



# Taxes Paid Report

Year ended  
31 December 2021



## A statement from the Group Chief Financial Officer

On behalf of Ampol Limited (ACN 004 201 307), I am pleased to deliver our Taxes Paid Report for the year ended 31 December 2021 (FY2021).

Ampol understands the importance of tax transparency, which plays an important role in building community confidence in our taxation systems. A fair and equitable tax system underpins our government and the sustainable delivery of needed infrastructure and services. Ampol has been reporting its taxes voluntarily every year since 2013 and we report our tax contribution in line with the Australian Government's Tax Transparency Code.

2021 was a successful and transformational year for Ampol. Despite the ongoing uncertainty created by COVID-19, the company delivered strong financial and operational performance. Nevertheless, our Australian company tax payments remained low given the losses carried over from 2020 when our business was significantly impacted by COVID-19. We expect our company tax contributions to increase over the coming years to reflect our strong recent financial performance.

Pleasingly, fuel excise collected on behalf of the Federal Government increased in 2021 as volumes recovered in key parts of our fuels business. We also increased our contributions through GST as business conditions improved and from PAYG withholding as we increased our Australian workforce. In total, our tax contribution for 2021 was over \$7.0 billion, with 95% of this remitted in Australia.

In this report you will find a reconciliation of accounting profit to tax expense, details of taxes paid, our effective tax rate as well as our approach to related party dealings and governance. We disclose all taxes paid and collected by Ampol and our controlled entities, for our operations both in Australia and overseas.

On 20 February 2023, Ampol and the ATO reached a settlement in relation to the extent to which earnings by Ampol's Singaporean entities from transactions with Ampol's Australian entities should be subject to corporate income tax in Australia. We are pleased to have concluded this longstanding dispute. The impact of the settlement, including on the Group's tax expense and expected ATO public disclosures for 2021 (to be made in late 2023), have been noted in this report.

We hope you find this report useful.



**Greg Barnes**  
**Group Chief Financial Officer**  
**2 March 2023**



## How we report

At Ampol, our corporate reporting is undertaken via multiple reports which are available on our website.

The Taxes Paid Report should be read together with our other corporate reporting. The 2021 relevant corporate reporting comprises the following documents:

- [2021 Annual Report](#); and
- [2021 Sustainability Report](#).

Together, these reports address all recommended aspects of the Tax Transparency Code for large businesses.



## Ampol Overview

Ampol (ASX-ALD) is an independent Australian company and the leader in transport fuels in Australia and through its acquisition of Z Energy in 2022, it is also the market leader in New Zealand (NZX-ALD).

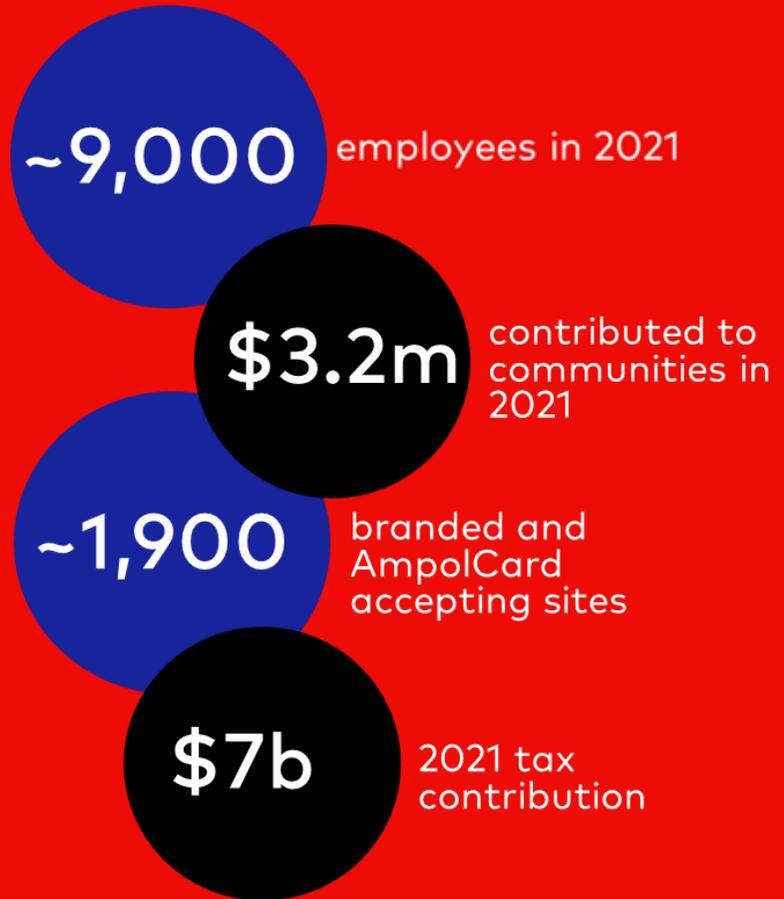
We supply Australia's largest branded petrol and convenience network as well as refining, importing and marketing fuels and lubricants. Ampol supplies fuel to approximately 110,000 business and SME customers in diverse sectors across the Australian and New Zealand economy, including defence, mining, transport, marine, agriculture, aviation and other commercial and industrial sectors. Across our Australian and New Zealand retail networks, we serve approximately four million customers every week with fuel and convenience products.

Our ability to service our broad customer base is supported by our robust supply chain and strategic infrastructure positions. In Australia that includes 15 terminals, 6 major pipelines, 53 wet depots, 1,824 branded sites (including 645 company-controlled retail sites) and one refinery located in Lytton, Queensland. In New Zealand that includes 9 terminals and 526 sites (includes Z Energy and Caltex branded sites). This network is supported by over 9,300 people across Australia, New Zealand, Singapore and the United States of America (USA).

We are currently extending our customer value proposition to support the energy transition, including AmpCharge and Ampol Energy, and achieve our target of net zero scope 1 and 2 emissions from operations by 2040.

In recent years, we have leveraged our Australian business to extend our supply chain and operations into international markets. This includes our Trading and Shipping business that operates out of Singapore and Houston in the USA, and our international storage positions across the Asia Pacific region. We also have grown our presence in New Zealand through the acquisition of Z Energy. Ampol divested Gull New Zealand on 27 July 2022 as part of the approval to acquire Z Energy. Ampol also owns a 20% equity interest in Seoil, a leading independent fuel company in the Philippines.

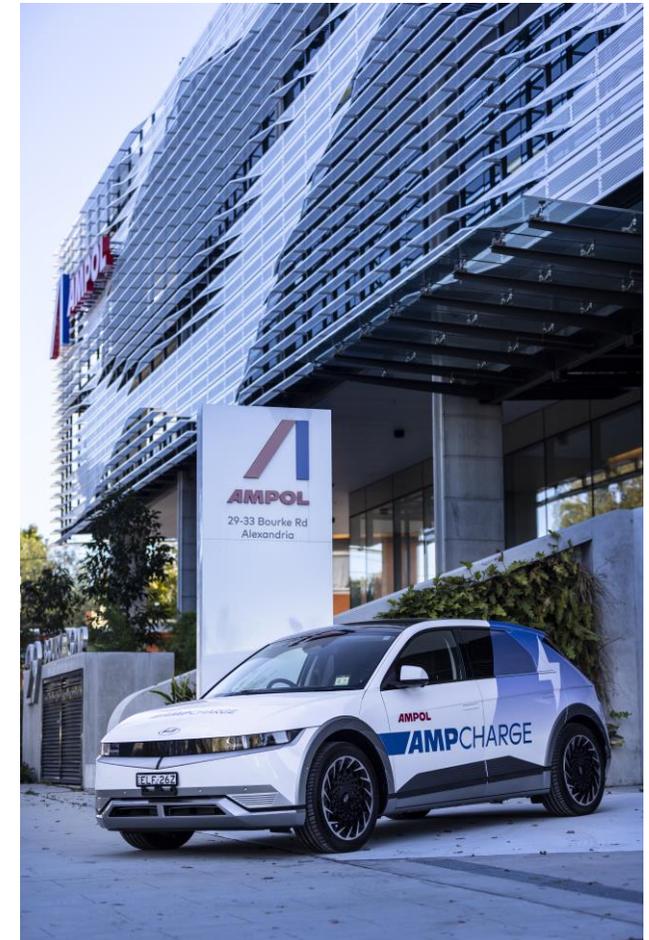
The national roll-out of the Ampol brand across our retail network is now complete.



# Our strategy

Ampol’s strategy is focused around three elements underpinned by our market-leading position in transport fuels, strategic assets, customer positions and supply chain expertise.

Strategic Pillar	Key Priority	Achievements to Date
<p><b>Enhance</b> the core business</p> 	<p>Complete network rebrand and evolve the Ampol brand into EV charging and decarbonisation products</p>	<p><b>Completed rebrand of the network</b> (including EG network) to the iconic Australian brand Ampol to over 1,800 sites</p> <p><b>Launched AmpCharge</b> brand for EV charging</p>
<p><b>Expand</b> from rejuvenated fuels platform</p> 	<p>Successfully complete Z Energy transaction, divest Gull and deliver synergies in line with integration plan</p>	<p>Fully debt funded <b>Z Energy acquisition completed</b> on 10 May 2022 with <b>synergies on track</b></p> <p><b>Gull divestment completed</b> on 27 July 2022</p> <p><b>Delivered non-fuel RCOP EBIT uplift<sup>1</sup> target</b> two years ahead of schedule</p> <p><b>Completed 50 MetroGo pilot sites</b></p>
<p><b>Evolve</b> energy offer for our customers</p> 	<p>Invest ~\$30 million in Future Energy early stage trials and ~\$5 million to roll out Ampol's own decarbonisation plans</p>	<p><b>Delivered first 5 sites</b> (of more than 100 sites) that form part of the fast charger network co-funded by ARENA</p> <p><b>Secured co-funding for a further 19 hub sites</b> through the NSW Drive Electric program</p> <p><b>Investing to decarbonise own operations<sup>2</sup></b> including renewal of distribution fleet and installation of solar to selected retail sites</p>



Extract from 2022 Annual Report



## Ampol's major international operations in 2021

### Ampol Singapore

Ampol Singapore is the trading and shipping arm of the Ampol Group. Established in late 2013, Ampol Singapore plays a critical role in Ampol's integrated value chain. Its international market knowledge and strong trading, shipping and operational capability allows Ampol to access opportunities more rapidly as market conditions change. Sourcing refined products and crude oil from outside Australia is required to support the supply security of Australia while providing competitively priced fuel to our customers.

The wholly-owned Ampol Singapore group of companies is incorporated and tax resident in Singapore. At 31 December 2021, Ampol Singapore employed 99 staff.

### Ampol USA

Ampol Singapore is supported by Ampol USA, Ampol's trading and shipping office located in Houston, Texas. Established in 2020, Ampol USA enables Ampol to capture value in the Americas with the presence supporting growth in the purchase and sale of America-related cargoes.

The wholly-owned Ampol USA group of companies is incorporated and tax resident in the US. At 31 December 2021, Ampol USA employed 4 staff.

### Gull New Zealand<sup>1</sup>

Gull New Zealand operates a retail network of mostly unmanned sites. Gull New Zealand supplies customers with fuel across almost 100 locations across the North and South islands.

The wholly-owned Gull New Zealand group of companies is incorporated and tax resident in New Zealand. At 31 December 2021, Gull New Zealand employed 32 staff.

### Seaoil

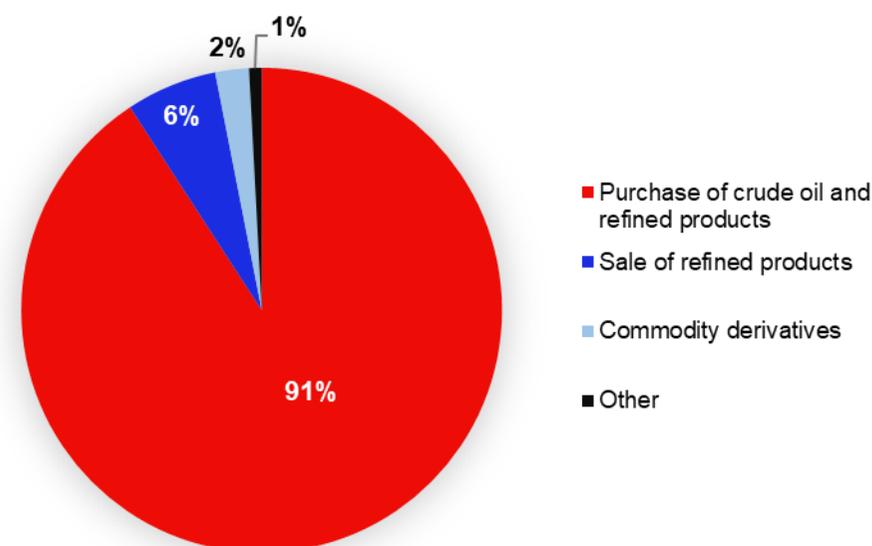
Since 2018, Ampol has had a strategic partnership with Seaoil, the leading independent fuel company in the Philippines. This strategic partnership includes the holding of a 20 percent equity interest in Seaoil Philippines Inc, a company incorporated and tax resident in the Philippines.

### International Related Party Dealings<sup>2</sup>

Transactions between Ampol Australia and Ampol Singapore are undertaken on an arm's length basis, in accordance with OECD Guidelines and Australian and Singaporean transfer pricing rules. The main transactions between the two operations in FY2021 were as follows:

- Purchase of refined products and crude oil by Ampol Australia from Ampol Singapore;
- Sale of refined products by Ampol Australia to Ampol Singapore; and
- Commodity derivatives.

Figure 1: FY2021 intercompany transactions between Ampol and Ampol Singapore



During FY2021 there were no material transactions between Ampol Australia and its related parties in the USA, New Zealand and the Philippines.



<sup>1</sup> Ampol divested the Gull New Zealand group in July 2022 following the acquisition of Z Energy Ltd in May 2022. The Z Energy group of companies is also based in New Zealand.

<sup>2</sup> Transactions between Ampol's major international operations (excluding Australia) are outside the scope of Australia's Tax Transparency Code and therefore have not been addressed in this report.

## Tax Policy, Tax Strategy and Governance

The Board of Directors of Ampol is committed to high standards of corporate governance. An overview of Ampol’s corporate governance is set out in our [2021 Corporate Governance Statement](#).

The [Ampol Tax Policy](#) is part of the broader Ampol [Risk Management Framework](#). It describes Ampol’s principled approach to the management of its tax affairs. The objectives of the Ampol Tax Policy are aligned with the broader organisational goals and values of Ampol. These governance documents can be found on the Ampol corporate website.

Figure 2. Ampol Risk Management Framework (as per 2021 Corporate Governance Statement)



## Approach to engagement with revenue authorities

As part of the Ampol Risk Management Framework, Ampol has an established, strong, internal tax control framework to identify, manage and report tax risks.

In line with the guiding principles set by the Ampol Tax Policy, Ampol strives toward maintaining a co-operative and open relationship with all tax authorities with which it deals. Ampol has regular engagement with the Australian Tax Office (ATO) through its participation in the pre-lodgement compliance review program and other products and channels available (e.g. private rulings and class rulings). In addition, Ampol participates in tax industry forums.

Ampol’s tax affairs are constantly reviewed by the ATO and other tax and revenue authorities.



## Tax Contribution Summary

Table 1 shows the total tax contribution by Ampol's wholly owned entities during FY2021.

Amounts have been disclosed on the basis of cash paid or received.

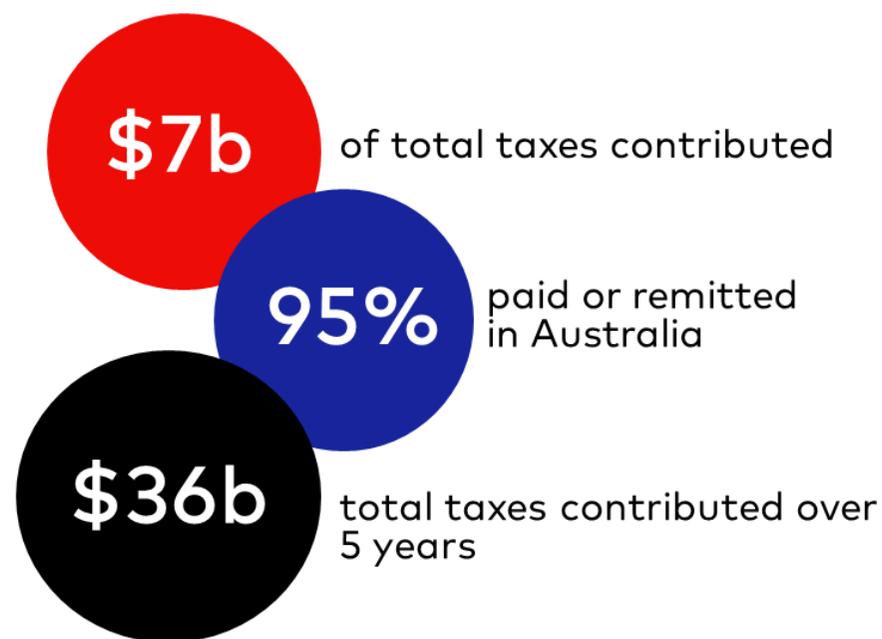
The amount of tax paid by Ampol year-on-year is influenced by a number of factors including:

- volume and price of petroleum products purchased, sold and used;
- financial performance;
- salary and wages paid;
- asset purchases; and
- timing of tax instalment payment dates in the jurisdictions in which we operate.

In Australia company tax payments remained low in FY2021 due to losses carried over from FY2020 when Ampol Australia was significantly impacted by COVID-19.

Table 1. Total taxes paid

<b>TOTAL TAXES PAID FY2021</b>				
<b>Millions of dollars ('000,000AUD)</b>	<b>Australia</b>	<b>Singapore</b>	<b>New Zealand</b>	<b>US</b>
Income tax	13	9	17	0
Fuel Taxes	5,141	-	276	-
State Taxes	45	-	-	-
Other Taxes (including Customs and FBT)	1	1	0	0
Government imposts collected on behalf of others (including GST, PAYG withholding)	1,501	7	12	0
<b>TOTAL TAXES PAID IN EACH COUNTRY</b>	<b>6,700</b>	<b>17</b>	<b>305</b>	<b>0</b>
<b>TOTAL TAXES CONTRIBUTED</b>	<b>7,021</b>			



## Reconciliation of Accounting Profit to Income Tax Expense

Table 2 provides a reconciliation of accounting profit to income tax expense for FY2021 for the Group, as disclosed in Ampol's 2021 Financial Report. For further details, please refer to the 2021 Financial Report.

Table 2. Reconciliation of accounting profit to income tax expense

Thousands of dollars ('000 AUD)	2021
Profit/(loss) before income tax expense	797,135
Income tax (expense)/benefit using the domestic corporate tax rate of 30%	(239,141)
Effect of tax rates in foreign jurisdictions	75,403
Increase/(decrease) in income tax expense due to:	
Share of net profit of associated entities	3,381
Tax on minority interest portion of flow through entity profits	10,959
Current tax expense associated with depreciable assets in flow through entity	(5,664)
Income not subject to attribution under controlled foreign company regime	(51,289)
Capital tax losses utilised for which no deferred tax asset was recognised	359
Step-up to market value on pre-CGT sites	-
Research and development allowances	255
Other	(3,448)
Income tax expense over/ (under) provided in prior years	9,555
<b>Total income tax benefit / (expense) in the income statement<sup>3</sup></b>	<b>(199,630)</b>

<sup>3</sup> On 20 February 2023, Ampol reached a settlement with the ATO in relation to the extent to which earnings by the Group's Singaporean entities from transactions with the Group's Australian entities should be subject to corporate income tax in Australia. This settlement resulted in a writeback in FY2022 of \$13.9m in income tax expense pertaining to FY2021. Refer to page 10 for further details.

## Effective tax rate

### Group

Ampol calculates its effective tax rate as income tax expense divided by accounting profit.

### Australia

Ampol Australia's effective tax rate for FY2021 is lower than the Australian statutory tax rate of 30% due to the inclusion of foreign dividends in the profit of the Australian accounting consolidated group. In FY2021, Ampol has also calculated an adjusted effective tax rate which excludes these dividends.

The adjusted effective tax rate is higher than 30% due to tax payable in Australia on profits earned by the Group's Singaporean entities under Australia's controlled foreign companies regime.

Table 3. Effective tax rate for Ampol (worldwide accounting consolidated group)

Thousands of dollars ('000 AUD)	2021
Total income tax expense/(benefit) of the Group <sup>4</sup> (Table 2)	199,630
Profit/(loss) before income tax expense of the Group	797,135
<b>Effective tax rate<sup>4</sup></b>	<b>25.04%</b>

Table 4. Effective tax rate of Ampol Australia (Australian accounting consolidated group)

Thousands of dollars ('000 AUD)	2021
Total income tax expense/(benefit) of Ampol Australia <sup>4</sup>	136,663
Profit/(loss) before income tax expense of Ampol Australia (including foreign dividends)	789,199
<b>Effective tax rate</b>	<b>17.32%</b>
Profit/(loss) before income tax expense of Ampol Australia (excluding foreign dividends) <sup>5</sup>	362,015
<b>Adjusted effective tax rate</b>	<b>37.75%</b>

<sup>4</sup> As disclosed in Note 3, the settlement resulted in a writeback in FY2022 of \$13.9m in income tax expense pertaining to FY2021 and therefore will be recognised in the calculation of Ampol's effective tax rate for FY2022. If recognised in FY2021 it would have reduced the effective tax rate of Ampol (worldwide accounting consolidated group) for FY2021 by ~1.75%

<sup>5</sup> Under Australian tax laws, dividends received from a foreign company, where Ampol holds a greater than 10% interest, are not subject to income tax in Australia. Rather the profits out of which the dividends are paid are subject to tax in the foreign country.

# Reconciliation of income tax expense to income tax paid or payable per lodged returns

## Group

The amount of income tax paid or payable by Ampol in respect of a particular year in its tax returns differs to its income tax expense for that year.

The main reason for this is due to the difference in timing between when a transaction is recognised in the accounts and when it is assessable or deductible for tax purposes. These differences are referred to as temporary differences.

Temporary differences do not impact how much tax is paid on profits (i.e. income tax expense), but they do impact the timing of when the liability to pay the related tax arises.

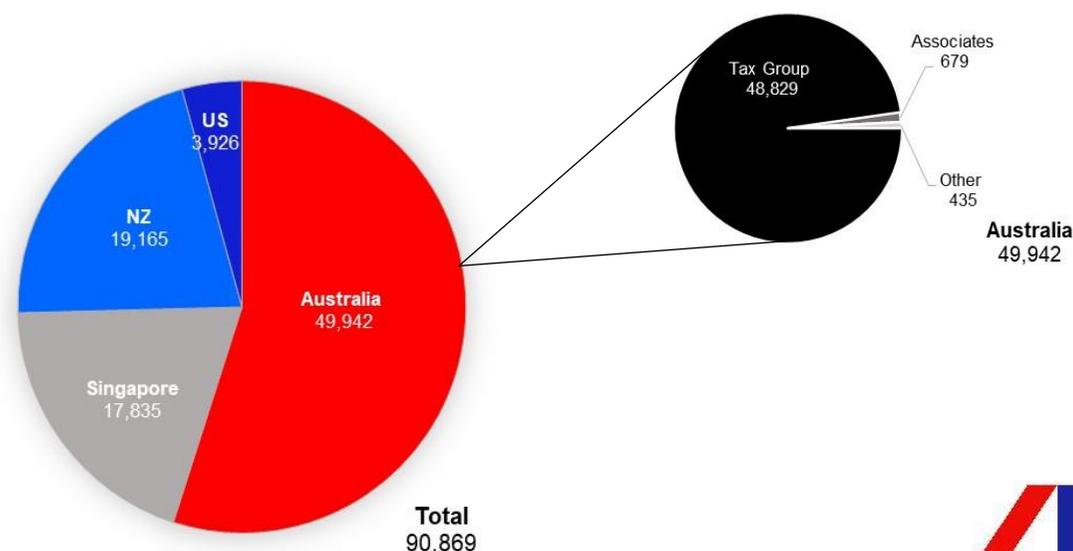
## Australia

In Australia, losses carried over from FY2020 when Ampol was significantly impacted by COVID-19, reduced tax payable in FY2021.

Table 5 Reconciliation of income tax expense to tax payable

Thousands of dollars ('000 AUD)	FY2021
Total income tax expense of the Group (Table 2)	199,630
Income tax expense relating to over provision in prior years	9,555
<b>Current year income tax expense of the Group</b>	<b>209,185</b>
Adjustments to non-temporary differences	7,192
Temporary differences	(42,208)
Prior year losses utilised	(83,300)
<b>Income tax paid or payable per tax returns of the Group, as lodged<sup>6</sup></b>	<b>90,869</b>

Figure 3. FY2021 Income tax paid or payable per Jurisdiction ('000 AUD)



<sup>6</sup> Note Ampol's Australian tax return was lodged on 15 July 2022 and does not reflect the settlement reached between Ampol and the ATO on 20 February 2023

## Expected ATO Public Disclosure

Each year, the ATO publishes its Corporate Tax Transparency Report, which publicly discloses information about large companies, including Ampol, such as taxable income and income tax payable.

Table 6 outlines the expected ATO disclosures to be published in late 2023 as reported by the company in its Australian tax return for FY2021 (the 2022 tax year).

By law, the ATO cannot disclose details of amended assessments issued following a settlement, however for transparency, details of the impact of the settlement reached between Ampol and the ATO on 20 February 2023 in relation to FY2021 have been provided.

On 20 February 2023, Ampol announced that it had reached a settlement with the ATO in relation to the extent to which earnings by Ampol's Singaporean entities from transactions with Ampol's Australian entities should be subject to corporate income tax in Australia. The settlement covered the financial years ended 31 December 2014 to 2022, as well as an agreement on future earnings.

Ampol first approached the ATO on the matter in 2014 and due to the uncertainty over the ATO's final position, Ampol recognised tax liabilities in its financial statements for the period to 31 December 2021 and filed its Australian tax return for FY2021 on the basis that these earnings were fully subject to Australian corporate tax. Under an administrative arrangement with the ATO, 50% of the Australian tax on these earnings for FY2021 was paid during FY2022.

As a result of the settlement, the ATO is expected to issue an amended assessment to Ampol in FY2023, reducing the income tax payable by Ampol for FY2021 by \$19.1m. Due to the 50% payment arrangement a further \$1.9m in cash tax will be paid. The settlement also resulted in a writeback by Ampol in its financial statements for 31 December 2022 of \$13.9m in income tax expense pertaining to FY2021.

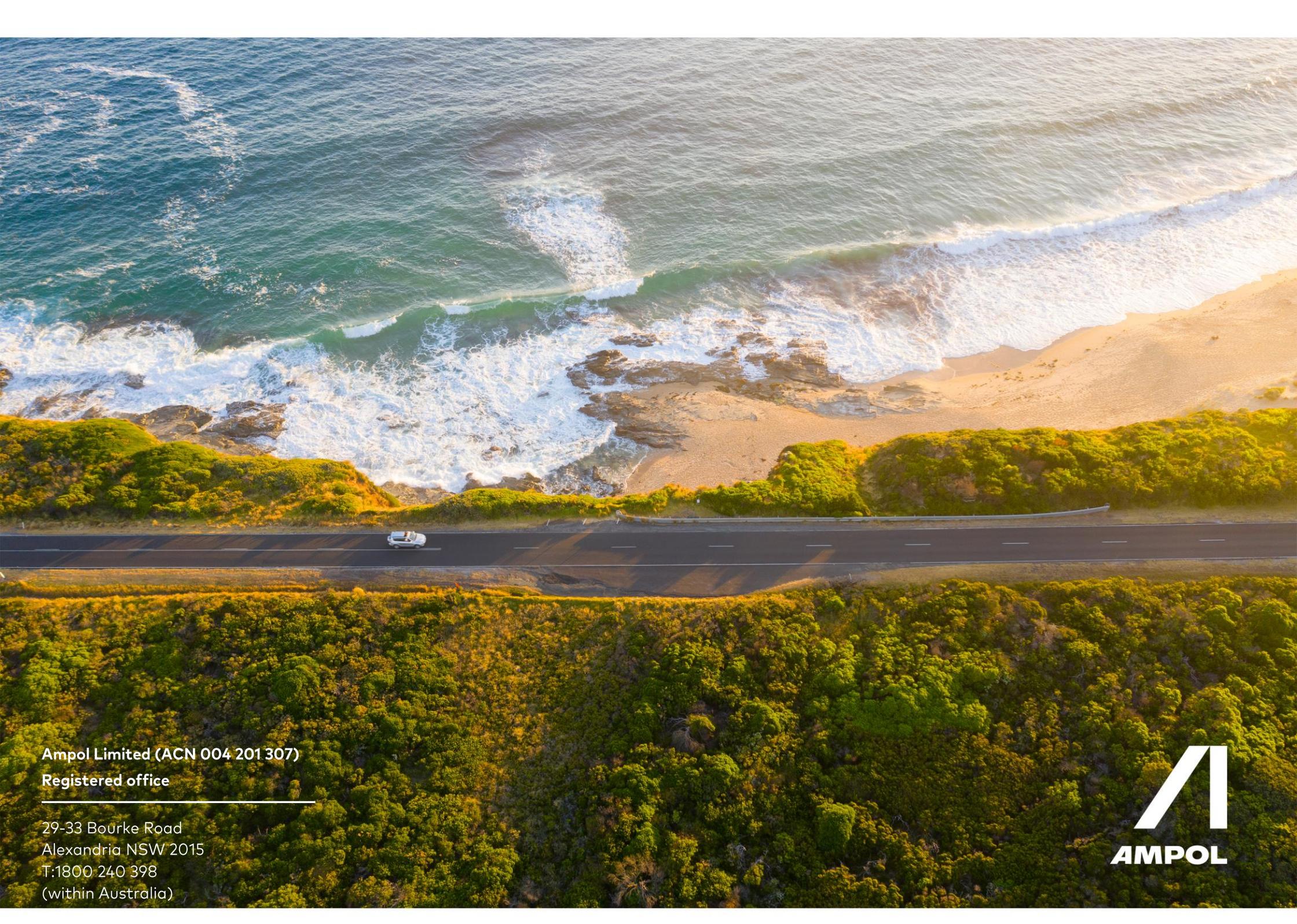
Table 6. ATO disclosure in late 2023 (in relation to FY2021)

Income tax return disclosures ('000 AUD)	Total
ATO's Report of Entity Tax Information	2021-22
ABN	40 004 201 307
Total Income	23,160,177,702
Total Expenses	22,387,342,409
Total Profit	772,775,293
Taxable Income (prior to utilisation of prior year losses)	486,060,541
Prior year losses deducted	276,452,977
Taxable Income	209,607,564
<b>Income tax payable</b>	<b>48,828,935</b>

Information required to be disclosed by the ATO

In relation to the above amounts, *Total Income* and *Total Expenses* include fuel excise collected by Ampol in FY2021 of \$5.1b. *Total Profit* includes dividends received by Ampol Australia of \$425m. As noted on page 8, certain foreign dividends are not subject to tax in Australia, rather the profits out of which the dividends are paid are subject to tax in the foreign country.





**Ampol Limited (ACN 004 201 307)**

**Registered office**

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29-33 Bourke Road  
Alexandria NSW 2015  
T:1800 240 398  
(within Australia)

