Corporate tax transparency report 2022-23

This is the tenth annual report on corporate transparency, informing public debate about the corporate tax system.

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How tax transparency applies to the largest corporations, large corporations and medium corporations.

Corporate income tax payable for 2022-23

Data on income tax payable by ownership and industry segment for the Corporate tax transparency report 2022–23.

Corporate tax transparency report 5-year trend analysis

Trends in tax payable, total income, taxable income and entity count for the Corporate tax transparency report 2022–23.

Corporate entity net losses and nil tax payable

Corporate entity tax losses, and data on nil tax payable by ownership segment and industry segment in 2022–23.

PRRT data in the Corporate tax transparency report 2022-23

Petroleum resource rent tax (PRRT) payable data in the Corporate tax transparency report 2022–23.

Corporate population compliance

How the ATO is improving corporate compliance, with our taskforce, targeted tax assurance programs and findings.

QC 103277

About the Corporate tax transparency report 2022–23

Analysis and highlights of the ATO Corporate tax transparency report 2022–23.

Published 1 November 2024

On this page

Corporate tax transparency population

This year's Corporate tax transparency report analyses aggregated data from the 2022–23 income tax returns of some of the largest corporations operating in Australia. It describes changes and trends in key headline figures for the population, as well as data by industry segment and ownership group.

The Corporate tax transparency population includes:

- any corporate tax entity with a total income equal to or exceeding $100 million
- entities that have petroleum resource rent tax (PRRT) payable.

Following a change in the tax law in 2022, this is the first year that data on Australian-owned private companies with total income between $100 million and $200 million is being published. This change will affect certain year-on-year analysis that is included in this report.

Note: For income years up to 2021–22, the total income threshold for Australian-owned private companies was $200 million or more.

Legislation specifies the type of information we are required to report on. In producing this report – for corporations that meet the population income threshold – we take the data from 3 labels in the tax return:

- total income
- taxable income
- tax payable.

Note: Data in the Corporate tax transparency report is taken directly from tax returns at a certain point in time and does not reflect any intervention or compliance work after lodgment of the returns (including settlement outcomes).

Corporations can also publish their own reports about their tax positions through the Voluntary Tax Transparency Code.

Highlights for 2022–23

- There are 3,985 entities in this year's population, representing a net increase of 1,272 entities (46.9%) from 2021–22 and 1,040 entities are attributable to the lower total income threshold applying for Australian private entities from the 2022–23 income year.
- Total income for 2022–23 was $3,138.4 billion, an increase of 23.3%.
- Taxable income was $ 380.1 billion, an increase of 11.3%.
- Tax payable was $97.9 billion, an increase of 16.7%.
- Foreign-owned entities accounted for 41.3% of this year's corporate transparency population and 41.5% of tax payable.
- Australian public entities accounted for 15.1% of this year's corporate transparency population and 47.9% of tax payable.
- Australian private entities accounted for 43.6% of this year's corporate transparency population and nearly 10.6% of tax payable.
- Australian private entities with income between $100 million and $200 million accounted for 26.1% of the total corporate transparency population, 4.6% (or $142.9 billion) of total income, 2.4% (or $9.2 billion) of taxable income and 2.5% (or $2.5 billion) of the total tax payable.
- Entities with income of more than $5 billion represented 2.2% of the corporate transparency population and accounted for 61.6% of tax payable ($60.4 billion).

- Entities with income of between $250 million and $5 billion represented 42.1% of the corporate transparency population and accounted for 31.7% of the tax payable ($31.1 billion).
- Medium entities – those with income of less than $250 million – represented the largest portion (55.7%) of the corporate transparency population and accounted for only 6.6% of the tax payable ($6.5 billion). The increase in the number of medium entities in this year's corporate transparency population is due to the lowering of the total income threshold for Australian private entities.
- Tax payable in the corporate transparency population was again dominated by the Mining, Energy and Water segment at 55.9% ($54.7 billion) of the total. This year the Mining, Energy and Water segment increased by $12.5 billion (29.5%) on last year.
- Approximately 31% of entities paid nil tax (14% incurred an accounting loss, 7% incurred a tax loss, 2% utilised offsets, 8% utilised tax losses from prior year).
- PRRT payable decreased 6.5% from $1,996.6 million last year to $1,867.1 million this year.

Interpreting the results

Many large corporate groups consist of smaller entities whose aggregated total income meets the transparency population income thresholds. If these entities are not consolidated for tax purposes, some or all of the entities may not individually meet the income thresholds for inclusion in the report.

The complexity and diversity of large corporate groups mean that the corporation's income may be distributed and returned by multiple entities within an economic group. This can change the nil tax paid percentages when the entire group is taken into consideration. For a detailed explanation, see **Net losses and nil tax payable**.

It is important to note that the total figures in this report cannot reflect the:

- complexity of the tax system
- relationships between entities

- calculations behind the numbers
- extent and nature of any ATO activity.

Corporate tax transparency reports are our analysis of the aggregate annual tax return data published in the annual Report of entity tax information. Some names listed in the Report of entity tax information may be recognisable to the public and connections to high-profile individuals may be the subject of public knowledge. Due to secrecy provisions in the tax law we are only able to publish certain data in respect of each eligible entity. Secrecy provisions prevent us from disclosing any additional information about specific entities beyond the 3 data points provided for in the legislation.

Tax information is protected by privacy legislation, limiting what we can cover in this report. The report does not include operating profits, tax losses or tax offsets, which can help to provide a more complete understanding of a corporate's tax position.

The data does not reflect any audit or compliance work. The report is based on information contained in an entity's tax return at a point in time. The tax return may later be amended, and the amount published in this report may no longer reflect the amount of tax actually paid. However, when we lock in go-forward outcomes as part of settlements these will be reflected in the future tax returns lodged and the outcomes reflected in future reports.

Figures in this report have generally been rounded, which may result in differences between totals and sums of components in the charts and text.

Note: the 2021–22 report was corrected post its publication in November 2023. The figures for 2 entities were revised. The report on data.gov.au has been updated, however the figures and data throughout the 2021–22 report on our website has not.

QC 103277

Introduction for Corporate tax transparency report 2022–23

Operating context for the Corporate tax transparency report 2022–23.

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In 2022–23 the Australian economy had recovered from the impacts of COVID-19. Australia's corporate taxpayers had mixed performance, influenced by:

- rising interest rates
- increasing inflation
- mixed commodity prices – most commodities were down but there was strong growth in oil, gas, thermal coal and lithium prices.

Tax paid in 2022–23 was the highest since Corporate tax transparency reporting started and increased by $14 billion (16.7%) to $97.9 billion on the prior year.

As in previous reports, Mining, Energy and Water outperformed other segments of the economy. There was also strong growth in the Wholesale and Retail sectors. Many businesses experienced strong consumer demand and rapid growth in business income, however this was offset by significantly higher input costs, leading to a squeeze in profit margins for some sectors.

Tax paid by the Oil and Gas sector increased from $1.5 billion in 2021–22 to $11.6 billion in 2022–23. Around $4.3 billion of the increase was due to our earlier interventions in the Oil and Gas sector now flowing through the system, positively impacting tax collections.

QC 103277

Corporate tax transparency population overview 2022-23

Ownership, industry segment and exits for the 2022–23 Corporate tax transparency population.

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On this page

Population growth

There are 3,985 corporate entities in the 2022–23 corporate transparency population, with tax payable of $97.9 billion. Compared to 2021–22, this represents a net increase of 1,272 entities (46.9%) and an increase in tax payable of approximately $14 billion (16.7%).

A significant portion of the increase in the population (1,040 entities) is attributable to the lowering of the threshold for inclusion of Australian private entities from the 2022–23 income year. When comparing the 2022–23 population using the previous income thresholds, it shows steadier growth of 8.6% on the prior year.

The inclusion of Australian private entities with income between $100 million and
$200 million has contributed to an increase in the size of the tax transparency population. Yet this has had minimal impact overall on the total income, taxable income and tax payable. This is because corporate tax is highly concentrated in the largest entities.

Figure 1 shows the corporate transparency population growth over the last 5 years. The Australian private entities with income between $100 million and $200 million have been highlighted in the chart to show the effect on the population growth compared to prior years.

Figure 1: Corporate tax transparency population, growth over 5 years

Ownership

Foreign-owned entities accounted for 41.3% of the corporate transparency population in 2022–23. This is followed by:

- Australian public entities which accounted for 15.1%
- Australian private entities with income above $200 million which accounted for 17.5%
- Australian private entities with income between $100 million and $200 million which accounted for 26.1%.

Figure 2 shows the breakdown by ownership segment.

Figure 2: Corporate entities by ownership segment, 2022–23

Industry segment

Wholesale, Retail and Services (WRS) is the largest industry segment at 2,170 entities or 54.5% of the corporate tax transparency population. This is followed by:

- Manufacturing, Construction and Agriculture (MCA) at 971 or 24.4%
- Banking, Finance and Investment (BFI) at 420 or 10.5%
- Mining, Energy and Water (MEW) at 344 or 8.6%
- Insurance (ISR) at 80 or 2.0%.

Exits from the population

In 2022–23, 252 entities exited the population, 1,524 entities were new entrants, and 2,461 entities were part of last year's population.

Entities may exit the population because they:

- restructured or joined a tax consolidated group during the year (or both)
- reported income below the transparency thresholds
- had not yet lodged or had lodged a company tax return that wasn't processed by the cut-off date for the report (1 September 2024)
- weren't required to lodge a company tax return due to deregistration.

See Figure 3 below for the reasons for entities exiting the population this year.

We follow up entities that don't lodge returns as part of our non-lodgment program.

The number of entities that exited the transparency population due to a drop in income is consistent with a normal level of 'churn' in the population over recent years.

Entities that fail to lodge are subject to lodgment penalties and compliance action.

Figure 3: Exits from the corporate transparency population – entire population

QC 103277

Corporate income segments for 2022–23

How tax transparency applies to the largest corporations, large corporations and medium corporations.

Published 1 November 2024

On this page

How tax transparency applies

Australia's corporate tax paid is concentrated in the largest corporations (see Figure 4 below), which is why we apply a significant degree of scrutiny to these taxpayers. We use the **Action Differentiation Framework** to apply resources efficiently, allocating them to priority focus areas where specific attention is required.

We engage with the largest corporations on an ongoing one-to-one basis to manage their compliance and assure their tax performance. For more information, see **Top 100 engagement**, **Top 1,000 engagement** and **Top 500 engagement**.

We have a high level of compliance coverage across the population with a focus on assuring that the right amount of tax has been paid. These programs seek to give the Boards, the ATO and the community confidence that Australia's largest corporations are paying the right amount of tax.

Largest corporations

Australia's largest corporate entities tend to operate in segments of the economy characterised by a high degree of capital intensity and economies of scale. There are only 89 entities in the corporate transparency population with an income of $5 billion or more.

While these corporations represent only 2.2% of the population, they collectively pay about 61.6% of corporate income tax payable for the Corporate tax transparency population or $60.4 billion (see Figure 4). The majority of these large corporations are Australian public companies, and assurance over their tax compliance is covered by our Top 100 program.

In the Top 100 population, which includes Australia's largest public and multinational businesses, 4 out of 5 taxpayers have achieved either an overall high or medium level of assurance through our justified trust program. We have high levels of confidence that these businesses are meeting their legal tax obligations, or we know why they aren't and are taking action.

Figure 4: Largest corporate entities in $5 billion and greater income segment

Large corporations

The large corporations account for 1,677 entities or 42.1% of the corporate transparency population and pay 31.7% or $31.1 billion of all corporate income tax payable for the Corporate tax transparency population (see Figure 5).

Most of the corporations in this cohort are covered by the Top 1,000 program. Under this program, we aim to assure the tax outcomes of Australia's largest corporations which are not part of the Top 100 population once every 4 years. Where we identify areas of concern, they are addressed through our Next Actions Program.

Some corporations in this cohort are part of privately owned wealthy groups. Our tax performance programs for these groups are tailored to 3 key segments. Most of these private groups are from the Top 500 and Next 5,000 segments.

For corporations covered by the Top 500 tax performance program, we engage directly with these groups from year to year to establish a high level of assurance that they are paying the right amount of tax. See Top 500 tax performance program for more information.

For corporations covered by the Next 5,000 tax performance program, the aim is to increase ongoing and willing participation by applying our justified trust methodology in our one-to-one tailored engagements. See Next 5,000 tax performance program for more information.

Figure 5: Large corporate entities in $250 million to $5 billion income segment

Medium corporations

The medium corporations (those that earn less than $250 million) are now the highest population by count after the inclusion of Australian private entities with income between $100 million and $200 million. They account for 2,219 entities or 55.7% of the corporate transparency population but paid only 6.6% of corporate all corporate income tax payable for the Corporate tax transparency population (see Figure 6).

Many of these entities are covered by our medium and emerging compliance programs. Part of the Tax Avoidance Taskforce, these compliance programs use sophisticated data and analytics programs to monitor and identify tax risk of medium corporations.

The medium and emerging programs cover public and multinational businesses and private groups not covered by our justified trust programs. We use enhanced data and analytics to understand the operating environment of these groups, identify and address tax risks and design tailored approaches to mitigate those risks.

Figure 6: Medium corporate entities in $100 million to $250 million income segment

QC 103277

Corporate income tax payable for 2022–23

Data on income tax payable by ownership and industry segment for the Corporate tax transparency report 2022–23.

Published 1 November 2024

On this page

Tax payable in 2022–23

Over one million entities lodge company income tax returns in Australia. At the time of publication, the 3,985 entities in the Corporate transparency report represent approximately 71% of total corporate income tax payable in 2022–23.

The increase in tax payable was primarily driven by the Mining, Energy and Water segment, in particular, strong increases in tax payable from oil, gas, thermal coal and lithium producers. Wholesale, Retail and Services also showed steady growth in tax payable. Other industry segments experienced small declines in tax payable.

Tax payable – by ownership segment

Australian public entities contributed the most tax paid at 47.9%. This is followed by:

- foreign-owned entities at 41.5%
- Australian private entities with income above $200 million at 8.1%
- Australian private entities with income between $100 million and $200 million at 2.5%.

Figure 7 shows changes in tax payable:

- Foreign-owned entities contributed the most to the growth in tax payable in 2022–23 with $16.9 billion
- Australian private entities with income between $100 million and $200 million contributed $2.5 billion
- Australian public entities had a decrease of $3.6 billion
- Australian private entities with income above $200 million had a $1.8 billion decrease.

Figure 7: Change in tax payable by ownership segment

Tax payable – by industry segment

The increase in tax payable across the corporate transparency population this year was primarily driven by the Mining, Energy and Water segment, with growth of $12.5 billion (see Figure 8). This was driven by strong growth in some commodity prices and our earlier interventions in the oil and gas sector, resulting in additional collections flowing through the system in 2022−23.

The Wholesale, Retail and Services segment reported steady growth of $2.1 billion and Banking, Finance and Investment a slight increase of $68 million. This is in contrast to the remaining industry segments which reported negative growth in 2022–23. The Manufacturing, Construction and Agriculture segment decreased $191 million. This was driven by increasing cost pressures impacting the cost-sensitive manufacturing and agriculture industries, offset partly by growth in the construction industry.

The Insurance segment had the largest decrease of $505 million, however tax paid in 2021–22 was well above the long-term average, indicating a return to the longer-term trend. Despite the drop in tax paid in 2022–23, it remained higher than the amount paid 2 years prior. The life insurance businesses reported the largest decline due to a combination of factors, including some experiencing a decline in business income.

Figure 8: Change in tax payable, by industry segment

Economic and environmental factors can affect the performance of an industry segment in any given year. For example, natural disasters may affect the General insurance industry.

Trends in tax payable, total income, taxable income and entity count for the Corporate tax transparency report 2022–23.

Published 1 November 2024

On this page

Trends in income and tax paid

Over the last 5 years, the increase in the number of entities in each industry has been a key factor to growth in income and tax paid across all segments. The exception is Australia's Mining, Energy and Water segment, where commodity prices and export volumes have been key contributing factors in income and tax paid.

Over the 5-year period, all industries have grown their tax payable. Tables 1 to 4 summarise the 5-year trends for tax payable, total income, taxable income, and entity counts respectively.

It is noted that the prior year industry data may differ slightly to previous reports due to a change in the allocations this year.

Tax payable

Figure 9 shows the trend in tax payable by industry segment over the past 5 years. Table 1 summarises this data.

Figure 9: Tax payable by industry segment over 5 years

Table 1: 5-year trend of tax payable by industry segment ($ billion)

Industry segment	2018–19	2019–20	2020–21	2021–22	2
Banking, Finance and Investment	15.7	14.7	15.5	16.0	
Insurance	1.5	1.5	1.6	2.3	
Manufacturing, Construction and Agriculture	4.4	4.1	4.0	5.9	
Wholesale, Retail and Services	12.5	12.5	15.3	17.5	
Mining, Energy and Water	22.0	24.5	32.2	42.2	
All industry segments	56.1	57.3	68.6	83.9	

Total income

Table 2 shows the total income by industry segment over the past 5 years. Total income was $3,138.4 billion in 2022–23, an increase of 23.3% on the prior year.

All segments have experienced strong growth in total income over the last 5 years, with the largest in Mining, Energy and Water. The Insurance segment experienced smaller growth compared to the other segments.

Income tax is applied to taxable income not total income. Total income generally includes all income received. Taxable income is the portion of total income that is subject to taxation. Deductions are subtracted from total income to arrive at taxable income. Deductions can vary from industry to industry. For example, retail could have a high percentage of deductions reflecting smaller gross profit margins. When commodity prices are high, mining companies can have a lower percentage of deductions relative to total income.

Table 2: 5-year trend of total income by industry segment ($ billion)

Industry segment	2018–19	2019–20	2020–21	2021–22
Banking, Finance and Investment	317.4	312.6	393.6	320.6
Insurance	106.4	110.9	115.8	125.8
Manufacturing, Construction and Agriculture	333.7	342.9	335.6	376.3
Wholesale, Retail and Services	934.2	953.9	974.1	1,110.7
Mining, Energy and Water	437.0	464.2	473.4	611.6
All industry segments	2,128.7	2,184.5	2,292.5	2,545.0

Taxable income

Taxable income is a company’s total income minus expenses and deductions. The amount of taxable income is affected by revenue growth and market conditions. For example, interest rate changes will affect a company’s borrowing expenses.

Table 3 shows taxable income by industry segment over the past 5 years. Taxable income was $380.1 billion in 2022–23, an increase of

$38.6 billion or 11.3% on the prior year.

The Mining, Energy and Water segment is a major contributor to the overall increase in taxable income, with very strong growth over the past 5 years.

The taxable income of the Wholesale, Retail and Services segment increased significantly due to strong growth in consumer demand for these products and services.

The Banking, Finance and Investment segment reported moderate growth in taxable income over the 5-year period. This segment experienced significant challenges, including:

- restructuring and remediation costs associated with the banking Royal Commission
- a turbulent business environment during COVID-19
- rising borrowing costs in the 2022–23 income year.

Insurance has experienced patchy growth in taxable income, as the segment faced challenging economic conditions and multiple natural disasters.

Table 3: 5-year trend of taxable income by industry segment ($ billion)

Industry segment	2018–19	2019–20	2020–21	2021–22	2
Banking, Finance and Investment	71.3	66.9	84.0	92.3	
Insurance	5.5	3.9	3.9	8.4	
Manufacturing, Construction and Agriculture	18.7	15.3	15.3	22.0	
Wholesale, Retail and	37.8	34.9	42.4	55.5	

Services					
Mining, Energy and Water	74.9	87.4	110.9	163.3	
All industry segments	208.2	208.4	256.6	341.4	

Count of entities

Over the 5 years, increases in the number of entities in each industry has been a contributing factor to income and tax paid. However, in the Mining, Energy and Water segment, commodity prices and export volumes have been additional key contributing factors to the growth in income and tax paid in this segment.

Table 4 shows the number of entities by industry segment over the past 5 years.

Table 4: Number of entities by industry segment

Industry segment	2018–19	2019–20	2020–21	2021–22	2
Banking, Finance and Investment	242	265	291	315	
Insurance	64	66	69	72	
Manufacturing, Construction and Agriculture	515	526	534	605	
Wholesale, Retail and Services	1,234	1,253	1,309	1,443	

Mining, Energy and Water	256	260	265	278	
All industry segments	2,311	2,370	2,468	2,713	

QC 103277

Corporate entity net losses and nil tax payable

Corporate entity tax losses, and data on nil tax payable by ownership segment and industry segment in 2022–23.

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On this page

Understanding tax loss

Where a corporate entity has tax deductions that exceed its income, it can incur a tax loss and pay no tax for that year. Companies with losses in one year can carry these losses forward and deduct them from their profits in future years.

Corporate entities may also be able to use features in the Australian tax law such as tax offsets to reduce the amount of tax they pay, sometimes to zero. Eligibility criteria for each offset can be different and are used to stimulate investment in areas given special concessions in the tax law. For example, the **Research and development tax incentive**.

We examine companies making a tax loss very carefully to understand why they are making a loss and whether this represents a compliance risk. We apply considerable resources to ensure these taxpayers are paying the right amount of tax. For information on the specific risks we deal with, see the **Tax Avoidance Taskforce** and refer to Compliance programs for links to our corporate population compliance findings.

The corporate tax transparency data this year has 31% of entities reporting nil tax paid. This proportion is similar to ASX data, which shows around 20–30% of ASX 500 companies reporting a net loss to their shareholders in any given year. The ASX data shows that even extremely large companies will sometimes not make a profit in a year when they expand or face challenging market conditions.

For more information, see **Why some corporations pay no tax**.

Reasons for tax losses

There are numerous commercial reasons why corporations can make a loss. The main reasons include, but are not limited to:

- sensitivity to economic and environmental conditions which may impact income and expenses
- capital investment decisions, including reinvesting capital assets or business expansion that can lead to increased tax deductions.

Although taxable income or loss is calculated differently to accounting profit or loss, it is useful to compare levels. We can gain confidence when we examine a corporate entity and find loss-making levels are broadly comparable between accounting and tax.

We often look at the alignment between the reporting of an accounting or economic loss in a company tax return with a consequential tax loss, given the close relationship between the accounting and tax systems. The company tax return asks for information to reconcile the calculation of taxable income from accounting profit or loss.

An entity may not pay tax in an income year where it reports:

- an accounting loss

- an accounting profit but reconciliation items resulted in a tax loss – for example, tax deductions allowed at higher rates than accounting permits
- a taxable income but was also entitled to offsets, such as the research and development incentive at least equal to the tax otherwise payable
- a taxable income but prior-year losses were available to deduct against that profit, so no tax was payable.

Of the 3,985 entities in the Corporate tax transparency report 2022–23, 2,732 (69%) paid tax. However, due to some of the reasons outlined above, 1,253 (31%) did not pay tax (see Figure 10).

Figure 10: Reasons for nil tax at the entity level

Economic group level analysis

Many single entities that did not pay tax are members of a tax paying corporate group. An economic group includes all entities, such as companies, trusts and partnerships, that lodge an Australian tax return under a direct or indirect Australian or foreign ultimate holding company or other majority controlling interest. This includes all entities under a single ultimate holding company or under the ownership of a single individual, trust or partnership.

Multinationals typically comprise many corporate entities operating across multiple jurisdictions. At the economic group level, a total of 3,389 economic groups or standalone entities were to some degree in scope for the Corporate tax transparency report. When we analyse this population at the group level, the percentage with nil tax payable drops from 31% to 21% because at least one entity in the group did pay tax (see Figure 11).

Figure 11: Reasons for nil tax at the economic group level

The main reason for nil taxes can vary from year to year. In 2022–23 there were higher rates of entities incurring accounting losses as opposed to utilising carry forward losses (see Figure 12).

Figure 12: Proportion of economic groups with nil tax payable, by tax outcome over 3 years

Nil tax payable – by ownership segment

The proportion of entities with nil tax payable has decreased in the 10 years since this report was first published, from 36% in 2013–14 to 31% in 2022–23. This drop is largely a reflection of better business conditions.

The proportion of Foreign-owned entities which paid nil tax increased slightly in 2022−23. There was also an increase in the proportion of Australian private entities with nil tax this year and also over the 3-year period (see Figure 13). The additional private entities with total income less than $200 million have had a minimal impact on the proportion of entities with nil tax payable in this ownership segment.

There was an increase in the proportion of Australian public entities with nil tax over the 3-year period, however a slight decrease in 2022−23 compared to the prior year.

Note: The ownership cohorts are not directly comparable for the 2020–21 and 2021–22 years, as smaller Australian private entities with total income less than $200 million weren't represented in the data. See Interpreting the results.

Figure 13: Proportion of entities with nil tax payable, by ownership segment, over 3 years

Nil tax payable – by industry segment

The proportion of entities with nil tax payable remained steady in 2022–23 but the effect was different across the industry segments (see Figure 14). Nil tax payable can also depend on macroeconomic factors such as economic downturns or conditions that affect industry segments in different ways.

Factors, such as volatile commodity prices and extended lead times before projects become revenue generating, mean there is a higher percentage of nil tax payable entities in the Mining, Energy and Water segment compared to other segments.

The effect of challenging economic conditions resulted in higher expenses (input costs) and deductions in 2022–23 for corporate entities in sectors such as Manufacturing, led to a slight increase in the proportion of entities reporting an accounting loss and therefore nil tax.

Figure 14: Proportion of entities with nil tax payable, by industry segment, over 3 years

QC 103277

PRRT data in the Corporate tax transparency report 2022-23

Petroleum resource rent tax (PRRT) payable data in the Corporate tax transparency report 2022–23.

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On this page

When is PRRT payable

The **petroleum resource rent tax** (PRRT) taxes profits generated from the sale of marketable petroleum commodities above a specified rate of return. PRRT is paid when a petroleum project's total assessable receipts exceed total eligible expenditure.

Total PRRT payable

There are 11 entities in the 2022–23 PRRT transparency population, with total PRRT payable of $1,867.1 million. The number of entities paying PRRT remained steady on the previous year, and PRRT payable decreased from $1,996.6 million in 2021–22.

The decrease in PRRT payable reflects the lower profitability of PRRT-liable companies in 2022–23, with oil prices being a key driver – see World Bank commodity prices data.

Figure 15 shows the number of PRRT entities over 10 years since the Corporate tax transparency report commenced publication.

Figure 15: Number of entities that paid PRRT over 10 years

Figure 16 below demonstrates that the annual PRRT collections are highly correlated to the price of oil. The oil price is sensitive to developments in the global energy market. For instance, the 2021–22 result is primarily attributed to energy prices reacting to market volatility created by the Russian invasion of Ukraine. The 2022–23 results have fallen as COVID-19 restrictions in China and higher energy prices resulted in oil demand declining.

Figure 16: PRRT payable versus oil price over 10 years

QC 103277

Corporate population compliance

How the ATO is improving corporate compliance, with our taskforce, targeted tax assurance programs and findings.

Published 1 November 2024

On this page

> [Justified trust program]
>
> [Tax assurance programs and findings]

Tax Avoidance Taskforce

We are a world leader in combating tax avoidance. The Tax Avoidance Taskforce bolsters our efforts to ensure the right amount of tax in Australia is paid by:

- multinational enterprises
- large public and private businesses
- associated individuals.

The Corporate tax transparency population includes the largest businesses in Australia that are covered by the activities of the Taskforce. The Taskforce invests significant resources to ensure these businesses are paying the correct amount of tax.

Justified trust program

Through our **justified trust** program we assure the tax compliance of large public and multinational businesses and large privately owned and wealthy groups. Areas of concern identified through the program are escalated for further investigation by our compliance teams.

To gain assurance they are paying the correct amount of tax, we engage with the top:

- 1,100 public and multinational businesses and superannuation funds
- 500 privately owned and wealthy groups.

Justified trust builds and maintains community confidence that taxpayers are paying the right amount of tax. It also allows us to focus our resources in the right areas.

Tax assurance programs and findings

Our **population-wide approaches to preventing non-compliance** explains how we monitor large corporations. It also explains the large number of resources applied to educating and preventing non-compliance.

Our report explains in more detail how we maintain assurance over large corporate taxpayers.

For more information, see:

- Tax and Corporate Australia
- Tax Avoidance Taskforce
- Tax performance programs for privately owned and wealthy groups.

Our findings reports give insights into the level of tax compliance of large business across our key programs:

- Top 100 income tax and GST program
- Top 500 income tax and GST program
- Top 1,000 income tax and GST program
- Findings from the Next 5,000 program
- Public and multinational business settlements
- Findings report RTP – Public and multinational businesses.

QC 103277

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.