



# Taxes Paid Report

Year ended  
31 December 2020



## A statement from the Chief Financial Officer

On behalf of Ampol Limited (Ampol or the Company), I am pleased to deliver our Taxes Paid Report for the year ended 31 December 2020 (FY2020).

At Ampol, we understand the importance of tax transparency and its role in building confidence in the integrity of tax systems and policies, as well as building trust and keeping ourselves and others accountable.

As a proudly independent Australian company, tax transparency exemplifies our commitment to playing a positive role in local economies and communities, showcasing the significance of our contributions that help fund important infrastructure and other programs that benefit our society.

2020 was a challenging year for Ampol, with COVID-19 presenting significant headwinds and suppressed demand that impacted our profitability, particularly across our refinery and aviation businesses. As a result of the losses incurred, we did not pay income tax in Australia in 2020. Further, lower Australian fuel sales volumes in 2020 resulted in lower excise and GST liabilities with collections and payments in relation to these two taxes down over \$800m from 2019.

In total, our tax contribution for 2020 was \$6.6 billion, with 96% remitted in Australia, making Ampol one of Australia's largest taxpayers.

In preparing this report, Ampol has adopted Australia's Tax Transparency Code, published by the Board of Taxation and endorsed by the Government in May 2016. In the following pages you will find a reconciliation of accounting profit to tax expense, details of tax paid, the 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, and have been reporting our taxes voluntarily since 2013.

We hope you find this report useful.



A handwritten signature in black ink, appearing to read 'Greg Barnes'.

**Greg Barnes**  
**Chief Financial Officer**  
**14 December 2021**

## 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 2020 relevant corporate reporting comprises the following documents:

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

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



## Ampol Overview

Ampol Limited (ASX:ALD) is an independent Australian company and the nation's leader in transport fuels. With a deep history spanning over 120 years, we are the largest transport fuels company listed on the Australian Securities Exchange (ASX).

We supply the country's largest branded petrol and convenience network as well as refining, importing and marketing fuels and lubricants. Currently, we are extending our customer value proposition to include electricity, hydrogen, biofuels and other future fuels as we work to support the energy transition and achieve our target of net zero emissions operations by 2040.

Our ability to service our broad customer base is supported by our robust supply chain and strategic infrastructure positions across the country, which includes 16 terminals, 6 major pipelines, 55 wet depots, approximately 1,900 branded sites (including ~700 company-controlled retail sites) and one refinery located in Lytton, Queensland. This network is supported by over 8,100 people across Australia and overseas.

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, and our international storage positions across the Asia Pacific region. We also have a growing presence in New Zealand as owner of Gull New Zealand, which operates the largest independent import terminal in the country and a retail network. 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 will be completed by the end of 2022.

**8,100**

employees

**\$2.5M**

contributed to communities in 2020

**~1,900**

branded and AmpolCard accepting sites

**\$15.7b**

direct economic value created in 2020



# Our strategy

## Our strategy builds on our strengths in fuels

Our strategy focuses on our core business, and establishes a platform to grow and ultimately evolve as energy markets transition

Purpose

### Powering better journeys, today and tomorrow

Strategy



**Enhance**  
the core business

Bring back Ampol

Bring back an iconic Australian brand and reinvigorate our people and customer connection

Further cost savings

Take further action on costs to mitigate demand impacts and reinforce competitive position

Improve retail network

We have released significant capital, with further potential to improve returns

Restore F&I Australia ROCE

Our market leading position provides resilience, but we will take action to further strengthen our infrastructure and focus on capital effectiveness and cost efficiency



**Expand**  
from rejuvenated  
fuels platform

International earnings growth

Leverage our scale and capabilities to accelerate our growth in regional markets

Shop earnings growth

Leverage our strength in retail fuel to capture opportunities from the evolving behaviours and expectations of our customers



**Evolve**  
energy offer for  
our customers

Build foundations for  
energy transition

Transition with our customers, focusing on a targeted set of energy and decarbonisation themes with clear linkages to our capabilities and assets

Strengths

Strategic assets

Deep customer base

Supply chain expertise

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.



## Ampol’s major international operations

### Ampol Singapore

Ampol Singapore, a wholly-owned group of companies, is the trading and shipping arm of the Ampol Group.

Ampol Singapore plays a critical role in Ampol’s integrated value chain. It’s 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.

Ampol Singapore is incorporated and a tax resident in Singapore.

### Ampol USA

In late 2019, Ampol expanded its trading and shipping operations through the establishment of Ampol USA (located in Houston, Texas) to capture value in the Americas market. Ampol USA began trading in late 2020.

The wholly-owned Ampol USA group of companies is incorporated and tax resident in the US.

### Gull New Zealand

Gull New Zealand operates a retail network of mostly unmanned sites. In 2020, Gull New Zealand supplied 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.

### Seaoil

Since 2018, Ampol has had a strategic partnership with Seaoil, the leading independent fuel company in the Philippines.

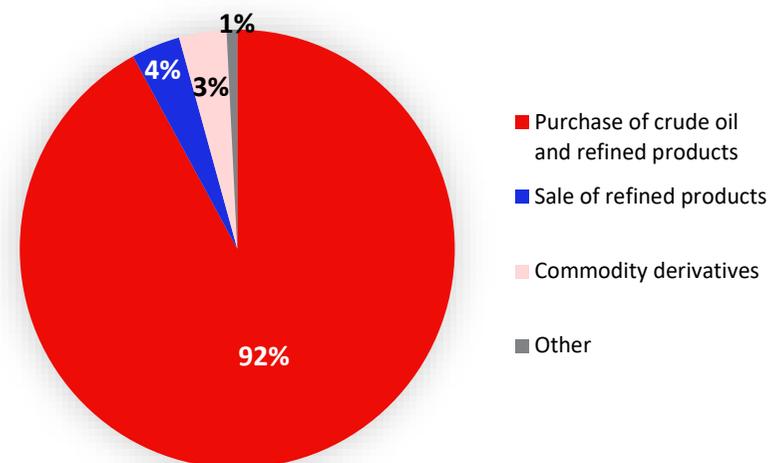
This strategic partnership includes the holding of a 20 percent equity interest in Seaoil Philippines Inc, a company incorporated and tax resident in the Philippines.

### International Related Party Dealings

Transactions between Ampol\* and Ampol Singapore are undertaken on an arm’s length basis, in accordance with OECD Guidelines and Australian and Singapore transfer pricing rules. The main transactions between Ampol and Ampol Singapore in FY2020 were as follows:

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

Figure 1. FY2020 intercompany transactions between Ampol and Ampol Singapore



During FY2020 there were no material transactions between Ampol and its other related parties.



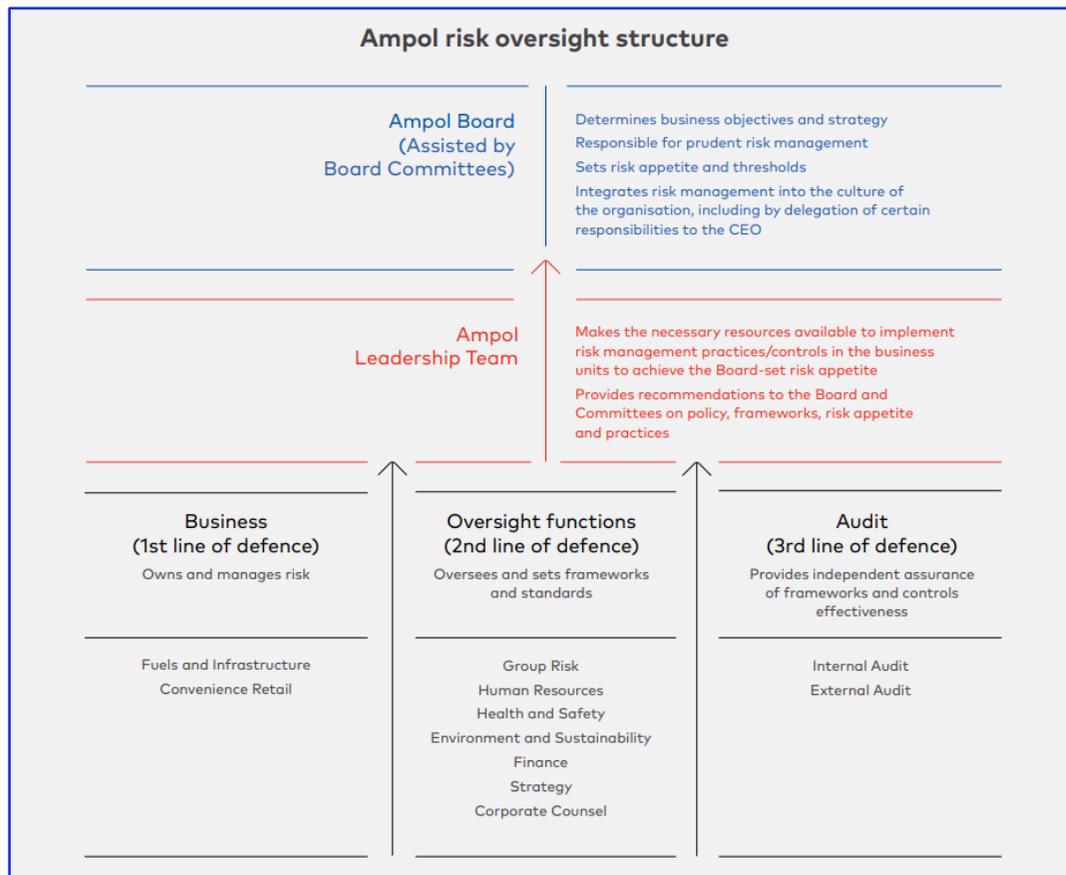
\*Transactions between Ampol’s major international operations (excluding Australia) are outside the scope of Australia’s Tax Transparency Code and therefore have not been addressed in this report

## 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 [2020 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. All these governance documents can be found on the Ampol corporate website.

Figure 2. Ampol Risk Management Framework (as per 2020 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 FY2020.

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.

Table 1. Total taxes paid

<b>TOTAL TAXES PAID FY2020</b>				
<b>Millions of dollars ('000,000AUD)</b>	<b>Australia</b>	<b>Singapore</b>	<b>New Zealand</b>	<b>US</b>
Income tax	33	15	11	-
Fuel Taxes	4,930	-	239	-
State Taxes	59	-	-	-
Other Taxes (including Customs and FBT)	1	1	0	-
Government imposts collected on behalf of others (including GST, PAYG withholding)	1,306	6	3	-
<b>TOTAL TAXES PAID IN EACH COUNTRY</b>	<b>6,329</b>	<b>21</b>	<b>253</b>	<b>-</b>
<b>TOTAL TAXES CONTRIBUTED</b>	<b>6,602</b>			



## Reconciliation of Accounting Profit to Income Tax Expense

Table 2 provides a reconciliation of accounting profit to income tax expense for FY2020, as disclosed in Ampol's 2020 Financial Report. For further details, please refer to the 2020 Financial Report.

Table 2. Reconciliation of accounting profit to income tax expense

Thousands of dollars ('000 AUD)	2020
Profit/(loss) before income tax expense	(725,623)
Income tax (expense)/benefit using the domestic corporate tax rate of 30%	217,687
Effect of tax rates in foreign jurisdictions	(9,746)
Increase/(decrease) in income tax expense due to:	
Share of net profit of associated entities	3,204
Tax on minority interest portion of flow through entity profits	1,280
Income not subject to attribution under controlled foreign company regime	12,752
Capital tax losses utilised for which no deferred tax asset was recognised	16,224
Step-up to market value on pre-CGT sites	13,438
Research and development allowances	425
Other	692
Income tax expense over/ (under) provided in prior years	(10,133)
<b>Total income tax benefit / (expense) in the income statement</b>	<b>245,821</b>

## Effective tax rates

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

In FY2020, Ampol's effective tax rate is prima facie higher than the standard 30% tax rate. However, because the income tax is a benefit for FY2020 due to the operational losses, this equates to a diminution of the effective tax rate.

Factors that have affected the effective tax rate in FY2020 are the utilisation of previously unbooked capital losses, the impact of lower foreign tax rates on Ampol's foreign operations and the restatement of various deferred tax assets.

Table 3. Effective tax rate for Ampol (global operations)

Thousands of dollars ('000 AUD)	2020
Total income tax expense/(benefit) of Ampol	(245,821)
Profit/(loss) before income tax expense of Ampol	(725,623)
<b>Effective tax rate</b>	<b>33.88%</b>

Table 4. Effective tax rate of Ampol's Australian operations

Thousands of dollars ('000 AUD)	2020
Total income tax expense/(benefit) of Ampol Australia*	(259,038)
Profit/(loss) before income tax expense of Ampol Australia	(636,072)
<b>Effective tax rate</b>	<b>40.72%</b>

\*At the date of this report, the ATO had not finalised its position in relation to the extent to which earnings from the Group's Singaporean entities would be subject to income tax in Australia. Due to the uncertainty over the ATO's final position, the Group has estimated and recognised tax liabilities for FY2014 to FY2020 based on the income tax rate of 30%, being the Australian corporate income tax rate. Under an administrative agreement made with the ATO, 50% of the differential between the earnings taxable under the Australian and Singaporean taxation rates for FY2014 to FY2019 has been paid or is payable, pending resolution of the matter. For further details, please refer to the FY2020 Financial Report.



## Reconciliation of income tax expense to income tax paid or payable

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.

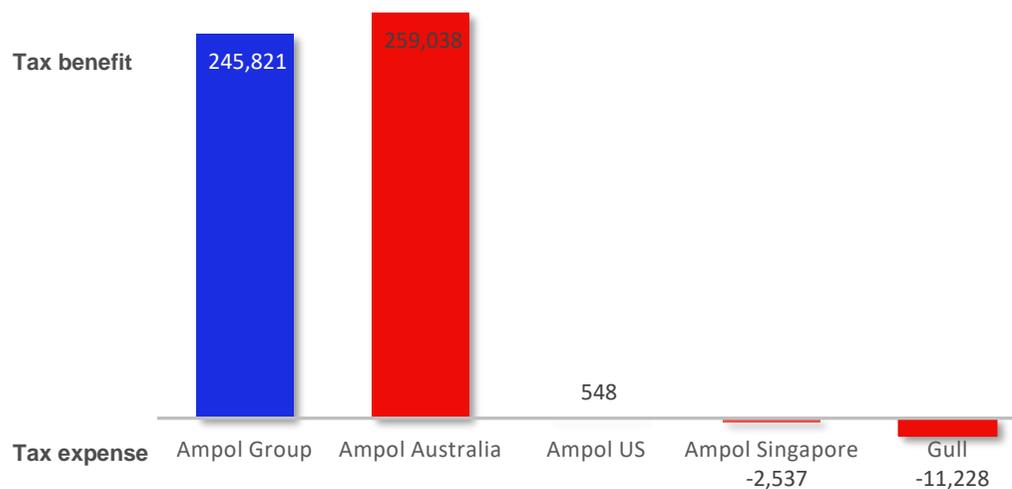
Temporary differences do not impact how much tax is paid on profits (i.e. income tax expense), but they do impact the timing of when the liability to pay the related tax arises.

In FY2020, the Ampol Group recorded an overall accounting and tax loss, resulting in a tax benefit being recognised in its financial statements (see Table 2).

In particular, the Ampol Australia tax consolidated group recorded a tax loss which meant no income tax was paid or payable in Australia for FY2020 (see Table 5). Due to this position, no reconciliation of income tax expense to income tax paid or payable is therefore provided.

For completeness it is noted that an amount of income tax expense was recognised for FY2020 in relation to the accounting profits made by Ampol Singapore and Gull New Zealand and consequently an amount of income tax was paid or payable in Singapore and New Zealand (after adjusting for temporary differences).

Figure 3. Tax benefit/(expense) per jurisdiction



## Expected ATO Public Disclosure

In December 2022 the ATO will publicly disclose specific information about Ampol, as reported by the company in its Australian tax return for FY2020 (the 2021 tax year).

The tax return for Ampol is a consolidated tax return and comprises the results of all wholly-owned, Australian tax resident, Ampol entities (Ampol Tax Group).

Table 5 outlines the expected ATO disclosures based on Ampol's filed tax returns and amendments envisaged as at the date of this report.

Table 5. ATO disclosure December 2022 (in relation to FY2020)

<b>Income tax return disclosures ('000 AUD)</b>	<b>Total</b>
Tax year	2021
ABN	40 004 201 307
Total Income	20,055,612
Total Expenses	19,831,406
Total Profit	224,205
Taxable Income / (Loss)	(275,941)
<b>Income tax payable</b>	<b>0</b>

Information disclosed by the ATO

The amount of income tax payable by Ampol as reported by the ATO for any particular year may differ from disclosure in the taxes paid report due to amendments arising from the finalisation of foreign tax returns and other matters which have not yet been completely reflected in the published data.



  
**AMPOL**