

Australian Taxes Paid 2017



Newcrest (ASX: NML) is one of the world's largest gold mining companies, which in 2017 owned and operated a portfolio of mines in Australia, Papua New Guinea, Indonesia and Cote d'Ivoire, as well as a pipeline of brownfield and greenfield exploration projects. During the 2017 financial year (FY2017) Newcrest had a global workforce of over 11,000 (including contractors).

Newcrest is proud of the economic, fiscal and social contribution it makes to the communities and countries in which it operates. Included in this Tax Fact Sheet are the Federal and State taxes it pays in relation to its Australian operations.

Newcrest acknowledges the release by the Australian Taxation Office in December 2018 of corporate income tax information for Newcrest and other corporate tax payers, and the important role that tax transparency plays in improving both community confidence in the tax system and the environment for tax reform. As Newcrest is a voluntary signatory to Australia's Tax Transparency Code, Newcrest annually releases a [Tax Contribution Report](#), [Taxes Paid Report](#) and also discloses its tax and other economic and social contributions in its annual [Sustainability Report](#). These are available on our corporate website at www.newcrest.com.au.

Australian operations

The Australian operations of Newcrest are comprised of the Telfer mine (in Western Australia), the Cadia mine (in New South Wales) and corporate head office in Melbourne. Newcrest also manages a portfolio of brownfield and greenfield exploration projects in Australia and overseas. The Australian mines sell their production directly to third-party customers.

During FY2017 Newcrest employed over 1,400 employees and over 1,000 contractors in its Australian operations and paid over A\$306 million in salaries and wages to direct employees.

Tax and royalty contributions

Corporate income tax

In FY2017, Newcrest's Australian operations recorded an accounting profit before tax of A\$315.1 million. Newcrest's Australian operations generated taxable income of A\$118.8 million. The difference between accounting and taxable income was mainly due to different depreciation rates used for accounting and tax purposes, adjustments for accounting impairments, unrealised FX gains and losses, and utilisation of carry-forward tax losses¹. As a result, Newcrest's tax payable in relation to the 30 June 2017 financial year was A\$33.3 million after the application of R&D credits and foreign tax offsets.

Mining royalties

In FY2017 Newcrest paid mining royalties in Western Australia (A\$20.8 million) and New South Wales (A\$42.2 million), totaling A\$63 million.

Employee taxes

Newcrest is required to withhold taxes from salaries of its employees and is also liable for payroll tax in New South Wales, Western Australia, Queensland and Victoria. In all, Newcrest paid employee taxes of A\$104 million in FY2017.

Other taxes and levies

In FY2017, Newcrest paid Fringe Benefit Tax, Customs Duty and other State and local taxes and levies of A\$13 million.

Taxation contribution summary

A summary of Newcrest's cash tax contribution in relation to FY2017 is as follows:

	Corporate income tax	Royalties	Employee Taxes	Other Taxes & Levies	Total
Federal Government	A\$14.0m ²	N/A	A\$88.4m	A\$0.6m	A\$103.0m
State Governments	N/A	A\$63.0m	A\$15.6m	A\$5.6m	A\$84.2m
Other	N/A	N/A	N/A	A\$6.9m	A\$6.9m
Total	A\$14.0m	A\$63.0m	A\$104.0m	A\$13.1m	A\$194.1m

¹ Whilst the Newcrest Australian tax consolidated group has a pool of carry-forward tax losses, the rate of utilisation of these tax losses to offset future taxable income is low due to the application of Australian tax law.

² Includes FY2016 corporate tax liability settled in February 2017 and FY2017 tax instalments. Note the balance of the FY2017 tax liability was discharged in December 2017.