

# AUSTRALIAN TAX OFFICE TRANSPARENCY DISCLOSURES

Australian tax law requires the Australian Taxation Office (ATO) to publish certain tax information about large corporate taxpayers that derive total income of \$100 million or more. For Anglo American, the year ending 31 December 2014, in lieu of 30 June 2015, referred to as the **2014-15 income year**, is the second year of operation of the rules.

## Anglo American's total tax contribution in Australia

The total cash tax borne and collected by Anglo American in Australia in the 2015 calendar year was \$765 million. The amount included royalties, payroll taxes, PAYG withholding, interest withholding taxes, fringe benefits tax, land taxes and carbon taxes.

More information about Anglo American's 2015 tax contribution both in Australia and globally can be obtained from the document *Tax and Economic Contribution Report 2015* located [here](#)

## Anglo American tax information – 2014-15 income year

The information about Anglo American Australia Limited (AAAL), in its capacity as the head company of the tax consolidated group, to be disclosed on the ATO's website for the 2014-15 income year is shown in the table at the bottom of the page.

The total income represents gross revenue of the AAAL group for accounting purposes, including coal sales income and dividends from associates. This figure is the income before any expenses are taken into account of operating the business, such as labour, equipment and energy costs. Total income is not an indicator of the real, economic or taxable profits of any organisation.

For the 2014-15 income year, the AAAL tax consolidated group made an operating loss for accounting purposes of \$572 million. This was primarily as a consequence of losses incurred by coal mining activities of the Metallurgical Coal business unit, which has operations in Queensland and New South Wales. This loss included significant asset write downs resulting from the difficult pricing environment for metallurgical coal in the 2014-15 income year.

The difference between the accounting loss of \$572 million and the taxable income of \$32.4 million arises from a range of differences in treatments between the accounting standards and the tax law. For instance, an item may be an expense for accounting purposes, but not be tax deductible, such as accounting impairments. Alternatively, an item may be income for accounting purposes, but not be taxable in that year, such as unrealised foreign exchange gains.

While AAAL had a taxable income of \$32.4 million, no tax was payable due to the utilisation of franking credits arising from fully franked dividends received from various non-wholly owned companies, including the 40% owned Manganese associates. These franking credits reflect that the relevant non-wholly owned companies have already paid 30% corporate tax on their profits, before distribution of those profits as dividends.

Based on the taxable income of \$32.4 million, the gross tax liability of \$9.7 million which was calculated as \$32.4 million multiplied by the company tax rate of 30%, was fully offset by franking credits of \$78.6 million. As a result there was no net tax payable to the ATO for the 2014-15 income year.

View the Australian Tax Office's website [here](#)

NAME	ABN	TOTAL INCOME <sup>1</sup>	TAXABLE INCOME	INCOME TAX PAYABLE
Anglo American Australia Limited	47 004 892 371	\$3,605,359,575	\$32,378,304	0

<sup>1</sup>Total income represents gross revenue of the AAAL group for accounting purposes, including coal sales income and dividends from associates. This figure is the income before any expenses are taken into account of operating the business, such as labour, equipment and energy costs