



# tax transparency report

# foreword

I welcome the opportunity to present the Chevron Australia Tax Transparency Report for the period 1 January to 31 December 2023. Chevron Australia is committed to tax transparency and adopted the Board of Taxation's Voluntary Tax Transparency Code in 2017.

We are pleased to confirm that Chevron Australia<sup>1</sup> has now paid more than A\$15 billion in a variety of corporate taxes since 2009.<sup>2</sup> For the period 1 January to 31 December 2023, our corporate tax cash payments totalled more than A\$5.9 billion, which included company income tax, royalties, excise, interest withholding tax, payroll tax, fringe benefits tax and other withholding taxes.<sup>3</sup> For the same period, our company income tax liability alone exceeded A\$3.5 billion.

It's a significant contribution and one we're proud of making. By paying our fair share of tax, we're helping the Australian Government pay for the things that matter, like healthcare, education, cost of living relief, and supporting those in the community who need it most.

Our sizeable 2023 income tax payment reflects the strong earnings we achieved in the year through top quartile reliability and record production from our operated Gorgon and Wheatstone natural gas facilities.

Gorgon and Wheatstone play a vital role in Western Australia's community and economy, producing about 45 percent of the state's domestic gas supply. Natural gas from these facilities is powering homes and businesses, driving key industries like mining, minerals processing and manufacturing, and working with renewable energies to ensure the reliability of the electricity grid.

Gorgon and Wheatstone are also supporting regional energy security, producing approximately 6.5 percent of global liquefied natural gas (LNG) supply and a third of Australia's LNG exports.

Chevron Australia is cementing its place as one of Australia's top taxpayers. Our 2023 income tax liability of A\$3.5 billion builds on the A\$4.2 billion in income tax we paid for 2022, a year in which Chevron Australia was the country's fourth largest company income tax payer.<sup>4</sup>

While we can't predict the exact amount of tax we'll pay in the future, we expect that our significant tax contributions will continue, and we'll remain among Australia's top taxpayers for years to come.

In the financial year ended 30 June 2023, Chevron Australia continued to make an outsized contribution to the Commonwealth's costs of decommissioning the Laminaria and Corallina oil fields and associated infrastructure, which were abandoned by an insolvent operator. Despite having no interest or involvement in the fields, Chevron Australia paid more than A\$95 million towards the decommissioning costs via the temporary levy that applies to Australian offshore petroleum production. Chevron Australia estimates it will pay approximately 22 percent of the total decommissioning costs, with our payments to date totalling A\$183 million.

In May 2024, legislation to amend the Petroleum Resource Rent Tax (PRRT), which applies to offshore gas producers, was passed by the Australian Parliament. The changes introduced a 90 percent cap on PRRT deductions, which means that 10 percent of PRRT revenue became subject to 40 percent tax, effective 1 July 2024.

Chevron Australia always expected to pay PRRT once we recovered our initial investments in Gorgon and Wheatstone. Our payments will commence sooner due to the legislative change that came into force from 1 July 2024, with payments starting in late 2025.

We understand community expectations of companies to pay a fair share of tax, and we are proud to be playing our part. We hope you find this information useful in understanding our tax contribution.



**Steve Callaghan**  
General Manager – Finance  
November 2024

<sup>1</sup> In this report, a reference to Chevron Australia means Chevron Australia Holdings Pty Ltd and its wholly-owned subsidiaries and such terms as “we”, “us” and “our” refers to Chevron Australia Holdings Pty Ltd.

<sup>2</sup> This represents the amount paid since 2009 up until July 2024 and includes income tax, royalties, interest withholding tax, royalty withholding tax, fringe benefits tax, payroll tax, excise, GST denied input tax credits and other minor withholding taxes.

<sup>3</sup> Chevron Australia does not include Pay As You Go tax instalments for employees as part of our total tax cash payments.

<sup>4</sup> Australian Taxation Office, Corporate Tax Transparency Report, 2022-23

we are proud to confirm that since 2009  
chevron australia has paid over

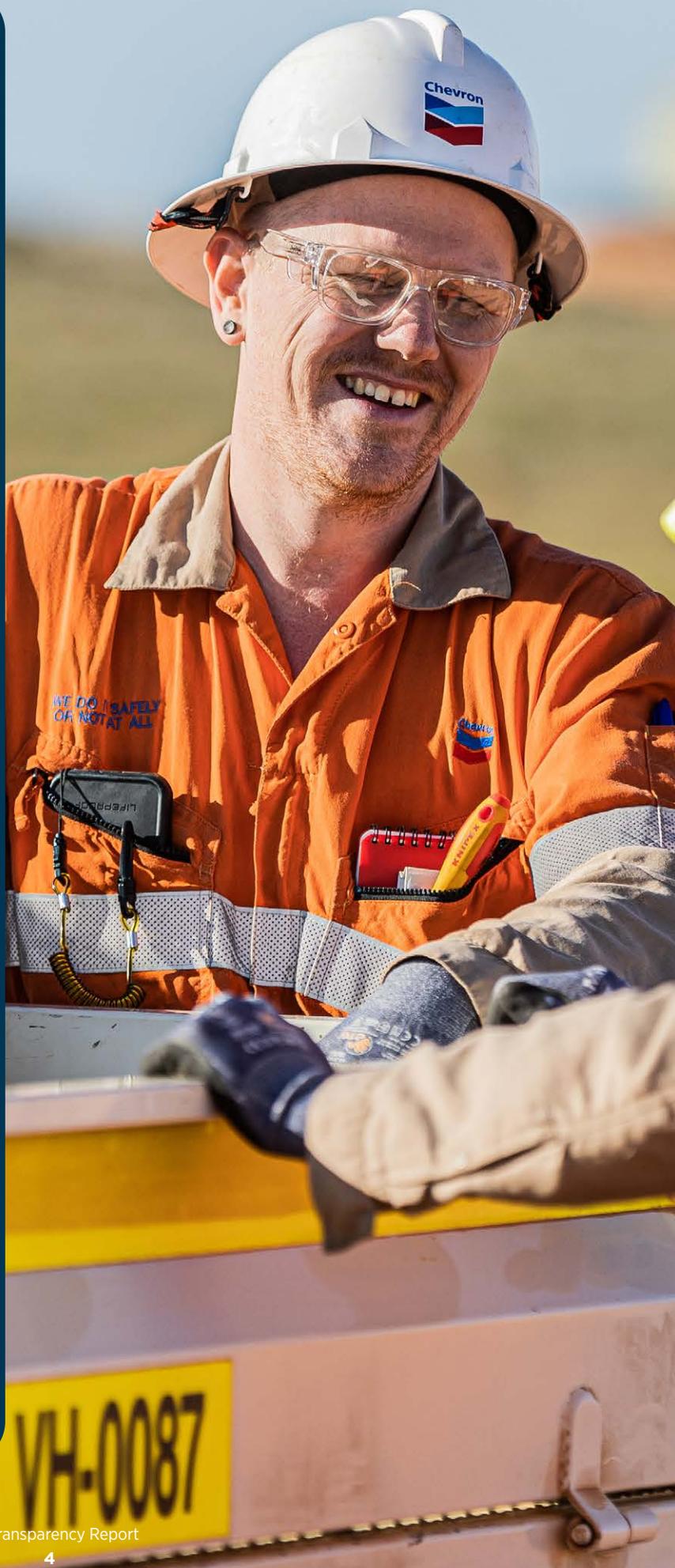
**A\$15 billion**

in a variety of corporate taxes including  
over **A\$3.5 billion** in australian company  
income tax for the 2023 year



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# about us

chevron has been part of australian energy since 1952

From discovering oil off the coast of Western Australia, to leading the country's rise as a global LNG powerhouse, to pioneering carbon capture and storage technology, we've delivered Australian energy solutions for a growing and changing world for more than 70 years.

Our story began when a subsidiary of Chevron (then known as Standard Oil of California), joined with Ampol to form West Australian Petroleum (WAPET) .

WAPET was involved in several oil field discoveries including on Barrow Island off Western Australia's north-west coast. This discovery led to the creation of our WA Oil business which has produced more than 330 million barrels of oil since we began production in the 1960s.

While oil production was our beginning in Australia, LNG has been our transformation.

It started with our share in Australia's first LNG facility, the North West Shelf Project, which began exporting in 1989, and continued when Chevron and our joint venture participants invested more than A\$80 billion in two of the

world's largest LNG projects, the Gorgon and Wheatstone natural gas facilities in Western Australia's Pilbara region. Gorgon exported its first LNG cargo in 2016 and Wheatstone achieved first LNG production a year later.

Together, Gorgon and Wheatstone have the capacity to produce 24.5 million tonnes of LNG each year for delivery to customers across the Asia Pacific region. The facilities also play a significant role in supporting the Western Australian economy and community, with capacity to produce about 45 percent of the state's current natural gas supply for use in electricity generation and in key industries like mining, minerals processing and manufacturing.

While we have played an important role in delivering the oil, natural gas and other products to power human progress, we believe the future of energy is lower carbon.

To help advance a lower carbon future, we are striving to reduce the carbon emissions intensity of our traditional operations and seeking to grow lower carbon businesses, while proudly continuing to deliver the reliable, affordable energy the world needs.





# key tax highlights

## cash payments



**5.9**  
A\$billion

total corporate tax cash payments

(paid between January and December 2023)

## income tax liability



over **3.5**  
A\$billion

for 1 January to 31 December 2023

(paid during 2023 and 2024)

## corporate taxes



over **15**  
A\$billion

corporate taxes paid since 2009

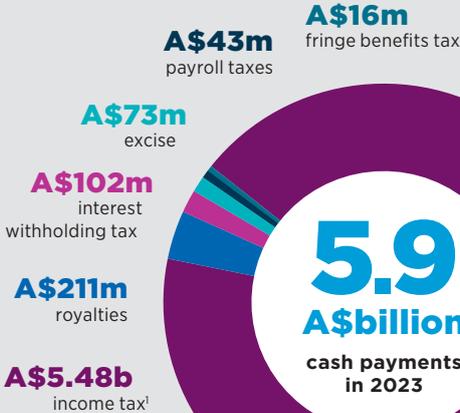


### Critics of your industry say that oil and gas companies pay next to nothing in royalties. Does Chevron Australia pay royalties?

The Gorgon and Wheatstone natural gas facilities are supplied by offshore gas fields located in Commonwealth waters, which means that production revenue is subject to Petroleum Resource Rent Tax rather than state or federal royalties.

We pay royalties in relation to production from our WA Oil operations on Barrow Island and from our one-sixth interest in the North West Shelf Project. These royalties are collected by both state and federal governments.

In 2023, we paid A\$211 million in royalties and we've paid more than A\$3.1 billion in royalties since 2009.



<sup>1</sup> The above chart shows that A\$5.48 billion in income tax was paid in 2023. This amount includes some payments for 2022 in which Chevron's income tax liability was A\$4.2 billion, and some payments for 2023 in which Chevron's income tax liability was A\$3.5 billion.



# our approach

## to tax and transparency

Chevron Australia is an advocate for tax transparency and adopted the Board of Taxation's Voluntary Tax Transparency Code back in 2017. In approaching our tax obligations, we comply with the letter and the spirit of the law, in-line with our stringent global code of business ethics.

Chevron is also subject to the US Sarbanes-Oxley laws that mandate strong governance processes regarding our tax positions. Our governance processes are subject to both internal audit and external independent audit on an annual basis.

We are part of the ATO's 'top 100' public and multinational businesses and super funds with substantial economic activity related to Australia, and our philosophy is to have an open and transparent relationship with the ATO. We engage extensively

with the ATO on issues such as compliance reviews and audits. We seek rulings from the ATO on complex and uncertain tax matters, as well as contributing to the development of relevant public rulings and interpretive guidance.

For further information regarding Chevron Corporation's approach to tax and transparency, please refer to following document on our website:



<https://go.chevron.com/approach-to-tax>



### Why did Chevron Australia's income tax liability drop from A\$4.2 billion in 2022 to **A\$3.5 billion in 2023?**

Income, and income tax liability, can vary year on year due to a range of factors. Income will depend on variables such as production volumes, commodity prices and foreign exchange rates, and the amount of income tax payable can be influenced by factors such as the availability of deductions and credits.

Despite top quartile reliability and record production from our Gorgon and Wheatstone natural gas facilities in 2023, our revenue was down on 2022, primarily due to lower prices for our products, and this resulted in less income tax being payable.

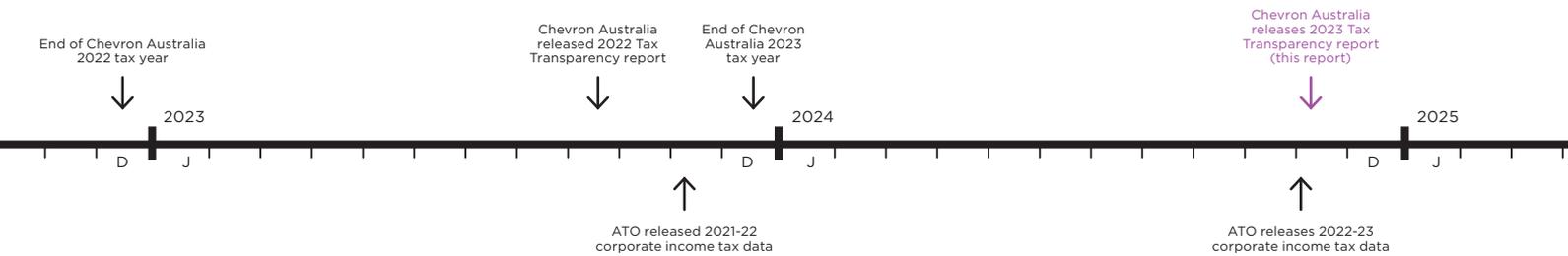




# ATO disclosures

## financial year and calendar year

The Australian Taxation Office (ATO) publishes an annual Corporate Tax Transparency report which contains the total income, taxable income and tax payable of certain large companies. For Chevron Australia, the ATO's 2022-2023 report relates to 1 January 2022 to 31 December 2022, rather than 1 July 2022 to 30 June 2023. This timeline shows the release of ATO data and its applicability to Chevron Australia:



The ATO's 2022-2023 report discloses the following information about Chevron Australia:

<b>ABN</b>	60 098 079 344
<b>Total Income</b>	A\$24,152,116,914
<b>Taxable Income</b>	A\$14,363,167,462
<b>Income Tax Payable</b>	A\$4,272,056,232

**Total Income** represents Chevron Australia's gross income for accounting purposes, which is income (revenue) before any expenses are taken into account. Total Income is not an indicator of the real, economic, or taxable profits of any organisation as it does not include any expenses.



## Will Chevron Australia continue paying large amounts of income tax **into the future?**

Like most businesses, we can't predict the exact amount of income tax we will pay in the future as it is dependent on a number of unknowns, such as our profit, which is driven by factors like oil and gas prices, foreign exchange rates and production volumes and can change on a regular basis.

Now that our natural gas facilities are past the initial start-up phase and in full production, we expect we will continue to make profits and pay significant income tax for decades to come.



## Does Chevron Australia pay **Petroleum Resource Rent Tax?**

The Petroleum Resource Rent Tax, or PRRT, is a super-profits tax, which means it is not payable until a project has recovered all of its costs and achieved a defined economic return. By design, PRRT is not payable until well after income tax is payable, and later in a project's life.

In 2024, the tax law was changed to introduce a 90 percent cap on PRRT deductions. The changes mean that 10 percent of PRRT revenue is subject to 40 percent tax, effective 1 July 2024.

We always expected to pay PRRT once we recovered our initial investments in Gorgon and Wheatstone. Our payments will commence in late 2025 due to the 2024 legislative change.

# reconciliations

## accounting profit to tax expense and to income tax paid or income tax payable

Chevron Australia Holdings prepares audited General Purpose Financial Statements annually which are available publicly through the Australian Securities and Investment Commission. Relevant information from the company's audited Annual Report for the year ended 31 December 2023 is shown below.

Income tax expense	2023 US \$ 000's	2022 US \$ 000's
<b>Current tax</b>		
Current tax on profits for the year	\$ (2,329,270)	\$ (3,197,728)
Adjustments for current tax of prior periods	\$ 243,516	\$ (18,511)
<b>Total current tax (expense) / benefit</b>	<b>\$ (2,085,754)</b>	<b>\$ (3,216,239)</b>
<b>Deferred income tax</b>		
Current year deferred tax	\$ 843,543	\$ (198,682)
Adjustments for deferred tax of prior periods	\$ (238,665)	\$ 17,525
<b>Total current tax (expense) / benefit</b>	<b>\$ 604,878</b>	<b>\$ (181,157)</b>
<b>Total current tax (expense) / benefit</b>	<b>\$ (1,480,877)</b>	<b>\$ (3,397,397)</b>

### Numerical reconciliation of income tax expense to prima facie tax payable

	2023 US \$ 000's	2022 US \$ 000's
Profit / (Loss) from continuing operations before income tax expense	\$ 5,976,784	\$ 11,536,407
Tax at the Australian tax rate of 30%	\$ (1,793,035)	\$ (3,460,922)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Adjustment in respect of prior periods	\$ 4,851	\$ (986)
(Non deductible expenditure) / Non assessable income	\$ (17,736)	\$ (28,802)
Net foreign exchange gains / (losses)	\$ (15,350)	\$ 22,950
Resource Rent Royalty	\$ (77,274)	\$ 55,803
Petroleum Resource Rent Tax	\$ 413,736	\$ 9,124
Research & development expenditure	\$ 5,102	\$ 5,281
Sundry items	\$ (1,171)	\$ 157
<b>Income tax benefit/(expense)</b>	<b>\$ (1,480,877)</b>	<b>\$ (3,397,397)</b>



### Why is your accounting profit **different** to your taxable income?

It is common for a business to have different accounting profit to taxable income as accounting rules and tax rules differ in several ways. This can result in your taxable income being higher or lower than your accounting profit.

A key difference for Chevron Australia is that our accounting profit is calculated in U.S. dollars whereas our tax liability is calculated in Australian dollars. Another key difference is between the tax and accounting depreciation rules that apply to the capital expenditure on Gorgon and Wheatstone.



# international related party dealings

Chevron's international related party dealings must comply not only with Australian law but also international tax laws and principles. We comply with the letter and spirit of the law in line with our stringent global code of business ethics.

The Tax Transparency Code requires companies to disclose dealings with international related parties, as there is a public interest in ensuring international related party dealings are being conducted at arm's length. The information below has been extracted from the Chevron Australia Holdings audited Annual Report for the year ended 31 December 2023:

**The following transactions occurred with international related parties:**

	<b>2023 US \$ 000's</b>
Sale of goods	\$ 4,564,151
Interest and finance costs	\$ 719,833
Recharges to other related parties	\$ 7,706
Purchased product of hydrocarbons	\$ 613,079

Here is some important information to know about our international related party dealings:

**Related party sales**

A Chevron affiliate in Singapore purchases crude oil, condensate and LNG from our Australian operations on market standard terms.

**Interest and finance costs**

Interest and finance costs incurred in the year relate to funds advanced by our immediate parent company in the US. These funds originated from Chevron's operations and were borrowed principally to fund the construction of the Gorgon and Wheatstone Projects. The interest rate has been agreed with the ATO.



Why do you deal with **other Chevron companies** outside of Australia? Is it to shift your profits offshore and reduce the tax you pay in Australia?

Chevron Australia is an Australian company and part of a larger worldwide group of companies, ultimately owned by Chevron Corporation, that operate in numerous countries across the globe. We interact with Chevron companies all around the world as part of our normal business operations.

When we conduct business with Chevron companies outside of Australia, we ensure our dealings comply with the 'arm's length' principle and Australian tax law is being applied appropriately so that the correct amount of Australian tax is paid.

# effective tax rates

for the 2023 tax year

Chevron Australia's accounting effective income tax rate for 2023 per the audited General Purpose Financial Statements is **24.78%**.

	2023 US \$ 000's
Profit / (Loss) from continuing operations before income tax expense	\$ 5,976,784
Income tax expense	\$(1,480,877)
Accounting effective income tax rate	24.78%

The Tax Transparency Code requires companies to disclose an effective tax rate which excludes PRRT and other non-income tax related items that are required to be included in the accounting effective tax rate. Chevron Australia's Tax Transparency Code effective tax rate **30.49%**.

2023  
US \$ 000's

Profit/(Loss) from continuing operations before income tax expense	\$ 5,976,784
Income tax expense (accounting)	\$(1,480,877)
Tax Transparency Code adjustments	\$(341,313)
Tax Transparency Code company tax expense	\$(1,822,190)
Tax Transparency Code effective tax rate	30.49%

Chevron Corporation publishes the effective income tax rate for its global operations in its audited annual report.

The worldwide effective income tax rate for 2023 was 27.6%.

For more information, please refer to [chevron.com/annual-report](https://www.chevron.com/annual-report)



“We are pleased to confirm that Chevron Australia has now paid more than **A\$15 billion in a variety of corporate taxes since 2009**.

For the period 1 January to 31 December 2023, our income tax bill exceeded **A\$3.5 billion** and during the same timeframe, our corporate tax cash payments totalled more than **A\$5.9 billion**.

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**the human  energy company<sup>®</sup>**

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