



Australian Tax Report 2023

bp Australia is pleased to present our Australian Tax Transparency Report for 2023. This report provides information on our approach to tax and total tax contribution in Australia for the year ended 31 December 2023.

In 2023, bp contributed \$8.2 billion in taxes, excise, royalties and other payments to Australian federal and state governments.

bp takes a responsible and transparent approach to tax and works to create open, constructive relationships with governments and tax authorities. Our responsible tax principles, which align with our code and beliefs, provide a framework for responsible tax behaviour.

Voluntary Tax Transparency Code

Our Australian Tax Report has been prepared in accordance with the Board of Taxation's Voluntary Tax Transparency Code for large businesses. For further information on bp's global approach to tax and tax contribution please refer to:

- Our [Global Tax Report 2023](#)
- Our [Responsible Tax Principles](#)

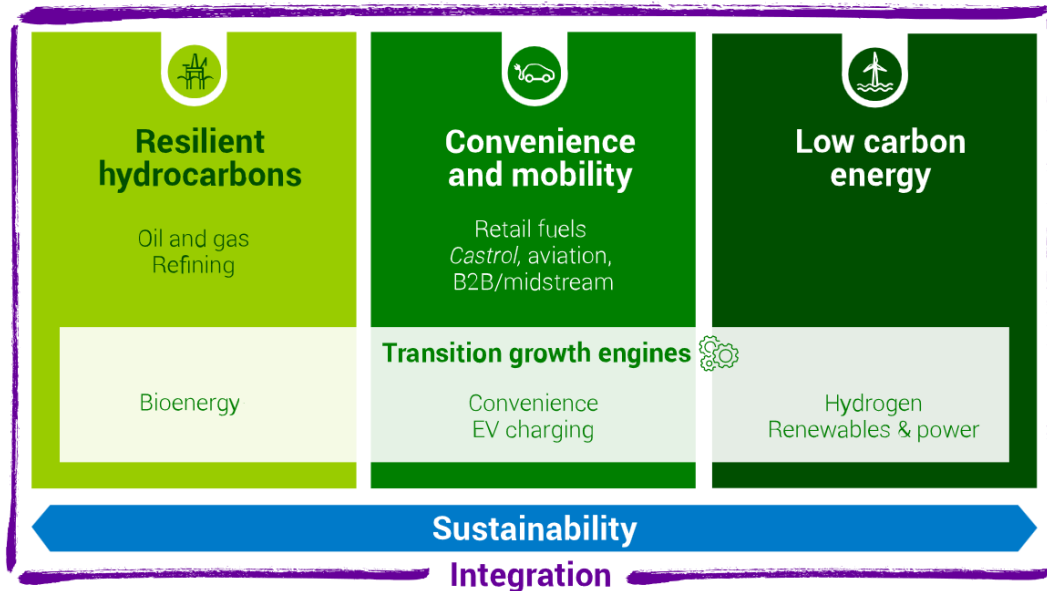
We know that tax continues to be a topic of interest to our stakeholders, and we hope this report helps to explain our tax activities and progress. We welcome your feedback.



About bp

At bp we deliver energy products and services to customers around the world, and plan to do so increasingly in ways that we believe will help drive the transition to a lower carbon future.

We are transforming from an international oil company to an integrated energy company. Our strategy is focused on three key areas of activity – resilient hydrocarbons, convenience and mobility and low carbon energy – which include our five transition growth engines: bioenergy, convenience, EV charging, hydrogen and renewables & power.



Our sustainability frame is embedded across our strategy and sets out our aims for getting to net zero, improving people’s lives and caring for our planet. Refer to our 2023 Sustainability report for more information.



bp in Australia

bp has a proud history of operations in Australia since 1919. We are focused on advancing the role of Australian resources in meeting the region's demand for more energy with less emissions.

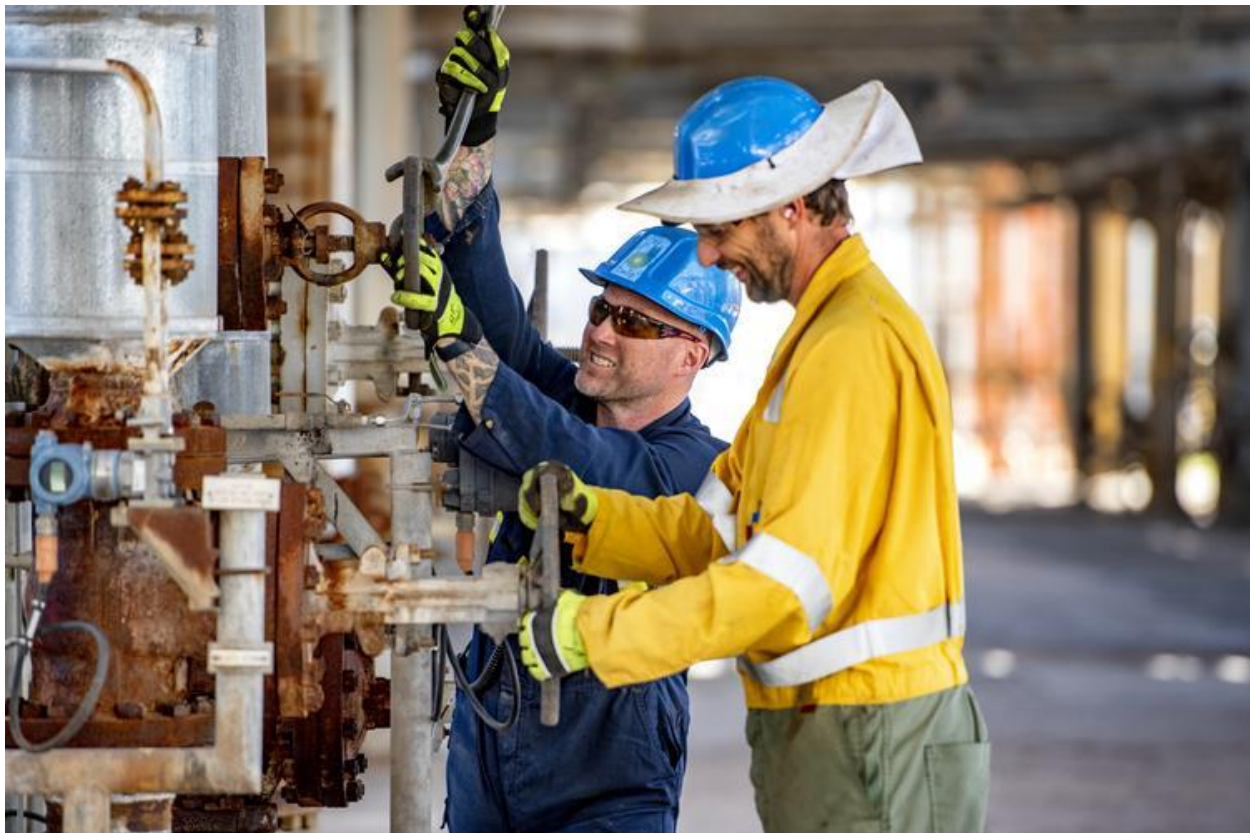
bp has over 5,000 staff and long-term contractors in Australia, and operates in every state and territory, with main offices in Perth and Melbourne.

As a leading fuel retailer, we have around 1,400 branded retail fuel sites with around 350 of these owned by bp and the rest owned and operated by our independent business partners.

In 2023, we continued to make progress towards our strategy enabling us to pivot from an international oil company to integrated energy company.

bp is progressing three major energy projects in Western Australia. The Kwinana Energy Hub south of Perth, which contains our existing fuel import terminal, our proposed renewable fuel refinery and the planned H₂Kwinana hydrogen plant, the Geraldton Export-Scale Renewable Investment (GERI) in the Mid West, and the Australian Renewable Energy Hub (AREH) in the Pilbara, a joint venture with CWP Global and Intercontinental Energy.

bp's EV charging network is also growing rapidly. Since launching in October 2022, bp pulse has deployed over 160 DC rapid and ultrafast charge points at over 50 sites across Queensland, New South Wales, ACT, Victoria and Western Australia.



bp Australia Group

For 2023 Australian statutory reporting purposes, bp prepared accounts for the following eligible tier one companies:

- BP Australia Investments Pty Ltd (and its controlled entities)
- BP Regional Australasia Holdings Pty Ltd
- Castrol Holdings Australia Pty Ltd (and its controlled entities)

Under the tax consolidation regime in Australia, the eligible tier one companies have elected to form a Multiple Entry Consolidated (MEC) group.

BP Regional Australasia Holdings Pty Ltd, as provisional head company of the Australian MEC group, lodges one consolidated income tax return on behalf of all the wholly owned Australian subsidiaries in the MEC group.

International Related Party Dealings

bp's policy is that all related party transactions occur on arm's length terms in a manner consistent with OECD principles and abiding by the laws of the countries in which the transactions occur.

The main international related party transactions for bp Australia include crude and product purchases from bp Singapore, with financing principally provided by bp in the UK, support services predominantly provided by bp in the UK and increasingly from India. License of brands (e.g. bp and Castrol) are owned by BP in the UK. bp Australia also sells LNG and other liquid products to bp Singapore from the North West Shelf.



Our approach to tax

Our responsible tax principles

Our responsible tax principles offer a clear framework for responsible tax practice. To help us become an industry leader for the transparency of our reporting, we want to align with emerging best practice in tax transparency and support its continuing development.

Embedding our responsible tax principles

We endorse The B Team Responsible Tax Principles¹ which set out a responsible approach to tax and support stable, secure and sustainable communities.

They were developed collaboratively by businesses, civil society and institutional investors. We are actively involved in The B Team's Responsible Taxes Working Group and this is helping us improve our own tax practices. This section provides examples of how we are applying the principles and our progress in 2023.

Accountability and governance

Tax is a core part of corporate responsibility and governance and is overseen by our board of directors.

Compliance

We comply with the tax legislation of the countries in which we operate and pay the right amount of tax at the right time, in the countries where we create value. We will only use business structures that are driven by commercial considerations, are aligned with business activity and which have genuine substance. We do not seek abusive tax results.

Business structure

Our responsible tax principles offer a clear framework for responsible tax practice. Our responsible tax principles in action.

Relationships with authorities

We seek, wherever possible, to develop cooperative relationships with tax authorities, based on mutual respect, transparency and trust.

Seeking and accepting tax incentives

Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with statutory or regulatory frameworks.

Supporting effective tax systems

We engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration.

Transparency

We provide regular information to our stakeholders, including investors, policymakers, employees, civil society and the general public, about our approach to tax and taxes paid. Read more about how we have adopted the responsible tax principles

[Read more about how we have adopted our responsible tax principles](#)

¹ The B Team is a global non-profit initiative that brings together a group of global leaders from business, civil society and government to achieve better ways of doing business, which prioritize the wellbeing of people and the planet.

Relationships with authorities

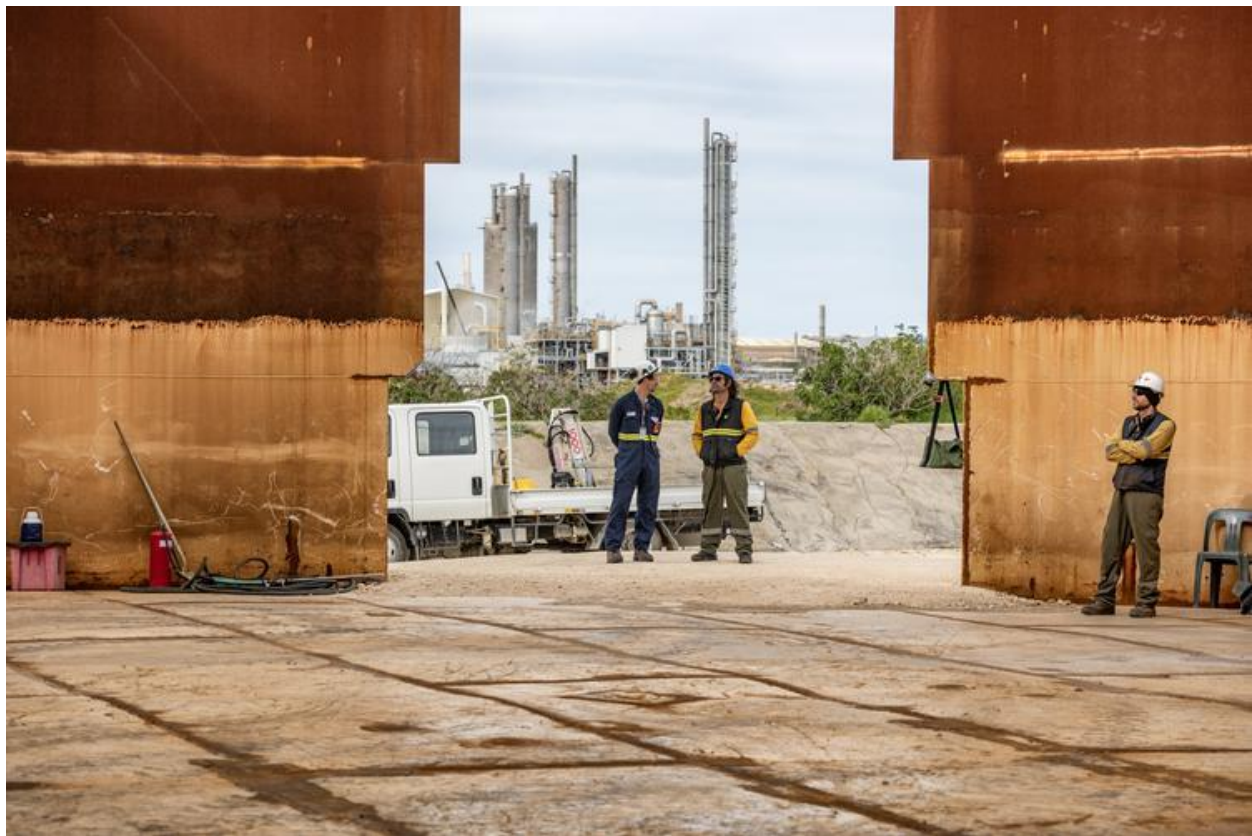
In Australia, we meet regularly with the Australian Taxation Office (**ATO**) to make progress on our ongoing tax matters and provide updates about significant business transactions affecting our Australian taxes. We also participate in initiatives to simplify and improve tax regimes to encourage investment and economic growth.

We actively contribute to tax policy development reviews via direct submissions. We also contribute to industry association submissions (for example through our participation in the following associations: APPEA, BCA and CTA). We support efforts to increase public trust in tax systems and work closely with the ATO to support the 'justified trust' agenda.

Compliance arrangements

For income tax, we engage with the ATO under a Pre-Compliance Review (**PCR**) arrangement.

For indirect tax, we engaged with the ATO under an Annual Compliance Arrangement (**ACA**) for years up to 31 December 2021. From 2022 onwards, bp is transitioning to the Top 100 GST assurance program.



Tax Transparency Tables

Total tax contribution

The table below shows total taxes paid and collected by bp Australia during the year ended 31 December 2023.

Amounts have been disclosed based on cash paid or received.

	31-Dec-23 (A\$ mil)
Table 1: bp Australia group taxes paid	
Income Tax	810
Royalties	178
Excise	5,339
GST	1,801
Employment taxes	32
Total tax paid	8,161

Tax reconciliations

The tables below provide a reconciliation of accounting profit to tax expense and to income tax payable for the year ended 31 December 2023.

	31-Dec-23 (A\$ mil)
Table 2: reconciliation of accounting profit to income tax expense	
Accounting profit before tax	822
At the statutory income tax rate of 30%	247
Adjustments in respect of previous years	(28)
Foreign exchange	(11)
Other	(6)
Income tax expense	201

	31-Dec-23 (A\$ mil)
Table 3: reconciliation of income tax expense to income tax payable	
Income tax expense (as above)	201
Adjustments in respect of previous years (as above)	28
Temporary differences recognised in deferred tax	50
Income tax charge	278
Tax credits and offsets	(4)
Income Tax Payable (after offsets) per lodged tax return	274

Effective tax rate

The tables below show the calculation of bp's effective tax rate in Australia and globally.

Effective tax rate has been calculated as income tax expense divided by accounting profit before tax.

	31-Dec-23 (A\$ mil)
Table 4: calculation of effective tax rate – bp Australia	
Accounting profit before tax	822
Income tax expense	201
Effective tax rate – bp Australia	24%

	31-Dec-23 (US\$ mil)
Table 5: calculation of effective tax rate – bp globally	
Profit (loss) before taxation	23,749
Tax charge (credit) on profit or loss	7,869
Effective tax rate – bp Global	33%

**Source: bp 2023 Annual Report and Form 20-F 2023 (p.201).*

Table 6: breakdown of adjustments impacting bp Australia's effective tax rate	
Corporate tax rate - Australia	30%
Adjustments in respect of previous years	-3%
Foreign exchange	-1%
Other	-1%
Effective tax rate - bp Australia	24%

