ATO data includes 100% share of the entity irrespective of BHP's ownership percentage whilst the Report includes BHP owned entities including joint ventures but excluding equity accounted investments.

### Reconciliation between 2018 ATO data and the Report (income tax)



\* The ATO data is reported in AUD whilst the Report disclosures are in USD. The AUD equivalent of the USD amount (US\$3,158M) disclosed in the Report is A\$4,116M.

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# ATO Corporate Transparency Disclosure

## FY2018

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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) 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%. Why is 'Tax Payable' not equal to 30% of 'Taxable Income'?**

**A:** The ATO's Income Tax Payable number reflects offsets to which BHP is entitled. These offsets are applied to reduce Australian income tax payable by BHP. The tax offsets in FY2018 related primarily to dividends received with franking credits arising from Australian tax paid by BHP Group companies.

For example, BHP Group Limited receives, from its majority owned Australian subsidiaries, fully franked dividends paid out of the subsidiaries' Australian after-tax profits. For each \$70 of fully franked dividends received by BHP Group Limited, \$30 of Australian income tax has already been paid by the subsidiary. The dividends (and franking credits) are included in Taxable Income, but are not subject to further tax in the hands of BHP Group Limited to avoid double taxation.

Excluding the effect of fully franked dividends received from the calculation, BHP Group Limited's tax payable on its taxable income is over 29.9%.

# ATO Corporate Transparency Disclosure

## FY2018

### Questions and answers

**Q: I cannot reconcile the PRRT payable amounts to the 2018 Economic Contribution Report. Can you explain the difference?**

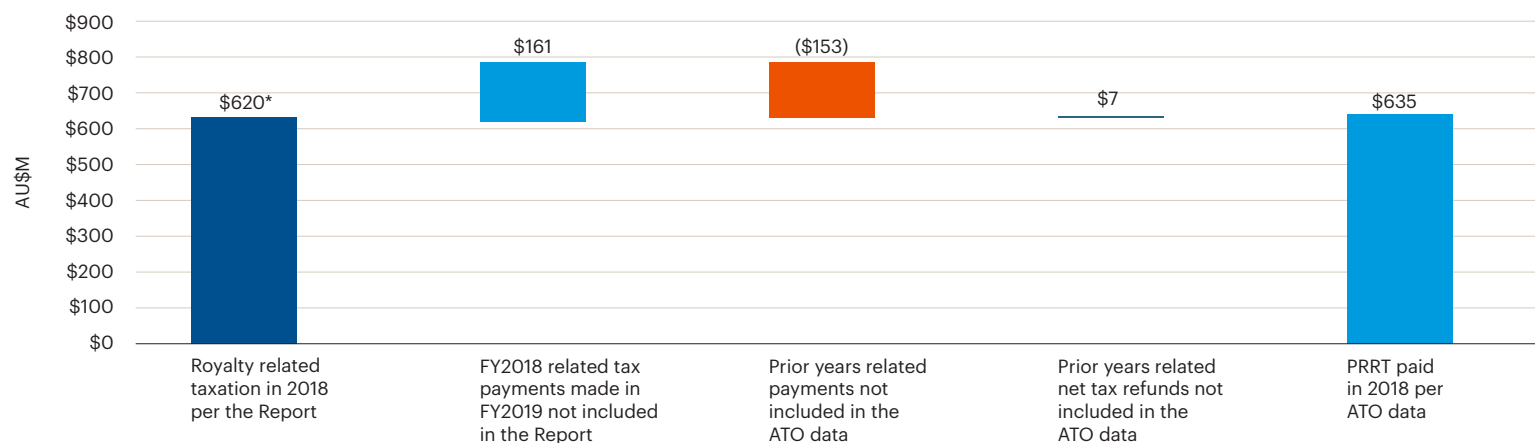
**A:** There are several reasons why the ATO Disclosures are not the same as the Report including:

- The ATO data represents the PRRT liability related to the FY2018 income year whereas the Report represents PRRT that is paid in the

FY2018 income year. Therefore, the ATO data includes tax payments relevant to the FY2018 income year that were made outside the 1 July 2017 to 30 June 2018 period, whereas the Report includes cash payments and refunds received during the FY2018 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.

### Reconciliation between 2018 ATO data and the Report (PRRT)



\* The ATO data is reported in AUD whilst the Report disclosures are in USD. The AUD equivalent of the USD amount (US\$488M) disclosed in the Report is A\$620M.