

# ATO Corporate Transparency Disclosure

## FY2020

Entity	ABN	Total Income (Item 6, Box S)	Taxable Income (Item 7, Box T)	Income Tax Payable (T5)	Petroleum Resource Rent Tax (PRRT) Payable
BHP Group Limited	49 004 028 077	A\$45,913,880,813	A\$18,734,259,496	A\$4,565,135,269	n/a
BHP Iron Ore (Jimblebar) Pty Ltd	95 009 114 210	A\$6,496,598,482	A\$4,110,082,709	A\$1,233,024,812	n/a
BHP Billiton Mitsui Coal Pty Ltd	34 009 713 875	A\$1,467,327,533	A\$244,932,601	A\$72,182,092	n/a
BHP Aluminium Australia Pty Ltd	65 063 671 349	A\$1,316,631,691	A\$0	A\$0	n/a
BM Alliance Coal Operations Pty Ltd	67 096 412 752	A\$969,017,629	A\$0	A\$0	n/a
BHP Billiton Petroleum (Australia) Pty Ltd	39 006 923 879	n/a	n/a	n/a	A\$153,695,451
BHP Billiton Petroleum (Bass Strait) Pty Ltd	29 004 228 004	n/a	n/a	n/a	A\$284,700,555
BHP Billiton Petroleum (Victoria) Pty Ltd	12 006 466 486	n/a	n/a	n/a	A\$9,669,308
<b>Total</b>				<b>A\$5,870,342,173</b>	<b>A\$448,065,314</b>

### Notes:

- BHP Group Ltd is the head company of the BHP Group tax consolidated group in Australia.
- BHP Iron Ore (Jimblebar) 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 is in a carry forward tax loss position as at FY2020.
- BM Alliance Coal Operations Pty Ltd is the Joint Venture (JV) Manager for the unincorporated Central Queensland Coal Associates (CQCA) and Gregory (GJV) JV's. 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 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 refers to the Australian Taxation Office.

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### 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 2020 BHP Economic Contribution Report. Can you explain the difference?**

**A:** There are several reasons why the ATO data is not the same as the BHP Economic Contribution Report 2020 ("the Report") including:

- The ATO data represents the corporate income tax liability related to the FY2020 income year whereas the Report represents corporate income tax that is paid in the FY2020 income year. Therefore, the ATO data includes tax payments/refunds relevant to the FY2020 income year that were made/received outside the 1 July 2019 to 30 June 2020 period, whereas the Report includes cash payments and refunds received during the FY2020 income year, even where they relate to a different income year.
- The ATO data is reported in AUD whilst the Report disclosures are reported 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.

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

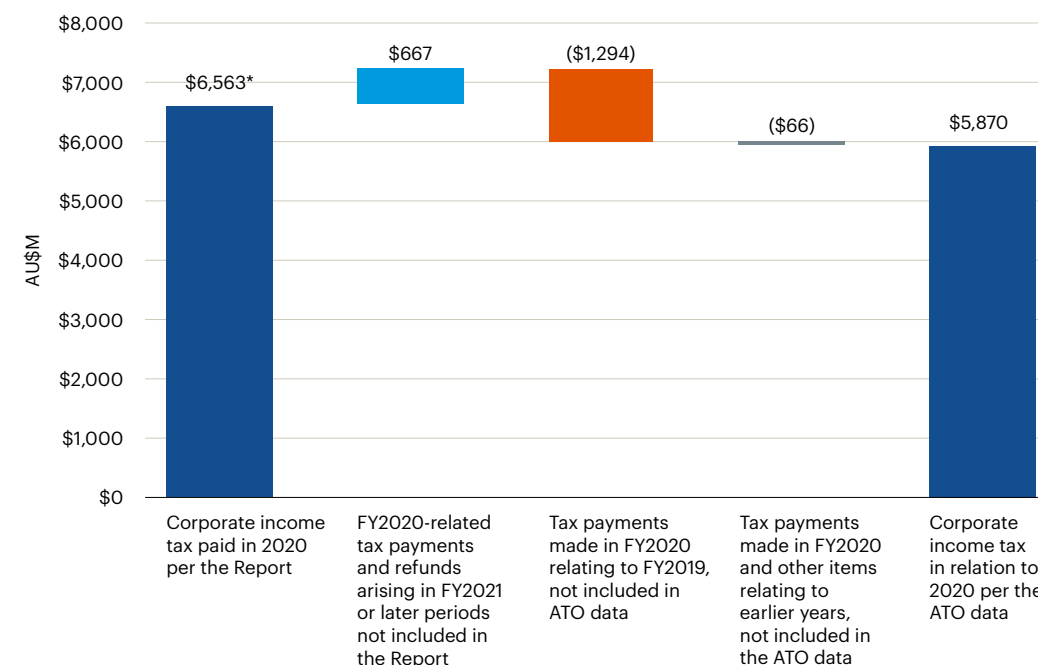
**A:** The ATO's Income Tax Payable number reflects offsets to which BHP is entitled. These offsets are applied to reduce Australian income tax payable by BHP. The tax offsets in FY2020 related primarily to franking credits associated with dividends received from, and reflecting tax paid by, Australian BHP Group companies (predominantly BHP Iron Ore (Jimblebar) Pty Ltd).

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 29.78%.

### Reconciliation between 2020 ATO data and the Report (income tax)



\* Note: The ATO data is reported in AUD whilst the Report disclosures are in USD. The AUD equivalent of the USD amount (US\$4,400M) disclosed in the Report is A\$6,563M.

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## FY2020

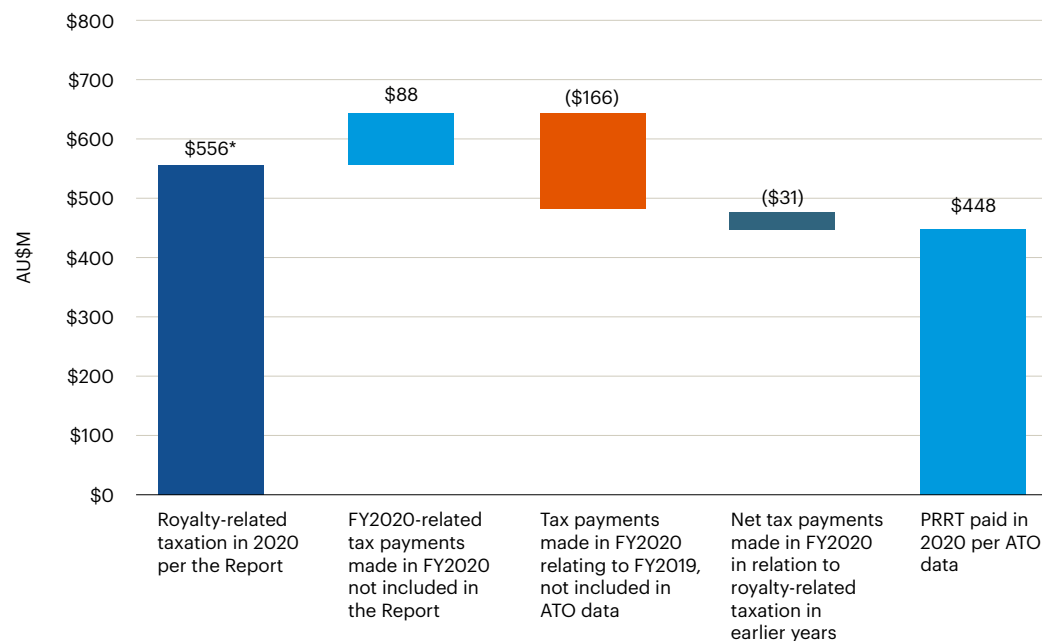
### Questions and answers

**Q: I cannot reconcile the PRRT payable amounts to the BHP 2020 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 FY2020 income year whereas the Report represents PRRT that is paid in the FY2020 income year. Therefore, the ATO data includes tax payments relevant to the FY2020 income year that were made/received outside the 1 July 2019 to 30 June 2020 period, whereas the Report includes cash payments and refunds received during the FY2020 income year even where they relate to a different income year.
- The ATO data is reported in AUD whilst the Report disclosures are reported in USD.

### Reconciliation between 2020 ATO data and the Report (PRRT)



\* Note: The ATO data is reported in AUD whilst the Report disclosures are in USD. The AUD equivalent of the USD amount (US\$374.0M) disclosed in the Report is A\$556M.