

More than 1,200 large companies paid no tax, ATO reveals, as it vows to fight profit shifting

By business reporter **Nassim Khadem**

Multinational Corporations

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The ATO says 31 per cent of companies did not pay a cent in tax. (ABC News: Nassim Khadem)

In short:

Of 3,985 entities that lodged tax returns in 2022–23, the ATO's tax transparency report found 31 per cent did not pay tax.

This, the report said, was due to various reasons, including companies making an accounting loss or claiming tax offsets that reduced their tax bill to zero.

What's next:

The ATO has welcomed a global tax deal to ensure companies globally pay minimum effective rate of 15 per cent on corporate

profits, but notes "it's not going to solve Australia's global profit shifting issues".

More than 1,200 large companies paid no tax in 2022-23, an Australian Taxation Office (ATO) report reveals.

The ATO's tenth corporate tax transparency report, which covers 3,985 entities that lodged tax returns in 2022-23, found that while the amount of tax collected increased due to higher mining and oil and gas company profits, there were still 1,253 entities (31 per cent) that did not pay tax.

The report attributes no tax being paid to various reasons, including companies making an accounting loss or claiming tax offsets that reduced their tax bill to zero.

ATO Deputy Commissioner Rebecca Saint said there were "legitimate reasons" why a company may pay no income tax, and that the agency plays close attention to ensure that companies "are not trying to game the system".

"We're obviously very keen to ensure that any companies that are not making a profit or not paying tax – that it is truly driven by genuine commercial reasons, and it's not through some sort of tax planning or tax structuring," Ms Saint said.



ATO deputy commissioner Rebecca Saint says there is still evidence of multinational profit shifting. *(Supplied)*

The ATO also provided ABC News with exclusive data about the number of companies they have issued tax bills against and the cases currently under dispute.

It said 124 companies had assessments raised against them during the 2024 financial year, to the value of about \$2.76 billion.

The bulk of the liabilities (\$2.5 billion) was raised against 24 different taxpayers following audit and review activities.

About \$2.22 billion of the \$2.76 billion was being disputed by 14 different taxpayers, and some of that money has been paid to the ATO under what's known as a 50:50 arrangement.

Global minimum tax rate 'isn't going to solve profit shifting issues'

About 140 [countries including Australia have signed up](#) to the Organisation for Economic Cooperation and Development (OECD) "Global Minimum Tax" deal, a plan [that's been decades in the making](#).

The tax deal imposes a minimum rate of 15 per cent on the profits of multinationals, aiming to end the days of "no-tax havens" where multinationals could easily get away with paying no tax at all.

While the deal requires companies to pay that as a minimum on corporate profits, Ms Saint notes that's still a big difference with the corporate tax rate in Australia of 30 per cent and "it's not going to solve Australia's global profit shifting issues".

"I think it is good that globally, there's consensus to move to a global minimum tax rate of 15 per cent," she said.

"However, I would say to you, there is still a big difference between 30 per cent and 15 per cent.

"So, whilst we might see some reduced appetite for this type of behaviour, we're still expecting that it's going to be a key risk that we're going to need to monitor and to take appropriate action.

"We're still really, really focused on global profit shifting."

She said a significant amount of the ATO's compliance work was focusing on companies "mispricing" or "mischaracterising" during cross border dealings.

"We say (to the company) 'well, in substance, that's not actually what is happening, and we think in substance, there is a different tax outcome,'" she said.

She referred to public cases including the ATO's case against US-based beverage giant PepsiCo.

The company is disputing the tax bill through the courts.



PepsiCo is disputing an ATO tax bill. (Reuters: Mario Anzuoni)

The [ATO alleges Pepsi owes millions in royalty withholding tax and diverted profits tax](#) over deals with the former Schweppes Australia, subsequently Asahi Beverages, for the 2018 and 2019 financial years.

"We say [to PepsiCo] 'well, actually we think the payment is for something else. It's in part, for a royalty for intellectual property ... and should be subject to royalty withholding tax'," she said.

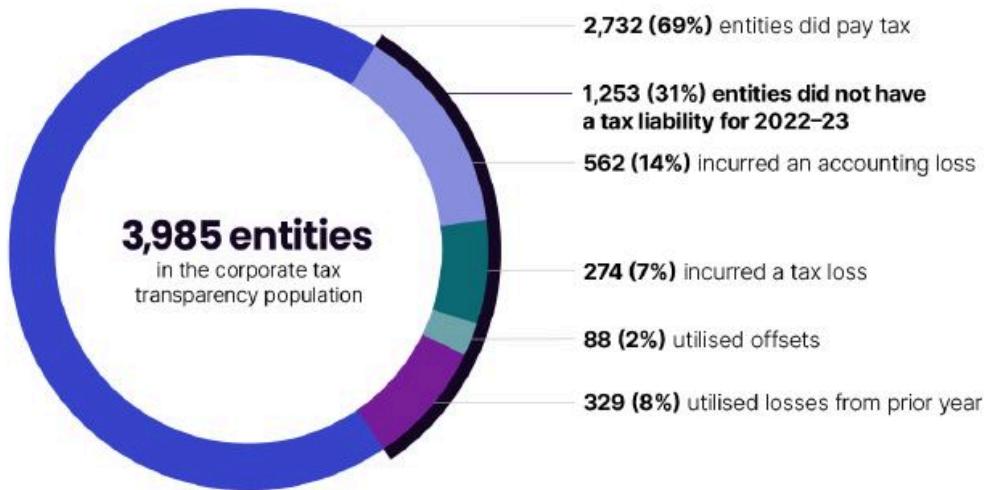
"So mis-characterisation of business dealings or capital flows in an attempt to reduce the profit in Australia is something that we're really focused on."

Asked whether, in addition to food and beverage and retail brands, the ATO was also seeing problems in the technology sector, she said: "We've certainly got issues with the tech sector."

She noted business models for data centres was increasingly under focus.

For the first time, ATO includes smaller private companies in its report

It is the first year that data for Australian-owned private entities with total income between \$100 million to \$200 million is being reported, which is why there's now close to 4,000 entities included in the report.



The ATO's breakdown of how many entities paid tax. (*Supplied ATO*)

Compared to 2021–22, this represents a net increase of 1,272 entities or 46.9 per cent.

Of all the entities included in the report, their total taxable income was \$381 billion, an increase of 11.3 per cent on the year before.

For the 69 per cent of entities that did paid tax, the ATO collected a total of \$97.9 billion from them.

This is an increase in tax payable of about \$14 billion, or 16.7 per cent, on the year before.

The ATO is required under law to publish tax information reported to it by certain large companies each year.

Of the 3985 corporate entities covered:

- 1,646 are foreign-owned companies with an income of \$100 million or more
- 600 are Australian public entities with an income with 100 million or more
- 699 are Australian-own resident private companies with an income of \$200 million or more
- 1,040 are Australian private entities with income between \$100 million and \$200 million

In 2022–23, 252 entities exited the population covered in the report, 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, reported income below the transparency thresholds, hadn't yet lodged or had lodged a company tax return or weren't required to lodge a company tax return due to deregistration.

Why do some companies report zero tax?

The ATO's report suggests that an entity may not pay tax in an income year where it reports an accounting loss, has profits but reduces that thanks to tax deductions, or has prior-year losses to deduct against current profit, bringing its tax bill to zero.

For the 31 per cent of entities that paid no tax, the report noted that 14 per cent "incurred an accounting loss", 7 per cent "incurred a tax loss", 2 per cent "utilised offsets" and 8 per cent "utilised tax losses from prior year".

Ms Saint said the percentage of tax not being paid is consistent with the numbers reported in 2021-22, because this year there is a larger sample size included in the report.

But the report suggests this increase in the population examined in the report "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," the report said.

Which sectors paid most tax?

Ms Saint said most sectors of the economy showed increased tax payable from the prior year.

"However, consistent with recent years the significant increase in tax came from the mining sector, this year with the oil and gas and coal sectors showing significant increases in tax contribution," she said.

She noted 2022-23 is the second year in a row that the mining sector paid more tax than all other sectors combined, paying more than five times than they did in 2014-15.

Tax payable was dominated by the "mining, energy and water" segment at 55.9 per cent (\$54.7 billion) of the total. Tax paid by this segment increased by \$12.5 billion (29.5 per cent) on the year before.

The next biggest contributions were from companies in "wholesale, retail and services" which made up \$19.1 billion of the total, and "banking finance and investment" which made up \$16.1 billion of the total.

Total petroleum resource rent tax payable decreases

Ms Saint also noted that tax paid by the oil and gas sector increased from \$1.5 billion in 2021–22 to \$11.6 billion in 2022–23.

This result was largely driven by higher commodity prices, she said, but was also due to tax deals the ATO had locked in with these companies in previous years.

Ms Saint said that \$4.3 billion of the \$11.6 billion was from settlements with companies or what's known as "Advanced Pricing Agreements" with corporates about the taxes they pay.

But companies paying the petroleum resource rent tax (PRRT) decreased.

There are 11 entities in the 2022–23 within the total transparency population, with total PRRT payable of \$1.9 billion.

Petroleum Resource Rent Tax liabilities for 2022-23

Search in table

Name	ABN	PRRT Payable \$
COOPER ENERGY (CH) PTY. LTD.	70,615,355,023	1,301,037
ESSO AUSTRALIA RESOURCES PTY LTD -	62,091,829,819	619,052,800
MITSUI E&P AUSTRALIA PTY LIMITED	45,108,437,529	61,655,359
PEEDAMULLAH PETROLEUM PTY LTD	17,009,363,820	1,705,478
SANTOS (BOL) PTY LTD	35,000,670,575	22,005,601
SANTOS WA NORTHWEST PTY LTD	58,009,140,854	84,810,642
SANTOS WA PVG PTY LTD	51,129,604,860	122,469,941
SANTOS WA SOUTHWEST PTY LIMITED	63,050,611,688	17,835,926
WOODSIDE ENERGY (AUSTRALIA) PTY LTD	39,006,923,879	175,040,118
WOODSIDE ENERGY (BASS STRAIT) PTY LTD	29,004,228,004	695,159,723
WOODSIDE ENERGY LTD.	63,005,482,986	66,020,853

Source: [ATO](#) / [Get the data](#)

The amount paid fell by 6.5 per cent from almost \$2 billion the year before.

The report noted the decrease in PRRT payable reflects the lower profitability of PRRT-liable companies in 2022–23, with oil prices and falling demand from China being a key driver.

Which companies paid no tax?

Search the full list of companies required to report data to the ATO in 2022-23.

Tax paid by large corporations 2022-23

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Name	ABN	Total income \$	Taxable income \$	Tax payable \$	Income year
1884 PTY LIMITED	83,114,980,880	239,078,601			2022-23
1ST ENERGY PTY LTD	71,604,999,706	106,269,686	3,619,844	1,085,953	2022-23
20 CASHEWS PTY LTD	16,634,403,124	271,407,128	19,260,630	5,774,287	2022-23
21ST CENTURY RESORTS HOLDINGS PTY LIMITED	33,104,201,014	329,674,680	47,950,070	14,385,021	2022-23
29METALS LIMITED	95,650,096,094	738,419,898			2022-23
2CONSTRUCT PTY. LTD.	28,109,517,188	147,281,271	407,260	107,847	2022-23
3M AUSTRALIA PTY LTD	90,000,100,096	879,218,033	55,684,523	16,705,357	2022-23
4CYTE PATHOLOGY PTY LTD	12,619,244,852	255,376,541	24,979,448	7,493,834	2022-23

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690 WPH PTY LTD	20,614,450,412	159,759,773	95,194,470	28,558,341	2022-23
7 HOLDINGS PTY LTD	31,005,620,851	2,922,864,863	67,295,787	18,653,299	2022-23
A & S WHOLESALE FRUIT & VEGETABLES PTY LTD	60,006,598,796	126,139,179	6,262,488	1,594,517	2022-23
A J BUSH & SONS PTY LTD	77,000,134,010	102,317,278			2022-23
A S P ALUMINIUM HOLDINGS PTY LTD	59,002,302,310	411,856,334	26,867,784	7,769,678	2022-23

A. HARTRODT AUSTRALIA PTY LTD	28,000,640,504	181,058,070	6,409,421	1,922,826	2022-23
A.C.N. 003 933 300 PTY LTD	58,003,933,300	755,218,296			2022-23
A.C.N. 085 239	39 085 239 998	506 602 275	97 772 411	28 021 263	2022-23